



**COALITIONS AND  
COLLABORATIVES, INC.**

**Financial Statements**

**For the Year Ended December 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Coalitions and Collaboratives, Inc.  
Lake George, Colorado

**Opinion**

We have audited the accompanying financial statements of Coalitions and Collaboratives, Inc. (the Corporation), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 Coalitions and Collaboratives, Inc., as of December 31, 2022, and the changes in its net assets and its cash flows for the year 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 Coalitions and Collaboratives, 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 opinion.

**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 Coalitions and Collaboratives, 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 Coalitions and Collaboratives, 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 Coalitions and Collaboratives, 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.

### **Report on Summarized Comparative Information**

We have previously audited Coalitions and Collaboratives, Inc.'s 2021 financial statements, and our report dated September 20, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

#### *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 schedule of expenditures of federal awards 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 August 24, 2023, on our consideration of Coalitions and Collaboratives, 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 solely 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

the effectiveness of Coalitions and Collaboratives, Inc.'s 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 Coalitions and Collaboratives, Inc.'s internal control over financial reporting and compliance.

*Waugh & Goodwin, LLP*

Colorado Springs, Colorado  
August 24, 2023

COALITIONS AND COLLABORATIVES, INC.  
Statement of Financial Position  
December 31, 2022  
(With Comparative Amounts for December 31, 2021)

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 177,749	\$ 114,829
Restricted cash	27,386	30,017
Grants receivable	608,619	407,827
Due from related party	148,112	167,565
Prepaid expenses	<u>22,676</u>	<u>23,833</u>
Total current assets	<u>984,542</u>	<u>744,071</u>
TOTAL ASSETS	<u>\$ 984,542</u>	<u>\$ 744,071</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 426,720	\$ 365,615
Due to related party	472	4,821
Accrued liabilities	88,765	98,641
Current portion of note payable - insurance	<u>14,154</u>	<u>23,845</u>
Total current liabilities	<u>530,111</u>	<u>492,922</u>
TOTAL LIABILITIES	530,111	492,922
NET ASSETS:		
Without donor restrictions	240,379	76,149
With donor restrictions	<u>214,052</u>	<u>175,000</u>
Total net assets	<u>454,431</u>	<u>251,149</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 984,542</u>	<u>\$ 744,071</u>

See Notes to Financial Statements

COALITIONS AND COLLABORATIVES, INC.  
Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2022  
(With Comparative Totals For the Year Ended December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Totals	2021 Totals
<b>REVENUE AND SUPPORT:</b>				
Government grants	\$ 1,989,878	\$ 46,900	\$ 2,036,778	\$ 1,352,864
Management fees	935,494		935,494	891,669
Foundation and individual support	2,623	175,000	177,623	182,362
In-kind donations	10,861		10,861	
Other grant revenue	3,165		3,165	975
Satisfied program restrictions	182,848	(182,848)		
Total revenue and support	3,124,869	39,052	3,163,921	2,427,870
<b>EXPENSES:</b>				
Program services:				
Collaborative development and conservation	1,796,927		1,796,927	1,367,876
Forest health and fuels mitigation	310,173		310,173	329,718
Program operations	228,504		228,504	253,562
Habitat	53,271		53,271	31,548
Total program services	2,388,875		2,388,875	1,982,704
Supporting services:				
General and administrative	525,911		525,911	365,999
Financial development	45,853		45,853	33,477
Total supporting services	571,764		571,764	399,476
Total expenses	2,960,639		2,960,639	2,382,180
CHANGE IN NET ASSETS	164,230	39,052	203,282	45,690
NET ASSETS, beginning of year	76,149	175,000	251,149	205,459
NET ASSETS, end of year	\$ 240,379	\$ 214,052	\$ 454,431	\$ 251,149

See Notes to Financial Statements



COALITIONS AND COLLABORATIVES, INC.  
Statement of Functional Expenses  
For the Year Ended December 31, 2022  
(With Comparative Totals For the Year Ended December 31, 2021)

	Program Services				Total Program Services	Supporting Services		2022 Totals	2021 Totals
	Collaborative Development & Conservation	Forest Health & Fuels Mitigation	Program Operations	Habitat		General & Administrative	Financial Development		
Bank, credit card, and other fees	\$	\$	\$	\$	\$	\$ 498	\$	\$ 498	\$ 1,990
Conference, conventions, and meetings						249		249	138
Contract and professional services	115,262		84		115,346	12,735		128,081	155,214
Employee benefits	32,059	13,486	11,350	2,679	59,574	16,447	1,560	77,581	60,667
Equipment operation and rental	5,983		(158)		5,825	3,334		9,159	2,295
Grants	1,218,467				1,218,467	91,472		1,309,939	901,821
In-kind expenses	6,670				6,670	4,191		10,861	
Insurance						22,038		22,038	31,827
Occupancy			4,050		4,050	2,650		6,700	5,400
Office expenses	13,097		72		13,169	20,584		33,753	19,372
Other expenses	2,053				2,053			2,053	
Payroll taxes	29,095	22,658	15,160	3,716	70,629	25,862	3,280	99,771	93,142
Salaries	356,967	274,029	195,687	46,876	873,559	321,075	41,013	1,235,647	1,104,333
Supplies	287		579		866	730		1,596	3,661
Travel and meetings	16,987		1,680		18,667	4,046		22,713	2,320
	<u>\$ 1,796,927</u>	<u>\$ 310,173</u>	<u>\$ 228,504</u>	<u>\$ 53,271</u>	<u>\$ 2,388,875</u>	<u>\$ 525,911</u>	<u>\$ 45,853</u>	<u>\$ 2,960,639</u>	<u>\$ 2,382,180</u>

See Notes to Financial Statements

COALITIONS AND COLLABORATIVES, INC.

Statement of Cash Flows

For the Year Ended December 31, 2022

(With Comparative Amounts For the Year Ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 203,282	\$ 45,690
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in assets:		
Grants receivable	(200,792)	(273,764)
Due from related parties	19,453	(127,274)
Prepaid expenses	1,157	(12,023)
Increase (decrease) in liabilities:		
Accounts payable	61,105	286,025
Due to related parties	(4,349)	(4,938)
Accrued liabilities	<u>(9,876)</u>	<u>368</u>
Total adjustments	<u>(133,302)</u>	<u>(131,606)</u>
Net cash provided (used) by operating activities	69,980	(85,916)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Line of credit payable, net		(17,760)
Note payable - insurance, net	<u>(9,691)</u>	<u>10,012</u>
Net cash used by financing activities	<u>(9,691)</u>	<u>(7,748)</u>
NET INCREASE (DECREASE) IN CASH	60,289	(93,664)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	<u>144,846</u>	<u>238,510</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	<u>\$ 205,135</u>	<u>\$ 144,846</u>

See Notes to Financial Statements

COALITIONS AND COLLABORATIVES, INC.

Notes to Financial Statements

For the Year Ended December 31, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Coalitions and Collaboratives, Inc. (the Corporation) was incorporated in the state of Colorado in October 2014 and commenced operations in early 2015. The Corporation was established to foster on-the-ground conservation efforts that protect and restore natural resources and local communities by supporting conservation organizations across the nation. To achieve the vision of people working together, for people and the planet, the Corporation undertakes the following mission driven activities:

- Mentoring placed-based collaborative organizations.
- Providing financial, technical, and staff support.
- Empowering through an inclusive iterative community-based approach.
- Investing in people by helping to increase the capacity of local groups.
- Engaging and educating local, regional, and national leaders on some of the most pressing conservation issues of our time.

Grants Receivable

Grants receivable are recorded at the amount the Corporation expects to collect on balances outstanding at year-end. Based on management's assessment of its history with agencies having outstanding balances and current relationships with them, it has concluded that losses realized on balances outstanding at year-end will be immaterial; accordingly, no allowance for uncollectible accounts is maintained.

Grants receivable represent receivables from contracts with customers. Receivables from contracts with customers at the beginning and end of 2022 were \$170,068 and \$149,836, respectively.

Unrecorded conditional grants receivable were \$847,484 as of December 31, 2022.

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Contributions - continued

Contributions are recorded when received as without donor restrictions, with donor restrictions - temporary in nature, or with donor restrictions - perpetual in nature, depending on the existence or nature of any donor restrictions.

When a donor restriction is met, net assets with donor restrictions - temporary in nature are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfied program restrictions. Contributions with donor-imposed restrictions that are met in the same reporting period are reported as unrestricted support. Contributions include Foundation and individual support, and Small Business Administration (SBA) Paycheck Protection Program (PPP) grant.

#### Government Grants

The government grants are of two primary types: conditional contributions and contracts with customers. An agreement is a conditional contribution if its primary purpose is to enable the Corporation to provide a service to, or conduct research for, the water quality and ecological health of the watershed or the general public rather than to serve the direct needs of the granting or contracting party. In other words, the agreement is a conditional contribution if any benefit to the granting or contracting party is indirect and insubstantial as compared to the public benefit. In contrast, if the grant or contract provides a benefit directly to the granting or contracting party, the agreement is a contract with a customer. All of the Corporation's grants at December 31, 2022 and 2021 were considered conditional contributions.

#### Donated Assets, Property and Equipment, and Services

In September 2020, FASB issued ASU 2020-7, Not-For-Profit Entities (Topic 958): *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. The most significant change is disclosure of Corporation details related to contributed goods and services. The Corporation adopted this ASU as of January 1, 2022.

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Donated Assets, Property and Equipment, and Services - continued

The Corporation's policy related to donated assets is to utilize the assets given to carry out the mission of the Corporation. If an asset is provided that does not allow the Corporation to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. The Corporation did not sell any donated assets received during the years ending December 31, 2022, and 2021.

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Corporation. The Corporation also received donated services from other contributors and volunteers that do not meet the above criteria, and therefore, are excluded from the financial statements.

#### Revenue from Contracts with Customers

*Management fees* - The Corporation receives management fees from Coalition for the Upper South Platte (CUSP) and Arkansas River Watershed Collaborative (ARWC) for payroll related costs. Revenue is recognized when the performance obligation is met, which is at the time the services are performed.

*Other Revenue and Front Range Roundtable* - Other revenue consists primarily of event revenue and cost sharing. Front Range Roundtable revenue consists of reimbursements for services performed. Revenue is recognized when the performance obligation is met, which is at the time of the event or at the time the services are performed.

#### Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Some of the expenses which are allocated include salaries, payroll taxes, and benefits, which are allocated on the basis of time and effort.

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Cash and Cash Equivalents

Cash and cash equivalents consist of the Corporation's checking and savings accounts.

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 177,749	\$ 114,829
Restricted cash	<u>27,386</u>	<u>30,017</u>
Total cash, cash equivalents, and restricted cash as shown in the statement of cash flows	<u>\$ 205,135</u>	<u>\$ 144,846</u>

#### Income Taxes

The Corporation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax on income related to its exempt purpose. Accordingly, no income tax provision has been recorded.

The Corporation's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date it was filed. Management of the Corporation believes that it does not have any uncertain tax positions that are material to the financial statements.

#### Economic Dependency

The Corporation is economically dependent on grants and contracts from several government agencies in order to sustain its operations at current levels.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Supplemental Cash Flow Disclosures

Cash flows from operating activities reflect interest paid of \$1,073 and \$1,501 during the years ended December 31, 2022 and 2021, respectively. No income taxes were paid either year.

#### Date of Management's Review

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through August 24, 2023, the date that the financial statements were available to be issued.

#### Prior Year Comparisons

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

### B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Corporation's financial assets available within one year of the Statement of Financial Position date for general expenditure are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 177,749	\$ 114,829
Related party receivables	148,112	167,565
Grants receivable	<u>608,619</u>	<u>340,615</u>
	934,480	623,009
Less assets with donor restrictions:	<u>(214,052)</u>	<u>(175,000)</u>
Financial assets available within one year	<u>\$ 720,428</u>	<u>\$ 448,009</u>

Notes to Financial Statements

B. LIQUIDITY AND AVAILABILITY OF RESOURCES - Continued

As described in Note D to the financial statements, the Corporation has a \$75,000 line of credit available to be used for general expenditures. As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The primary objectives of the Corporation are to preserve and protect the Corporation's assets and to provide liquidity for operations.

C. NOTE PAYABLE - INSURANCE

In October 2022, the Corporation entered into a note payable to finance its insurance premiums. At December 31, 2022, the note payable consists of the following:

Unsecured note payable to First Insurance. This note requires monthly payments of \$2,095.84, including interest at 10.850%, through October 2023.	\$ 14,154
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D. LINE OF CREDIT

During the year ended December 31, 2022, the Corporation obtained a line of credit from a local bank. The line of credit is \$50,000, has an interest rate of ZB NA prime plus 13.24% and expires August 2, 2026. The line of credit is collateralized by certain assets of the Corporation. At December 31, 2022 and 2021, the balance outstanding on the line of credit was \$0.

E. NET ASSETS WITH DONOR RESTRICTION - TEMPORARY IN NATURE

Net assets with donor restriction - temporary in nature are available for the following purposes:

	<u>2022</u>	<u>2021</u>
Forest to Faucets	\$ 175,000	\$ 175,000
Clear Creek project	26,900	
Collaborative development	<u>12,152</u>	
	<u>\$ 214,052</u>	<u>\$ 175,000</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose.



Notes to Financial Statements

E. NET ASSETS WITH DONOR RESTRICTION - TEMPORARY IN NATURE - Continued

During the years ended December 31, 2022 and 2021, net assets were released from temporary restrictions by satisfying the following restricted purposes:

	<u>2022</u>	<u>2021</u>
Forest to Faucets	\$ 175,000	\$ 175,000
Collaborative development	<u>7,848</u>	<u>          </u>
	<u>\$ 182,848</u>	<u>\$ 175,000</u>

F. IN-KIND CONTRIBUTIONS

The fair value of donated goods and services included as contributions in the financial statements and the corresponding expense categories for the years ended December 31, 2022 and 2021, are as follows:

	<u>2022</u>	<u>2021</u>
Services:		
Professional and technical services	\$ 10,407	\$
Goods:		
Office supplies	<u>454</u>	<u>          </u>
Total	<u>\$ 10,861</u>	<u>\$</u>

The services were utilized in the Collaborative Development and General and Administrative programs.

G. RETIREMENT PLAN

The Corporation has adopted a SIMPLE retirement plan that covers all employees meeting specific age and length of service requirements. Employees may make discretionary contributions to the plan.

The Corporation matches each employee's contribution up to 3% of their earnings.

For the years ended December 31, 2022 and 2021, employer contributions to the plan amounted to \$20,266 and \$18,201, respectively.

## Notes to Financial Statements

### H. OPERATING LEASE AGREEMENTS

The Corporation assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As the Corporation's leases do not provide an implicit rate, the Corporation uses the risk-free discount rate based on the five-year Treasury bond rate as of the later of the date of adoption of the lease standard or the initial date of the lease term in determining the present value of lease payments in determination of the respective right-of-use (ROU) assets and liabilities.

Under ASU 2016-02, the Corporation has made an accounting policy election to apply the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with a term of 12 months or less that do not include an option to purchase the underlying asset, are not recorded on the balance sheet as ROU assets or lease liabilities. The Corporation has elected to expense the cost of the short-term leases on the straight-line basis in the accompanying Statements of Activities.

The Corporation adopted ASU 2016-02 effective January 1, 2022. Upon adoption the Corporation had no long-term leases therefore no amounts were recognized right-of-use assets and lease liabilities.

The Corporation leased office space from CUSP on a month-to-month basis through September 2022. The Corporation entered into a 12-month lease for office space in Denver, Colorado, which will expire November 2023. The lease expense paid on these leases during the years ended December 31, 2022 and 2021 were \$6,700 and \$5,400, respectively.

### I. RELATED PARTIES

The Corporation's employees provide services for CUSP and ARWC projects. The Corporation charges a management fee to CUSP and ARWC for employee time utilized, as well as respective payroll taxes, benefits, and workers compensation insurance. The Corporation invoices CUSP and ARWC for their share of general liability and director and officer insurance. CUSP was invoiced \$508,124 and \$607,541 for these services during the years ended December 31, 2022 and 2021, respectively. ARWC was invoiced \$319,917 and \$268,396 for these services during the years ended December 31, 2022 and 2021, respectively.

## Notes to Financial Statements

### I. RELATED PARTIES - Continued

The Corporation leased office space on a month-to-month basis from CUSP through September 2022. Rent paid to CUSP during the years ended December 31, 2022 and 2021 was \$4,050 and \$5,400, respectively.

In addition, at December 31, 2022 and 2021, the Corporation had receivables due from CUSP in the amount of \$122,839 and \$152,167, respectively, and payables due to CUSP in the amount of \$472 and \$2,829, respectively. At December 31, 2022 and 2021, the Corporation had trade receivables due from ARWC in the amount of \$25,273 and \$15,398, respectively. No amounts were payable to ARWC.

The Corporation, ARWC and CUSP share employees and may have common Board Members.

### J. UNCERTAINTIES

The outbreak of coronavirus (COVID-19) has been recognized as a pandemic by the World Health Organization and has become increasingly widespread in the United States. The COVID-19 outbreak has had a notable impact on general economic conditions including, but not limited to, the temporary closures of many businesses, "shelter in place" and other governmental regulations, and job losses. The extent to which the COVID-19 outbreak will affect the operations, collections, or financial results of the Corporation is uncertain.

With the rising cost of inflation and potential risk of recession, it is uncertain what effect these factors may have on the operations of the Corporation in the coming year.

COALITIONS AND COLLABORATIVES, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2022

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Contract/ Grant Number	Federal Expenditures	Passed-through to Subrecipients
<u>U.S. Forest Service</u>				
Cooperative Fire Assistance	10.698	18-CA-11132543-050	\$ 1,885,906	\$ 1,212,321
Total expenditures of federal awards			<u>\$ 1,885,906</u>	<u>\$ 1,212,321</u>

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coalitions and Collaboratives, 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 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 Coalitions and Collaboratives, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Coalitions and Collaboratives, 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Coalitions and Collaboratives, Inc. has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.