

COASTAL AMERICA FOUNDATION, INCORPORATED

FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

COASTAL AMERICA FOUNDATION, INCORPORATED

DECEMBER 31, 2010 AND 2009

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Coastal America Foundation, Incorporated

We have audited the accompanying statements of financial position of Coastal America Foundation, Incorporated (a non-profit corporation), as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion of these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coastal America Foundation, Incorporated as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Marlene S Kaplan CPA, PC.

August 9, 2011

COASTAL AMERICA FOUNDATION, INCORPORATED

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 899,127	\$ 860,583
Prepaid Expenses	<u>637</u>	<u>-</u>
Total Current Assets	<u>899,764</u>	<u>860,583</u>
PROPERTY AND EQUIPMENT		
Equipment	3,092	2,599
Accumulated Depreciation	<u>(2,784)</u>	<u>(2,030)</u>
Net Property and Equipment	<u>308</u>	<u>569</u>
 TOTAL ASSETS	 <u>\$ 900,072</u>	 <u>\$ 861,152</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued Expenses	\$ 5,706	\$ 5,000
Total Current Liabilities	<u>5,706</u>	<u>5,000</u>
NET ASSETS		
Unrestricted	(51,709)	(43,840)
Temporarily Restricted	<u>946,075</u>	<u>899,992</u>
	<u>894,366</u>	<u>856,152</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 900,072</u>	 <u>\$ 861,152</u>

The accompanying notes are an integral part of these financial statements.

COASTAL AMERICA FOUNDATION, INCORPORATED

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
UNRESTRICTED NET ASSETS		
Support		
Interest	\$ 4,777	\$ 2,755
Net assets released from restrictions	<u>540,759</u>	<u>463,206</u>
TOTAL UNRESTRICTED SUPPORT, AND NET ASSETS RELEASED FROM RESTRICTIONS	<u>545,536</u>	<u>465,961</u>
Expenses		
Program	540,759	463,206
General Operating	<u>12,646</u>	<u>11,152</u>
TOTAL EXPENSES	<u>553,405</u>	<u>474,358</u>
DECREASE IN UNRESTRICTED NET ASSETS	<u>(7,869)</u>	<u>(8,397)</u>
TEMPORARILY RESTRICTED NET ASSETS		
Support		
Grants and Contributions	586,842	520,183
Net assets released from restrictions	<u>540,759</u>	<u>463,206</u>
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>46,083</u>	<u>56,977</u>
INCREASE IN NET ASSETS	38,214	48,580
NET ASSETS AT BEGINNING OF YEAR	<u>856,152</u>	<u>807,572</u>
NET ASSETS AT END OF YEAR	<u>\$ 894,366</u>	<u>\$ 856,152</u>

The accompanying notes are an integral part of these financial statements.

COASTAL AMERICA FOUNDATION, INCORPORATED

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in Net Assets	\$ 38,214	\$ 48,580
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	754	262
Increase in Prepaid Expenses	(637)	-
Increase in Accounts Payable	<u>706</u>	<u>-</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>39,037</u>	 <u>48,842</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	<u>(493)</u>	<u>-</u>
 NET CASH (USED) FOR INVESTING ACTIVITIES	 <u>(493)</u>	 <u>-</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 38,544	 48,842
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>860,583</u>	<u>811,741</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 899,127</u>	<u>\$ 860,583</u>
SUPPLEMENTAL DISCLOSURES		
Taxes Paid	<u>\$ 265</u>	<u>\$ 325</u>

The accompanying notes are an integral part of these financial statements.

COASTAL AMERICAN FOUNDATION, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 and 2009

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

The Coastal America Foundation, Incorporated, ("CAF") was incorporated on January 13, 1998. The purpose of the Foundation is to: (1) protect, preserve, and restore the Nation's coastal ecosystems through existing Federal capabilities and authorities; (2) collaborate and cooperate in the stewardship of coastal living resources by working together and in partnership with other Federal programs, and by integrating Federal actions with state, local, tribal government, and non-governmental efforts; and (3) provide a framework for action that effectively focuses expertise and resources on jointly identified problems to produce demonstrable environmental and programmatic results that may serve as models for effective management of coastal living resources.

Depreciation

The Organization's fixed asset is depreciated over its estimated useful life over a period of five years under a straight-line method.

Use of 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 estimated.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all cash accounts of any sort to be cash equivalents.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification FASB ASC 958-205 (formerly SFAS No. 117), Financial statements of Not-for-Profit Organizations. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. CAF has no permanently restricted net assets; a description of the two other net assets categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees.

Temporarily Restricted - Net assets whose use by CAF is subject to donor-imposed restrictions that can be fulfilled by actions of CAF pursuant to those restrictions or that expire by the passage of time.

COASTAL AMERICAN FOUNDATION, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 and 2009

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of Accounting

The financial statements have been prepared on the accrual method of accounting in accordance with generally accepted accounting principles.

Tax Status

The Internal Revenue Service has ruled that CAF is tax exempt under the provisions of Section 501(c)(3), and is not a private foundation under Section 509(a)(1).

Management has determined that there are no tax positions that require disclosure or recording of a tax liability.

Restricted and Unrestricted Revenue and Support

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

2. CONCENTRATION OF CREDIT RISK

As of December 31, 2010 and 2009 all the funds of CAF were in one bank. The bank carries supplemental insurance in addition to FDIC insurance, thus 100% of the funds are insured.

3. PROPERTY AND EQUIPMENT

Property and equipment are capitalized at cost. It is the Organization's policy to capitalize expenditures for these items in excess of \$500. Lesser amounts are expensed. Property and equipment are being depreciated over estimated useful lives of five years using a straight-line method, with a half of a year's depreciation being recognized in the years of acquisition and disposal.

4. MANAGEMENT'S REVIEW

In preparing the financial statements, the Foundation, has evaluated events and transactions for potential recognition or disclosure through August 9, 2011, the date that the financial statements were available to be issued.