

CACAPON INSTITUTE, INC

FINANCIAL STATEMENTS

For the Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Board of Directors
Cacapon Institute, Inc.
Great Cacapon, West Virginia

We have audited the accompanying financial statements of the Cacapon Institute, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cacapon Institute, Inc. as of December 31, 2020 and 2019 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.

Other Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of state grant receipts and expenditures 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 standard 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 December 21, 2021, on our consideration of Cacapon Institute 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 Cacapon Institute 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 Cacapon Institute Inc.'s internal control over financial reporting and compliance.

Decker & Company PLLC

December 21, 2021

Cacapon Institute, Inc.
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

ASSETS		
Current Assets	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 74,260	\$ 55,079
Accounts receivable	58,892	53,792
Other	<u>567</u>	<u>2,316</u>
Total Current Assets	<u>133,719</u>	<u>111,187</u>
Noncurrent Assets		
Investments	100,428	90,849
Land, building and equipment - net of accumulated depreciation	<u>88,804</u>	<u>93,479</u>
Total Noncurrent Assets	<u>189,232</u>	<u>184,328</u>
Total Assets	<u><u>\$ 322,951</u></u>	<u><u>\$ 295,515</u></u>
LIABILITIES		
Current Liabilities		
Current portion of mortgage payable	\$ 6,232	\$ 5,414
Accrued payable and accrued liabilities	<u>14,130</u>	<u>13,494</u>
Total Current Liabilities	<u>20,362</u>	<u>18,908</u>
Mortgage payable, less current portion	<u>20,213</u>	<u>27,273</u>
Total liabilities	<u>40,575</u>	<u>46,181</u>
NET ASSETS		
Without donor restrictions-undesignated	261,281	228,239
With donor restrictions	<u>21,095</u>	<u>21,095</u>
Total net assets	<u>282,376</u>	<u>249,334</u>
Total Liabilities and Net Assets	<u><u>\$ 322,951</u></u>	<u><u>\$ 295,515</u></u>

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

Cacapon Institute, Inc.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Contributions:			
Grants	\$ 364,242	\$ -	\$ 364,242
Contributions - other	39,125	-	39,125
In-kind - materials	6,570	-	6,570
Investment income- net of fees	12,836	-	12,836
Interest income - other	92	-	92
Other	793	-	793
Net assets released from restrictions	-	-	-
Total revenues and other support	<u>423,658</u>	<u>-</u>	<u>423,658</u>
EXPENSES			
Program expenses	325,796	-	325,796
General and administrative expenses	62,499	-	62,499
Fundraising expenses	2,321	-	2,321
Total expenses	<u>390,616</u>	<u>-</u>	<u>390,616</u>
Changes in net assets	33,042	-	33,042
Net assets beginning of year	<u>228,239</u>	<u>21,095</u>	<u>249,334</u>
Net assets, end of year	<u>\$ 261,281</u>	<u>\$ 21,095</u>	<u>282,376</u>

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

Cacapon Institute, Inc.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Contributions:			
Grants	\$ 353,413	\$ -	\$ 353,413
Contributions - other	44,194	-	44,194
Investment income- net of fees	11,961	-	11,961
Interest income - other	55	-	55
Other	2,624	-	2,624
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenues and other support	 <u>412,247</u>	 <u>-</u>	 <u>412,247</u>
 EXPENSES			
Program expenses	310,947	-	310,947
General and administrative expenses	71,160	-	71,160
Fundraising expenses	<u>1,246</u>	<u>-</u>	<u>1,246</u>
 Total expenses	 <u>383,353</u>	 <u>-</u>	 <u>383,353</u>
 Changes in net assets	 28,894	 -	 28,894
 Net assets, beginning of year	 <u>199,345</u>	 <u>21,095</u>	 <u>220,440</u>
 Net assets, end of year	 <u>\$ 228,239</u>	 <u>\$ 21,095</u>	 <u>\$ 249,334</u>

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

Cacapon Institute, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2020

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Conservation and Education</u>	<u>Management and General</u>	<u>Fundraising</u>	
Personnel costs	\$ 177,074	\$ 13,720	\$ 993	\$ 191,787
Supplies	85,763	923	189	86,875
Travel	8,793	149	-	8,942
Miscellaneous	2,208	11,609	1,139	14,956
Consulting	51,463	-	-	51,463
Professional fees	-	5,000	-	5,000
Repairs and maintenance	-	8,704	-	8,704
Utilities and telephone	-	7,214	-	7,214
Insurance	-	6,932	-	6,932
Depreciation	-	4,675	-	4,675
Interest	-	1,798	-	1,798
Postage & printing	-	1,775	-	1,775
Conference & meetings	495	-	-	495
Total expenses	<u>\$ 325,796</u>	<u>\$ 62,499</u>	<u>\$ 2,321</u>	<u>\$ 390,616</u>

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

Cacapon Institute, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2019

	Program Services	Supporting Services		Total
	Conservation and Education	Management and General	Fundraising	
Personnel costs	\$ 203,021	\$ 14,607	\$ 846	\$ 218,474
Supplies	70,509	437	357	71,303
Travel	21,082	745	43	21,870
Miscellaneous	2,471	12,913		15,384
Education assistance	13,194	-	-	13,194
Utilities and telephone	-	7,584	-	7,584
Professional fees	-	10,940	-	10,940
Repairs and maintenance	-	7,993	-	7,993
Depreciation	-	4,675	-	4,675
Insurance	-	6,832	-	6,832
Printing & postage	-	2,080	-	2,080
Interest	-	2,354	-	2,354
Conference & meetings	670	-	-	670
Total expenses	\$ 310,947	\$ 71,160	\$ 1,246	\$ 383,353

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

Cacapon Institute, Inc.
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2020 and 2019

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2020</u>	<u>2019</u>
Changes in net assets	\$ 33,042	\$ 28,894
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	4,675	4,675
Realized and unrealized (gain) loss on investments	(8,793)	(10,154)
Increase (decrease) in operating assets and liabilities		
(Increase) decrease in accounts receivable	(5,100)	19,800
(Increase) decrease in other assets	1,750	1,250
Increase (decrease) in accounts payable and other liabilities	635	(5,633)
Net cash provided (used) by operating activities	<u>26,209</u>	<u>38,832</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(786)	(968)
Purchase of land, building, and equipment	-	-
Net cash provided (used) by investing activities	<u>(786)</u>	<u>(968)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on mortgage	(6,242)	(6,356)
Net increase (decrease) in cash and cash equivalents	19,181	31,508
Cash and cash equivalents, beginning of year	<u>55,079</u>	<u>23,571</u>
Cash and cash equivalents, end of year	<u>\$ 74,260</u>	<u>\$ 55,079</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 1,798</u>	<u>\$ 2,354</u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Cacapon Institute, Inc. (the Organization) was established in 1985 as a nonstock, nonprofit corporation under the laws of the State of West Virginia. The Organization's mission is from the Cacapon River, to the Potomac, to the Chesapeake Bay, we protect rivers and watersheds using science and education. The Organization's support comes primarily through private, federal, and state grants, along with public support.

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. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Adoption of New Accounting Standard

On January 1, 2020 the Organization adopted FASB Accounting Standard Codification 606. Revenue from Contracts with Customers (FASB ASC 606), which is a comprehensive new revenue recognition model that requires revenue to be recognized in a manner to depict the transfer of goods or services and satisfaction of performance obligations to a customer in an amount that reflects the consideration expected to be received in exchange for those goods and services. See Revenue Recognition policy in this note for the Organization's policy. There was not a material impact to revenues as a result of applying FASB ASC 606 for the year ended December 31, 2020, and there have not been significant changes to the Organization's business processes, systems, or internal controls as a result of implementing the standard.

Also on January 1, 2020, the Organization adopted Accounting Standards Update (ASU) 2018-08. Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. This ASU includes specific criteria to consider when determining whether a contract or agreement should be accounted for as a contribution or as an exchange transaction. It also provides framework for determining whether a contribution is conditional or unconditional for which will impact the timing of revenue recognition. See Revenue Recognition in this note for the Organization's policies. There was not a material impact to revenues as a result of applying ASU 2018-08 for the year ended December 31, 2020, and there have not been significant changes to the Organization's business processes, systems, or internal controls as a result of implementing the standard.

Cacapon Institute, Inc.
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The financial statement presentation follows the requirements of the Not-for-Profit Entities Presentation of Financial Statements Topic of the FASB Accounting Standards Codification. Under the Standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are those currently available for use in the Organization's general operations under the direction of the board and those resources invested in land, buildings and equipment. Net assets with donor restrictions are those stipulated by donors for specific operating purposes, for the acquisition of property and equipment, those not currently available for use until commitments regarding their use have been fulfilled, or those contributed with donor stipulations that they be held in perpetuity with use of income with or without donor restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as revenue within net assets without donor restrictions.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents. All bank deposits are FDIC insured.

Investments

Investments in equity securities with readily determined fair values and all debt securities are carried at fair value in the statement of financial position with gains and losses included as without restrictions in the statement of activities.

Accounts Receivable and Allowance for Doubtful accounts

Accounts receivable consists of uncollected private, federal, and state grants and are recognized once the amount can be determined, and services and/or events have occurred. Management believes all accounts to be fully collectible and no allowance for doubtful accounts is recorded.

Cacapon Institute, Inc.
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land, Building and Equipment

The Organization's policy is to capitalize land, buildings and equipment over \$1,000. Lesser amounts are expensed in the year incurred. Purchased land, buildings and equipment are stated at cost. Donated assets are recorded at fair market value at the date of contribution. Such donations are reported as without restriction contributions unless the donor has restricted the donated asset to a specific purpose. Depreciation on property and equipment is calculated by use of the straight-line method over the estimated useful lives of the assets of 5 - 40 years.

Revenue Recognition

Substantially all of the Organization's revenue and support is derived from grants and contributions. Contributions are considered to be available for use without restrictions unless specifically restricted by the donor. The Organization has elected to present contributions with restrictions, which are fulfilled in the same time period, within the without restrictions net assets class. Receivables are recorded when formal notification of intent to appropriate or contribute funds is received by the Organization, or the funds are expended and invoiced on reimbursement grants.

Grants

Grants received by the Organization of which the grantor receives commensurate or proportional value is accounted for as an exchange transaction in return for the assets received. If commensurate or proportional value is not received by the grantor then the transaction is accounted for as a contribution and follows the contribution standards.

Donated Goods and Services

The Organization receives donated goods and services from a variety of community donors and unpaid volunteers assisting the Organization in its programs. Contributions of donated goods are recorded at fair value in the period received based on comparable values of like items in the surrounding area. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received, if subject to reasonable estimation.

Income Tax Status

The Organization is a not-for-profit organization and is exempt from federal income taxes under Internal Revenue Code Section 501c(3). The Organization files its tax returns in the United States federal jurisdiction. These returns are subject to examination by that jurisdiction generally for three years after they were filed.

Cacapon Institute, Inc.
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses by Nature and Function

The financial statements of the Organization report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel costs which are allocated on the basis of time and effort studies, as well as supplies, travel, and miscellaneous expenses which are allocated on specific identification of purpose and use when possible.

AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$233,580 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures which consists of \$74,260 of cash, \$58,892 of accounts receivable, and \$100,428 of investments. \$21,095 of those financial assets are subject to donor restrictions which leaves the Organization \$178,625 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. The Organization has set a goal of having financial assets on hand to meet 90 days of normal operating expenses, which are on average, around \$94,000. As part of the liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. Should an unforeseen liquidity need arise, the Organization would request assistance from local and state government agencies.

LAND, BUILDING AND EQUIPMENT

Land, building and equipment consists of the following at December 31, 2020 and 2019:

	2020	2019
Building and improvements	\$ 107,686	\$ 107,686
Office equipment	4,556	4,556
Project equipment	11,346	11,346
River equipment	1,320	1,320
Total	<u>124,908</u>	<u>124,908</u>
Accumulated depreciation	<u>(36,104)</u>	<u>(31,429)</u>
Land, building and equipment - net	<u>\$ 88,804</u>	<u>\$ 93,479</u>

Cacapon Institute, Inc.
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

INVESTMENTS

The Organization's investments are carried at fair value and at December 31, 2020 are as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gain (Loss)</u>
Investments: Exchange traded funds	\$ 63,537	\$ 79,508	\$ 15,971
Money market fund	20,920	20,920	-
Total	<u>\$ 84,457</u>	<u>\$ 100,428</u>	<u>\$ 15,971</u>

FAIR VALUES OF FINANCIAL INSTRUMENTS

In determining fair value, the Association uses the valuation approaches within FASB codification 820, *Fair Value Measurements*. As defined in *Fair Value Measurements*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). management utilizes market data or assumptions that market participants would use in pricing the asset and liability, including assumptions about risks inherent in the inputs to the valuation technique.

Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements), quoted prices for similar assets or liabilities in active or inactive markets either observable or corroborated by observable market data (level 2), and the lowest priority to unobservable inputs (level 3 measurements).

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2020.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Fixed income	\$ -	\$ -	\$ -	\$ -
Equities	-	-	-	-
Exchange traded funds	79,508	-	79,508	-
	<u>79,508</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Money market fund	20,920			
Total investments	<u>\$ 100,428</u>			

Investment earnings consisted of the following for the year ended December 31, 2020.

Interest and dividends	\$ 1,672
Net unrealized and realized gains	12,049
Less custodial fees	(885)
	<u>\$ 12,836</u>

Cacapon Institute, Inc.
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2019.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Fixed income	\$ -	\$ -	\$ -	\$ -
Equities	-	-	-	-
Exchange traded funds	87,736	-	87,736	-
	<u>87,736</u>	<u>\$ -</u>	<u>\$ 87,736</u>	<u>\$ -</u>
Money market fund	3,113			
Total investments	<u>\$ 90,849</u>			

Investment earnings consisted of the following for the year ended December 31, 2019.

Interest and dividends	\$ 1,807
Net unrealized and realized gains	10,154
Less custodial fees	(839)
	<u>\$ 11,122</u>

LONG TERM DEBT

Details of long term debt at December 31 are as follows:

	<u>2020</u>	<u>2019</u>
Mortgage payable to Private Lender, bearing interest at 6.0% per annum and payable in monthly installments of \$670 until October 2024, secured by the building.	\$ 26,445	\$ 32,687
Less current maturities	6,232	5,414
	<u>\$ 20,213</u>	<u>\$ 27,273</u>

Long term principal maturities of the mortgage payable at December 31, 2020 are as follows:

2022	\$ 7,009
2023	7,441
2024	5,763
	<u>\$ 20,213</u>

NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists of \$21,095 and \$21,095 at December 31, 2020 and 2019 respectively, and are funds required to be invested in perpetuity, the income from which is expendable for general support and operations.

Cacapon Institute, Inc.
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

RELATED PARTY TRANSACTIONS

Related party transactions consisted of \$3,500 and \$10,000 at December 31, 2020 and 2019 respectfully and were donations from a foundation governed by a member of the Organization's board members.

CONCENTRATION

Approximately 86% of the Organization's support is derived from federal and state grants. Any future reductions in funding could have a significant impact on the Organization.

UNCERTAINTY

Since early 2020, the local and national economy has been negatively impacted by the effects of the worldwide coronavirus pandemic. The Organization is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of these financial statements the full impact of the Organization's financial position is not known and therefore no adjustment has been made to these financial statements.

SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 21, 2021 the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

Cacapon Institute, Inc.
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
For the year ended December 31, 2020

<u>State Grantor/Program</u>	<u>Grant Receipts</u>	<u>Grant Expenditures</u>
WV DEP DWWM		
Watershed Improvement Program (January 1, 2020 - June 30, 2020)		
Grant Award # NPS1685	\$ 9,942	\$ 9,942
Grant Award # NPS1695	71,711	71,711
Grant Award # NPS1700	24,518	24,518
WV DEP DWWM		
Watershed Improvement Program (July 1, 2020 - December 31, 2020)		
Grant Award # NPS1695	63,083	63,083
Grant Award # NPS1700	3,241	3,241
Grant Award # NPS1742	26,452	26,452
Grant Award # NPS1745	<u>44,305</u>	<u>44,305</u>
Total	<u>\$ 243,252</u>	<u>\$ 243,252</u>

Cacapon Institute, Inc.
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
For the year ended December 31, 2019

<u>State Grantor/Program</u>	<u>Grant Receipts</u>	<u>Grant Expenditures</u>
WV DEP DWWM		
Watershed Improvement Program (January 1, 2019 - June 30, 2019)		
Grant Award # NPS1631	\$ 13,533	\$ 13,533
Grant Award # NPS1658	153,182	153,182
WV DEP DWWM		
Watershed Improvement Program (July 1, 2019 - December 31, 2019)		
Grant Award # NPS1658	5,826	5,826
Grant Award # NPS1695	103,375	103,375
Grant Award # NPS1700	16,482	16,482
	<u> </u>	<u> </u>
Total	<u>\$ 292,398</u>	<u>\$ 292,398</u>



**INDEPENDENT AUDITORS' 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
Cacapon Institute, Inc.
Great Cacapon, West Virginia

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 Cacapon Institute, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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 December 21, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cacapon Institute, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Cacapon Institute Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Cacapon Institute Inc.'s internal

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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cacapon Institute 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cacapon Institute, Inc. as of December 31, 2020 and 2019 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.

Purpose

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.

Decker & Company PLLC
December 21, 2021