CENTER FOR COASTAL STUDIES, INC.

(a nonprofit organization)

FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

CENTER FOR COASTAL STUDIES, INC.

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For the years ended December 31, 2021 and 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Center for Coastal Studies, Inc.
Provincetown, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Center for Coastal Studies, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Coastal Studies, Inc., as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center for Coastal Studies, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for Coastal Studies, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Center for Coastal Studies, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for Coastal Studies, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated April 29, 2022 on our consideration of Center for Coastal Studies, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Center for Coastal Studies, Inc.'s internal control over financial reporting and compliance.

Chatham, Massachusetts
April 29, 2022

CENTER FOR COASTAL STUDIES, INC.

Statements of Financial Position

For the years ended December 31, 2021 and 2020

ASSETS

	2021	2020
Current Assets:		
Cash and cash equivalents	$ 1,112,913	$ 823,086
Inventory, net	12,703	24,497
Investments	300,872	166,081
Accounts receivable, net	770,341	641,339
Prepaid expenses	58,824	76,869
Total Current Assets	2,255,652	1,731,871
Noncurrent Assets:		
Property and equipment, net	3,754,712	3,787,647
Beneficial interest in assets held by community foundation	13,295	10,000
Dock rights	250,000	250,000
Total Noncurrent Assets	4,018,007	4,047,647
Total Assets	$ 6,273,659	$ 5,779,519

LIABILITIES AND NET ASSETS

	2021	2020
Current Liabilities:		
Accounts payable	$ 201,753	$ 188,801
Accrued expenses	39,269	44,230
Deferred revenue	105,206	44,056
Current portion of long-term debt	10,566	10,127
Total Current Liabilities	356,795	287,214
Long-Term Liabilities:		
Long-term debt, less current maturities	318,682	330,028
Total Long-Term Liabilities	318,682	330,028
Total Liabilities	675,477	617,242
Net Assets:		
Without donor restrictions	5,292,010	4,962,728
With donor restrictions	306,173	199,549
Total Net Assets	5,598,183	5,162,277
Total Liabilities and Net Assets	$ 6,273,659	$ 5,779,519

CENTER FOR COASTAL STUDIES, INC.

Statement of Activities

For the year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains (losses):			
Contributions	$ 1,390,425	$ 306,789	$ 1,697,214
Federal and state contracts and grants	2,978,287	120,795	3,099,082
Special events, less $172,685 of direct benefits to donors	179,224	-	179,224
In-kind contributions	33,438	-	33,438
Merchandise sales, less $43,251 of COGS	30,633	-	30,633
Other revenue	12,019	-	12,019
Gain (loss) from sale of assets	(412)	-	(412)
Distributions from and change in value of beneficial interest in assets held by community foundation	-	3,295	3,295
Investment income (loss), net	811	36	847
Net assets released from restrictions	324,291	(324,291)	-
Total revenue, support and gains (losses)	4,948,716	106,624	5,055,340
Expenses:			
Program services	3,646,267	-	3,646,267
Management and general	441,327	-	441,327
Fund raising	531,841	-	531,841
Total expenses	4,619,435	-	4,619,435
Change in net assets	329,281	106,624	435,905
Net assets at beginning of year	4,962,728	199,549	5,162,277
Net assets at end of year	$ 5,292,010	$ 306,173	$ 5,598,183

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

CENTER FOR COASTAL STUDIES, INC.

Statement of Activities

For the year ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains (losses):			
Contributions	$ 833,244	$ 170,948	$ 1,004,192
Federal and state contracts and grants	2,995,812	17,500	3,013,312
Special events, less $156,411 of direct benefits to donors	255,844	-	255,844
In-kind contributions	14,555	-	14,555
Merchandise sales, less $43,431 of COGS	14,741	-	14,741
Other revenue	5,842	-	5,842
Gain (loss) from sale of assets	(3,935)	-	(3,935)
Investment income (loss), net	882	(42,612)	(41,730)
Net assets released from restrictions	145,650	(145,650)	-
Total revenue, support and gains (losses)	4,262,635	186	4,262,821
Expenses:			
Program services	3,314,422	-	3,314,422
Management and general	348,511	-	348,511
Fund raising	480,267	-	480,267
Total expenses	4,143,200	-	4,143,200
Change in net assets	119,434	186	119,620
Net assets at beginning of year	4,843,294	199,363	5,042,657
Net assets at end of year	$ 4,962,728	$ 199,549	$ 5,162,277

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

CENTER FOR COASTAL STUDIES, INC.

Statement of Functional Expenses

For the year ended December 31, 2021

	Program Services	Management & General	Fund Raising	Totals
Salaries and payroll taxes	$ 2,132,431	$ 275,603	$ 302,378	$ 2,710,412
Employee benefits	221,329	39,232	46,797	307,358
Consulting fees	212,473	20,476	94,645	327,594
Advertising/promotion	990	5,159	6,962	13,111
Auto expense	7,011	-	-	7,011
Bad debt	-	12,000	-	12,000
Contributions	-	1,250	-	1,250
Dues and subscriptions	1,445	3,646	4,729	9,820
Maintenance and repairs	11,335	7,822	-	19,157
Insurance	129,568	6,403	3,282	139,254
Intern housing and stipend	93,736	-	-	93,736
Other	27,905	5,510	817	34,232
Office expenses	7,350	2,844	750	10,945
Postage	15,494	1,815	13,022	30,330
Outside printing	2,194	119	37,945	40,258
Program operations	414,361	415	20	414,795
Telephone	21,817	686	673	23,177
Travel	8,239	11,832	1,046	21,116
Training and conferences	18,144	1,542	12	19,698
Utilities	28,778	2,455	2,880	34,114
Membership premiums	420	-	2,380	2,800
Depreciation	212,673	14,974	-	227,647
Computer expenses	31,993	10,907	6,689	49,588
Interest	13,200	1,246	1,222	15,667
Rent	11,550	-	-	11,550
Legal	12,998	11,159	-	24,156
Fees and taxes	8,834	4,235	5,591	18,659
Total Expenses	$ 3,646,267	$ 441,327	$ 531,841	$ 4,619,435

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

CENTER FOR COASTAL STUDIES, INC.

Statement of Functional Expenses

For the year ended December 31, 2020

	Program Services	Management & General	Fund Raising	Totals
Salaries and payroll taxes	$ 2,007,523	$ 230,287	$ 287,723	$ 2,525,533
Employee benefits	139,665	47,625	69,881	257,171
Consulting fees	274,290	15,818	43,950	334,058
Advertising/promotion	341	3,673	10	4,024
Auto expense	4,089	-	-	4,089
Contributions	-	1,365	-	1,365
Dues and subscriptions	1,126	2,218	2,000	5,344
Maintenance and repairs	15,900	1,982	-	17,882
Insurance	123,886	5,448	3,123	132,457
Intern housing and stipend	41,825	-	-	41,825
Other	50	2,942	-	2,992
Office expenses	6,024	2,711	1,002	9,737
Postage	16,039	838	13,273	30,149
Outside printing	8,611	277	40,008	48,896
Program operations	334,029	230	498	334,757
Telephone	18,659	522	613	19,794
Travel	16,763	-	3,275	20,038
Training and conferences	7,377	-	383	7,760
Utilities	26,421	2,245	2,731	31,397
Membership premiums	636	-	1,424	2,060
Depreciation	204,655	14,286	-	218,941
Computer expenses	35,238	6,169	7,943	49,350
Interest	12,711	5,218	1,322	19,251
Rent	10,923	-	-	10,923
Legal	2,414	2,510	-	4,924
Fees and taxes	5,229	2,147	1,109	8,485
Total Expenses	$ 3,314,422	$ 348,511	$ 480,267	$ 4,143,200

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

CENTER FOR COASTAL STUDIES, INC.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Change in net assets	$ 435,905	$ 119,620
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	227,647	218,941
Receipts of contributed securities	(134,791)	(61,693)
Proceeds from the sale of contributed securities	134,791	61,693
Net realized and unrealized (gain)/loss on investments	-	(42,612)
(Increase)/decrease in:		
Inventory	11,794	(117)
Account receivable	(129,002)	28,425
Prepaid expenses	18,045	14,479
Increase/(decrease) in:		
Accounts payable	12,952	63,990
Deferred revenue	61,150	(30,630)
Accrued expenses	(4,961)	5,640
Net cash provided by operating activities	633,531	316,042
Cash Flows from Investing Activities:		
Purchases of property and equipment	(195,124)	(127,597)
Sales of property and equipment	550	3,935
(Addition to) withdrawal from assets held in community foundation	(3,295)	(10,000)
Purchases of investments	(134,928)	-
Proceeds from sales of investments	-	140,395
Net cash provided by (used in) investing activities	(332,797)	6,733
Cash Flows from Financing Activities:		
Capital lease payments	-	(1,619)
Payments of notes and mortgage payable	(10,907)	(12,368)
Net cash used in financing activities	(10,907)	(13,987)
Net change in cash and cash equivalents	289,827	308,788
Cash and cash equivalents, beginning of year	823,086	514,298
Cash and cash equivalents, end of year	$ 1,112,913	$ 823,086
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ 15,667	$ 19,251
Supplemental Disclosure of Non-cash Investing and Financing Activity		
Receipts of contributed securities	$ 134,791	$ 61,693
Equipment financed through capital lease arrangement	-	36,813
	$ 134,791	$ 98,506

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies followed by Center for Coastal Studies, Inc. are described below to enhance the usefulness of the financial statements to the reader.

Nature of Activities
Center for Coastal Studies, Inc. (the Center) was formed in 1977 to engage in public education, scientific marine research, and policy to protect and conserve coastal and ocean resources.

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Net Assets
Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions.

Net assets with donor restrictions: Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

The Center reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Reclassifications
Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Revenue Recognition
Merchandise sales are recognized at the time of purchase. Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Center recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Center recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. All goods and services are transferred at a point in time.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Revenue Recognition
The Center recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Center's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

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 of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Fair Value Measurements
The Center reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 - Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Fair Value Measurements

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of the Center's investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. The fair value of the beneficial interest in assets held by the community foundation is based on the fair value of fund investments as reported by the community foundation. This is considered to be Level 3 measurements.

Beneficial Interest in Assets Held by Community Foundation

During 2020, the Center established an endowment fund that is perpetual in nature (the fund) under a community foundation’s (the CF) Non-Profit Endowment Program and named the Center as beneficiary. The Center granted variance power to the CF, which allows the CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CF’s Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the CF for the Center's benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

Income Taxes

The Center is organized as a Massachusetts nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC 501(c)(3) qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. The Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Center is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Center has determined that it is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Merchandise Inventory

Inventory comprises program-related merchandise held for sale in the gift shop or online and is stated at the lower of cost or market determined by the first-in first-out method. Management estimated that any allowance for inventory obsolescence at December 31, 2020 and 2021, respectively, would be immaterial.

Cash and Cash Equivalents

The Center's cash considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, or contractually restricted by lenders, to be cash and cash equivalents.

Investments

Investments are reported at cost, if purchased, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Accounts Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due under state and federal cost reimbursable contracts. Management determine the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At December 31, 2021 and 2020, the allowance was $12,000 and $0, respectively.

Property and Equipment

The Center records property and equipment additions over $1,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 39 years, or in the case of capitalized leased equipment or leasehold improvements, the lesser of the useful life of an asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of respective assets are expensed currently.

The Center reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2021 and 2020, respectively.

Advertising

Advertising costs are expensed as incurred. Total advertising costs were $6,149 and $4,024 for the years ended December 31, 2021 and 2020, respectively.

Compensated Absences

Compensated absences other than vacation time have not been accrued because the amount cannot be reasonably estimated. Accrued vacation was $38,991 and $29,948 for the years ended December 31, 2021 and 2020, respectively.

Fundraising

Fundraising relates to the activities of raising general and specific contributions to the Center and promoting special events. Fundraising expenses as a percentage of the total contribution and net special events revenue was 28% and 38%, for the years ended December 31, 2021 and 2020, respectively. The ratio of expenses to amounts raised is computed using actual expenses and related revenue on an accrual basis.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Continued):

Functional Allocation of Expenses
The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. The expenses that are allocated include utilities and depreciation, which are allocated on a square footage basis, as well as salaries and payroll taxes, benefits, consulting fees, office expenses, computer expenses, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Donated Services and In-Kind Contributions
Volunteers contribute significant amounts of time to the Center's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Center records donated professional services at the respective fair values of the services received (Note O).

NOTE B - INVESTMENTS AND FAIR VALUE DISCLOSURES:

Investment income consists of the following for the years ended December 31, 2021 and 2020:

	2021	2020
Interest and Dividends	$ 847	$ 882
Net Realized and Unrealized Gain (Loss) on Investments	-	(42,612)
	$ 847	$ (41,730)

The following table presents assets measured at fair value on a recurring basis at December 31, 2021:

	Fair Value Measurements at Report Date Using			
	Total	Quoted Prices in Act.Markets for identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant e Inputs (Level 3)
Investments				
Mutual funds	$ 300,872	$ 300,872	$ -	$ -
Beneficial interest in assets held by community foundation	13,295	-	-	13,295
	$ 314,167	$ 300,872	$ -	$ 13,295

NOTE B - INVESTMENTS AND FAIR VALUE DISCLOSURES (Continued):

The following table presents assets measured at fair value on a recurring basis at December 31, 2020:

	Fair Value Measurements at Report Date Using			
	Total	Quoted Prices in Act.Markets for identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant e Inputs (Level 3)
Investments				
Mutual funds	$ 166,081	$ 166,081	$ -	$ -
Beneficial interest in assets held by community foundation	10,000	-	-	10,000
	$ 176,081	$ 166,081	$ -	$ 10,000

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2021 and 2020:

	Fair Value Measurements at Report Date Using Significant Unobservable Inputs (Level 3)
	Beneficial Interest in Assets Held by Community Foundation
Year ended December 31, 2021	
Balance at December 31, 2020	$ 10,000
Purchases/contributions of investments	-
Investment return, net	3,295
Distributions	-
Balance at December 31, 2021	$ 13,295
Year ended December 31, 2020	
Balance at December 31, 2019	$ -
Purchases/contributions of investments	10,000
Investment return, net	-
Distributions	-
Balance at December 31, 2020	$ 10,000

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2021 and 2020:

	2021	2020
Land	$ 499,950	$ 499,950
Building and improvements	4,058,819	4,058,819
Vehicles and trailers	70,168	70,168
Boat R/V Shearwater	467,315	467,315
Boat R/V Ibis	251,282	251,282
Boat R/V SeaSprite	9,330	9,330
Boat R/V Seaway	10,000	10,000
Boat R/V Marindin	42,225	42,225
Boat Pontoon	21,833	21,833
Boat Kingfisher	15,500	15,500
Equipment	1,241,003	1,175,055
	6,687,424	6,621,476
Less accumulated depreciation	(2,932,712)	(2,833,829)
	$ 3,754,712	$ 3,787,647

NOTE D - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS:

Financial Instruments and Credit Risk

The Center manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Center has not experienced losses in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of the Center's mission. Investments are made by diversified investment managers whose performance is monitored by management and the finance committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the finance committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Concentration in Government Funding

The Center's program services are funded significantly by the US Department of Commerce (DOC) . The Center received $998,720 or 20% of its total revenues from this department for the year ended December 31, 2021 and $865,145 or 20% of its total revenues from this department for the year ended December 31, 2020. Receivables from DOC were $191,699 or 25% of the total accounts receivable balance for the year ended December 31, 2021 and $126,526 or 20% of the total accounts receivable balance for the year ended December 31, 2020.

NOTE E - LINE OF CREDIT:

The Center has a line of credit in the amount of $175,000 with a local financial institution. The line of credit is renewable on an annual basis, must be paid in full for thirty consecutive days in a twelve month period and has an interest rate based on the Wall Street Journal Prime Rate plus one half of a percent. The line is collateralized by all of the Center's business property. The outstanding balance was zero at December 31, 2021 and 2020.

NOTE F - RETIREMENT PLAN:

The Center has established a tax-deferred 403(b) retirement plan for all eligible employees. Under the terms of the plan, employees may make voluntary before-tax contributions, limited to amounts specified by the Internal Revenue Code. Employees who have attained age of 21 may begin contributing a percentage of their gross income beginning one month after their hire date. The Center makes contributions to the employee's account, matching up to 100% of a 3% contribution, and 50% of the 3-5% contribution. The Center contributed to the plan $68,173 and $66,480 for the years ended December 31, 2021 and 2020, respectively.

NOTE G - MORTGAGE PAYABLE:

On February 6, 2017, the Center signed a 25 years mortgage for $375,000 with Seamen's Bank to refinance the outstanding mortgage balance of the building at 5 Holway Ave. and to bridge the gap between the renovation costs and the revenue secured to complete the renovation of the building. For the first 60 months, through March 6, 2022, the interest rate will be 4.25% and the monthly payment will be $2,044.16, including principal and interest. Thereafter, the interest rate on the note is subject to change based on the changes in the Wall Street Journal Prime Rate plus a margin of 1%. On January 14, 2022 the Center was notified that the interest rate would increase to 5.0% starting with the March, 2022 payment. At December 31, 2021 and 2020, the Center's outstanding mortgage balance is as follows:

	2021	2020
Mortgage payable	$ 329,248	$ 340,155
Less current portion	(10,566)	(10,127)
Long-term portion	$ 318,682	$ 330,028

Future maturities of mortgage payable are as follows:

Years ending December 31,	
2022	$ 10,566
2023	10,389
2024	10,915
2025	11,468
2026	12,049
Thereafter	273,861
	$ 329,248

NOTE H - LEASES:

The Center leased equipment under various operating and capital leases expiring at various dates. All capital leases expired in 2020 and there are no future minimum lease payments.

Rent expense for the years ended at December 31, 2021 and 2020 totaled $11,550 and $10,923, respectively.

Leased property under capital leases at December 31, 2021 and 2020 includes the following:

	2021	2020
Dell server	$ -	$ 25,015
Phone system	-	11,798
	-	36,813
Less accumulated amortization	-	(36,813)
	$ -	$ -

NOTE I - LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	2021	2020
Financial assets at year end:		
Cash and cash equivalents	$ 1,112,913	$ 823,086
Accounts receivables, net	770,341	641,339
Investments	300,872	166,081
Total Financial assets	2,184,126	1,630,505
Less amounts not available to be used within one year:		
Restricted by donor with purpose restrictions and assets held by community foundation	306,173	199,549
Financial assets available to meet general expenditures over the next twelve months	$ 1,877,953	$ 1,430,956

The Center is supported by restricted contributions. Because a donor's restriction requires resources to be used in particular manner or in a future periods, the Center maintains sufficient resources to meet those responsibilities to its donors. Thus, certain financial assets may not be available for general expenditures within one year. As part of the Center's liquidity management, it has a policy to structure its assets to be available as its general expenditures, liabilities, and other obligations come due.

The Center’s goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, money market accounts and certificates of deposit. The Center has a $175,000 line of credit available to meet cash flow needs. The Center operates with a balanced budget and anticipates collecting sufficient revenue to cover short term general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Center's cash.

NOTE J - DOCK RIGHTS:

The Center owns dock rights on MacMillan Wharf in Provincetown, Massachusetts. The dock rights are carried on the statement of financial position at cost.

NOTE K - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes or periods.

	2021	2020
Subject to expenditure for specified purpose:		
Barbara Mayo Education Fund	$ 45,748	$ 45,743
Marine Vessels Fund	18,683	18,664
Operating Reserve Fund	13,901	13,900
Educational and research programs	120,795	17,500
Mayo Endangered Species Fund	14,701	14,700
Giese Coastal & Ocean Education Fund	28,560	28,557
Mayo Education Fund	50,490	50,485
	292,878	189,549
Perpetual in nature, not subject to spending policy or appropriations:		
Beneficial interest in assets held by community foundation	13,295	10,000
Total Net Assets with donor restrictions	$ 306,173	$ 199,549

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2021 and 2020:

	2021	2020
Satisfaction of purpose restrictions:		
Educational and research programs	$ 324,291	$ 145,650
Total Net Assets released from restrictions	$ 324,291	$ 145,650

NOTE L - SBA PAYROLL PROTECTION PROGRAM FORGIVEABLE LOAN:

Congress established the Payroll Protection Program (PPP) to provide relief for small businesses during the coronavirus pandemic as part of the $2 trillion Coronavirus Aid Relief, and Economic Security (CARES) Act, P.L. 116-136. The legislation authorized Treasury to use the SBA's 7(a) small business lending program to fund loans of up to $10 million per borrower that qualifying businesses could spend to cover payroll, mortgage interest, rent, and utilities.

On April 3, 2020, the Center received $382,700 under the PPP Loan Program that was officially forgiven on December 7, 2020. As a result the entire loan amount and interest of $2,562 has been recognized as revenue and the comparable expenses have been stated in these financial statements.

NOTE M - REVENUE FROM CONTRACTS WITH CUSTOMERS:

Deferred revenue represents amounts received in advanced under various research grants and contracts with universities and government agencies. The following table provides information about significant changes in deferred revenue for the years ended December 31, 2021 and 2020.

	2021	2020
Deferred revenue, beginning of year	$ 44,056	$ 74,686
Revenue recognized that was included in deferred revenue at the beginning of year	(44,056)	(74,686)
Increases in deferred revenue due to cash received during the year	105,206	44,056
Deferred revenue, end of year	$ 105,206	$ 44,056

NOTE N - CONTINGENT LIABILITIES:

The Center receives a substantial portion of its support from government grants and contracts subject to audit by the applicable government agency. Should an audit be conducted and result in any disallowed costs, the Center would be liable for such disallowed amounts. In management's opinion, liability resulting from such an audit would not have a material adverse effect on the Center's financial position.

Management is currently evaluating the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the virus could have a negative effect on the Center's financial position and results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE O - DONATED PROFESSIONAL SERVICES AND MATERIALS:

The Center received donated professional services and materials as follows during the years ended December 31, 2021 and 2020, respectively:

	Program Services	Management & General	Fund raising	Total
December 31, 2021				
Food, supplies & entertainment - special events	$ -	$ -	$ 99,544	$ 99,544
Education materials	31,039			31,039
	$ 31,039		$ 99,544	$ 130,583

NOTE O - DONATED PROFESSIONAL SERVICES AND MATERIALS (continued):

	Program Services	Management & General	Fund raising	Total
December 31, 2020				
Food, supplies & entertainment - special events	$ -	$ -	$ 76,486	$ 76,486
Education materials	14,555			14,555
	$ 14,555	$ -	$ 76,486	$ 91,041

During 2021, the Center received a donation of a Canon EF 100-400 lens, valued at $2,399. The lens was capitalized.

NOTE P - SUBSEQUENT EVENTS:

The Center has evaluated subsequent events through April 29, 2022, the date which the financial statements were available to be issued.

CENTER FOR COASTAL STUDIES, INC.

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor /Program Name	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Commerce / NOAA			
Pass Through MA Division of Marine Fisheries			
Unallied Science Programs	11.472	04-6002-284	$ 692,170
U.S. Department of Commerce / NOAA			
Pass Through MA Division of Marine Fisheries			
Sea Grant Support	11.417	2020-2006355	$ 72,785
U.S. Environmental Protection Agency			
Pass Through Barnstable County, MA/Cape Cod Commission			
Southeast New England Coastal Watershed Restoration Program	66.129	18-9-CCC	4,538
U.S. Department of Defense			
Pass Through University of St. Andrews, Scotland			
Basic and Applied Scientific Research	12.300	18390 CCS SERDP	13,741
U.S. Department of Commerce / EDA			
Pass Through Barnstable County, MA/Cape Cod Commission			
Economic Adjustment Assistance	11.307	01-69-14936	155,137
U.S. Environmental Protection Agency			
Pass Through Southeast New England Program			
Southeast New England Coastal Watershed Restoration Program	66.129	SNEPWG20-10-CCS	1,230
U.S. Department of Defense			
Pass Through Woods Hole Oceanographic Institution			
Marine Mammal Data Program	11.439	N0344A-A	51,566
Total Pass Through Programs			991,167
Direct Programs Through U.S. Department of Commerce / NOAA			
Marine Debris Program	11.999		15,924
Direct Programs Through U.S. Department of Commerce / NOAA			
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432		59,734

CENTER FOR COASTAL STUDIES, INC.

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor /Program Name	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Direct Programs Through Marine Mammal Commission			
Marine Mammal Data Program	11.439		3,060
Direct Program Through U.S. Environmental Protection Agency			
Office of Research and Development Consolidated Research/Training/ Fellowship	66.511		1,800
Direct Programs Through U.S. Department of Interior / NPS			
Cooperative Research and Training Programs and Resources of National Park	15.945		91,545
Total Direct Programs			172,063
Total Federal Financial Assistance			$ 1,163,230

Type A programs are determined to be the larger of $750,000 or three (3) percent of total federal awards expended if total awards exceed $750,000. There were no awards received that were passed through to sub recipients.

Pass-through entity identifying numbers are presented where available.

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Center for Coastal Studies, Inc. under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* . Because the Schedule presents only a selected portion of the operations of the Center for Coastal Studies, Inc., it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Center for Coastal Studies, Inc.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in t*he* Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE:

Center for Coastal Studies, Inc. has elected not to use the 10% de minimums indirect cost rate allowed under the Uniform Guidance.

CENTER FOR COASTAL STUDIES, INC.

Summary Schedule of Prior Audit Findings and Questioned Costs

For the Year Ended December 31, 2021

DEPARTMENT OF COMMERCE/NOAA:

Finding No: NO PRIOR PERIOD FINDINGS.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Center for Coastal Studies, Inc.
Provincetown, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Center for Coastal Studies, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated April 29, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center for Coastal Studies, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center for Coastal Studies, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center for Coastal Studies, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center for Coastal Studies, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* .

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chatham, Massachusetts
April 29, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Center for Coastal Studies, Inc.
Provincetown, Massachusetts

Report on Compliance for Each Major Federal Program

Opinion of Each Major Federal Program

We have audited the Center for Coastal Studies, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Center for Coastal Studies, Inc.'s major federal programs for the year ended December 31, 2021. The Center for Coastal Studies, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Center for Coastal Studies, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Center for Coastal Studies, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Center for Coastal Studies, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Center for Coastal Studies, Inc.'s federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Center for Coastal Studies, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Center for Coastal Studies, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* , and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Center for Coastal Studies, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Center for Coastal Studies, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Center for Coastal Studies, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control Over Compliance (continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Chatham, Massachusetts
April 29, 2022

CENTER FOR COASTAL STUDIES, INC.
Statement of Findings and Questioned Costs
For the Year Ended December 31, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified opinion	
Internal control over financial reporting:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency (ies) identified	____ yes	X None Reported
Noncompliance material to financial statements noted?	____ yes	X no

Federal Awards

Internal control over major federal programs:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency (ies) identified	____ yes	X None Reported
Type of auditor's report issued on compliance with major programs:	Unmodified opinion	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	____ yes	X no

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
11.472	Unallied Science Program

Dollar threshold used to distinguish between Type A and Type B programs:		$750,000
Auditee qualified for low-risk auditee:	X yes	____ no

SECTION II - FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

None Reported

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None Reported