

COOK INLETKEEPER

Reviewed Financial Statements
For the Year Ended December 31, 2022
With Audited Financial Statements
For the Year Ended December 31, 2021

COOK INLETKEEPER

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Independent Accountant's Review Report

Board of Directors
Cook Inletkeeper
Homer, Alaska

We have reviewed the accompanying financial statements of Cook Inletkeeper, a non-profit corporation, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2021 Financial Statements

The 2021 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated October 27, 2022. We have not performed any auditing procedures since that date.

Foster and Company, LLC

Foster and Company, LLC
Wasilla, Alaska

June 30, 2023

COOK INLETKEEPER
Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
<u>ASSETS</u>		
Current assets:		
Cash		
Unrestricted	\$ 335,220	\$ 431,438
Restricted	37,216	-
Grants and pledges receivable	19,546	(500)
Prepaid expenses	6,597	-
Total current assets	398,579	430,938
Property and equipment	153,916	153,916
Less accumulated depreciation	(145,775)	(143,512)
Net property and equipment	8,141	10,404
Security deposits	2,000	2,000
Total assets	\$ 408,720	\$ 443,342
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 6,347	\$ 17,659
Accrued leave	29,709	27,467
Accrued payroll liabilities	-	19,129
Total current liabilities	36,056	64,255
NON-CURRENT LIABILITIES:		
Security deposits held	1,000	1,000
Total liabilities	37,056	65,255
<u>NET ASSETS</u>		
With donor restrictions	37,216	-
Without donor restrictions	334,448	378,087
Total net assets	371,664	378,087
Total liabilities and net assets	\$ 408,720	\$ 443,342

See Independent Accountant's Review Report and accompanying notes to the financial statements

COOK INLETKEEPERStatements of Activities, Page 1 of 2
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
From Cash Operating Activities		
Support		
Foundations	\$ 644,782	\$ 538,925
Corporations	30,595	103,492
Memberships and contributions	195,846	196,244
SUBTOTAL - SUPPORT	<u>871,223</u>	<u>838,661</u>
Revenue		
Program fees:		
Government contracts	185,708	262,270
Other contracts and program revenue	12,795	9,530
Fundraising	36,355	36,603
Sales of promotional items	2,660	3,740
Rental income	8,747	13,999
SUBTOTAL - REVENUE	<u>246,265</u>	<u>326,142</u>
TOTAL REVENUE AND SUPPORT	<u>1,117,488</u>	<u>1,164,803</u>
Expenses		
Program services	741,466	639,886
General and administrative	281,026	269,845
Fundraising	101,419	117,735
TOTAL EXPENSE	<u>1,123,911</u>	<u>1,027,466</u>
Increase (Decrease) in Net Assets Without Donor Restrictions from Cash Operating Activities	\$ <u>(6,423)</u>	\$ <u>137,337</u>

See Independent Accountant's Review Report and accompanying notes to the financial statements

COOK INLETKEEPER

Statements of Activities, Page 2 of 2
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
From Non-Cash Activities - Depreciation	\$ <u>(2,263)</u>	\$ <u>(2,263)</u>
SUBTOTAL NON-CASH ACTIVITIES	<u>(2,263)</u>	<u>(2,263)</u>
From Non - Operating Activities		
Interest earnings	<u>2,263</u>	<u>1,346</u>
SUBTOTAL NON-OPERATING ACTIVITIES	<u>2,263</u>	<u>1,346</u>
Increase (Decrease) in Net Assets Without Donor Restrictions from Non-Operating and Non-Cash Activities	<u>-</u>	<u>(917)</u>
INCREASE (DECREASE) IN NET ASSETS	(6,423)	136,420
NET ASSETS, beginning of year	<u>378,087</u>	<u>241,667</u>
NET ASSETS, end of year	\$ <u><u>371,664</u></u>	\$ <u><u>378,087</u></u>

See Independent Accountant's Review Report and accompanying notes to the financial statements

COOK INLETKEEPER
Statement of Functional Expenses
For the Year Ended December 31, 2022

	<u>Programs</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 480,864	\$ 110,000	\$ 90,004	\$ 680,868
Contract and professional	141,271	77,228	-	218,499
Merchandise for resale	19	-	-	19
Occupancy	21,252	31,384	2,484	55,120
Travel	10,341	2,712	-	13,053
Vehicle expense	6,566	8,293	5,725	20,584
Supplies and office expense	2,044	2,495	43	4,582
Communications	72	12,551	-	12,623
Printing and publications	40,871	23,448	-	64,319
Insurance	100	(55)	-	45
Training	9,710	5,555	-	15,265
Dues and subscriptions	1,146	2,077	-	3,223
Postage	1,215	1,667	-	2,882
Other	5,309	2,979	3,163	11,451
Sampling equipment and supplies	296	-	-	296
Events costs	20,390	692	-	21,082
Total Cash Operating Expenses	<u>741,466</u>	<u>281,026</u>	<u>101,419</u>	<u>1,123,911</u>
Depreciation	<u>-</u>	<u>2,263</u>	<u>-</u>	<u>2,263</u>
Total Expenses	<u>\$ 741,466</u>	<u>\$ 283,289</u>	<u>\$ 101,419</u>	<u>\$ 1,126,174</u>

See Independent Accountant's Review Report and accompanying notes to the financial statements

COOK INLETKEEPER
Statement of Functional Expenses
For the Year Ended December 31, 2021

	<u>Programs</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 422,377	\$ 151,253	\$ 108,382	\$ 682,012
Contract and professional	144,076	30,968	-	175,044
Merchandise for resale	-	5,150	-	5,150
Occupancy	23,902	29,413	2,484	55,799
Travel	3,489	559	-	4,048
Vehicle expense	5,063	13,412	5,100	23,575
Supplies and office expense	6,743	2,078	-	8,821
Communications	-	7,058	-	7,058
Printing and publications	12,327	17,191	32	29,550
Insurance	45	4,098	-	4,143
Training	2,525	70	32	2,627
Dues and subscriptions	1,879	1,718	-	3,597
Postage	1,770	1,344	-	3,114
Other	4,491	2,795	1,705	8,991
Sampling equipment and supplies	83	-	-	83
Events costs	11,116	2,738	-	13,854
Total Cash Operating Expenses	<u>639,886</u>	<u>269,845</u>	<u>117,735</u>	<u>1,027,466</u>
Depreciation	<u>-</u>	<u>2,263</u>	<u>-</u>	<u>2,263</u>
Total Expenses	<u>\$ 639,886</u>	<u>\$ 272,108</u>	<u>\$ 117,735</u>	<u>\$ 1,029,729</u>

See Independent Accountant's Review Report and accompanying notes to the financial statements

COOK INLETKEEPER
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash from Operating Activities:		
Change in net assets	\$ (6,423)	\$ 136,420
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	2,263	2,263
(Increase) decrease in assets:		
Accounts receivable	(20,046)	500
Prepaid expenses	(6,597)	-
Increase (decrease) in liabilities:		
Accounts payable	(11,312)	(6,729)
Accrued leave	2,242	698
Accrued payroll liabilities	(19,129)	4,762
	<u>(59,002)</u>	<u>137,914</u>
 Cash from Financing Activities -		
SBA PPP loan	<u>-</u>	<u>(139,500)</u>
Net cash provided (used) by financing activities	<u>-</u>	<u>(139,500)</u>
 Total increase (decrease) in cash	 (59,002)	 (1,586)
 Cash at beginning of year	 <u>431,438</u>	 <u>433,024</u>
 Cash at end of year	 <u>\$ 372,436</u>	 <u>\$ 431,438</u>

See Independent Accountant's Review Report and accompanying notes to the financial statements

COOK INLETKEEPER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

NOTE 1 – NATURE OF THE ORGANIZATION

Cook Inletkeeper was organized as a non-profit corporation, on April 12, 1995. The Organization was modeled after the successful Keeper programs, which protect and prevent the degradation of important watersheds. The Organization is a place-based program designed to preserve the ecological integrity of Cook Inlet and provide for environmentally compatible human uses of the Inlet's resources through effective public stewardship and management. A primary goal of the Cook Inletkeeper is to combine environmental science, law, and policy with hands-on research, information and monitoring systems, to give citizens the tools they need to protect Cook Inlet water quality using a watershed-wide ecosystem approach. The Organization's basic programs involve citizen participation in research, education, and advocacy projects aimed at protecting Cook Inlet. The Organization was established through proceeds from a lawsuit Greenpeace, et al. vs. Union Oil Company of California, Marathon Oil Company, and Shell Western E&P, Inc. The Organization's support comes primarily from individual contributions, various federal and foundation grants and contracts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Cook Inletkeeper (the Organization) is presented to aid in understanding the Organization's financial statements. The financial statements and notes are the representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting principles conform to generally accepted accounting principles.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of The Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of The Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

COOK INLETKEEPER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Basis of Accounting

The Organization's accounting records are maintained on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash

The Organization considers demand deposits and all highly liquid investments purchased with a maturity of three months or less to be cash or cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense. An allowance for doubtful accounts has not been established, as all receivables are considered fully collectible.

Grants and Contracts Receivable

Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt. All receivables are considered fully collectible.

Property and Equipment

Property and equipment are carried at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to expense when incurred. The organization follows the practice of capitalizing all expenditures for equipment in excess of \$1,000. Lesser amounts are expensed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from income taxes as a nonprofit corporation organized under Section 501(c)(3) of the Internal Revenue Code. The Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements. Although the Organization is exempt from federal income taxes, any income derived from unrelated business activities is subject to the requirement of filing Federal Income Tax Form 990-T and a tax liability may be determined on these activities.

Inventory

Inventory is recorded at cost and consists of T-shirts, hats, CDs, posters, books other miscellaneous items.

COOK INLETKEEPER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Occupancy	Square footage
Office and board expense	Time and effort
Travel	Time and effort
Other	Time and effort

NOTE 3 – CASH AND CASH EQUIVALENTS

The Organization maintained deposits at local financial institutions. The Federal Deposit Insurance Corporation Funds and the National Credit Union Administration insure funds held within the same banking institution to a maximum of \$250,000 in total. At December 31, 2022 and 2021, all funds were insured by the FDIC / NCUA.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Vehicles and boats	\$ 4,300	\$ 4,300
Leasehold improvements	42,608	42,608
Fixtures and Equipment	<u>107,008</u>	<u>107,008</u>
	153,916	153,916
Accumulated depreciation	<u>(145,775)</u>	<u>(143,512)</u>
	<u>\$ 8,141</u>	<u>\$ 10,404</u>

Depreciation expense for 2022 and 2021 was \$2,263 and \$2,263, respectively.

COOK INLETKEEPER
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

NOTE 5 – OPERATING LEASES

The Organization has entered into a non-cancelable lease, for office space to house administrative and program offices. The lease agreement began May 1, 2022, and extends through April 30, 2025. Monthly payments are \$2,600.

The Organization has entered into a non-cancelable lease, for office space to house administrative and program offices. The lease agreement began May 1, 2022, and extends through April 30, 2025. Monthly payments are \$1,500.

Future minimum operating lease payments for all leases are as follows:

2023	\$	49,200
2024		49,200
2025		16,400

NOTE 6 – INDIRECT RATE

The Organization has an indirect cost rate for federal programs of 25.18%.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Organization receives grants which are subject to program compliance audits by the granting agency. These grants have not been audited by the granting agency. The amount, if any, of expenses that might be disallowed by the granting agency as the result of a program compliance audit would become a liability of the Organization. However, management believes that such claims, if any, would not be significant.

NOTE 8 – AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets at December 31:

Financial assets at year-end:		2022	2021
Cash and cash equivalents	\$	372,436	\$ 431,438
Grants and pledges receivable		19,546	(500)
Total financial assets		391,982	430,938
Financial assets available to meet general expenditures over the next twelve months	\$	391,982	\$ 430,938

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 30, 2023, that date which the financial statements were available for issue. In March 2021, the SBA PPP Loan of \$139,500 was forgiven. No other events were identified that would require disclosure according to generally acceptable accounting principles.