RESTORE AMERICA'S ESTUARIES
(a nonprofit organization)

FINANCIAL STATEMENTS

Year Ended December 31, 2017
(with Summarized Comparative Information for December 31, 2016)

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A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

To Board of Directors
Restore America's Estuaries
Washington, D.C.

Report on the Financial Statements

We have audited the accompanying financial statements of Restore America's Estuaries (the Organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditors' 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 auditors' 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 Organization as of December 31, 2017, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated August 14, 2018, on our consideration of the Organization'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 the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 14, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Renner and Company, CPA, P.C.

Alexandria, Virginia
August 14, 2018

RESTORE AMERICA'S ESTUARIES

STATEMENT OF FINANCIAL POSITION
December 31, 2017 (with comparative information as of December 31, 2016)

ASSETS

	2017	2016
CURRENT ASSETS		
Cash	$ 240,437	$ 272,692
Investments	314,083	270,582
Accounts receivable	62,929	288,231
Grants receivable	113,482	217,715
Prepaid expenses	118,749	2,209
TOTAL CURRENT ASSETS	849,680	1,051,429
OTHER ASSETS		
Long-term investments	99,733	238,979
Security deposit	4,452	4,452
TOTAL OTHER ASSETS	104,185	243,431
TOTAL ASSETS	$ 953,865	$ 1,294,860

LIABILITIES AND NET ASSETS

	2017	2016
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 128,883	$ 398,840
Deferred revenue	83,000	-
Deferred rent	1,444	5,376
TOTAL CURRENT LIABILITIES	213,327	404,216
LONG-TERM LIABILITIES		
Deferred rent, net of current portion	-	1,444
TOTAL LIABILITIES	213,327	405,660
NET ASSETS		
Without donor restrictions	454,907	625,829
With donor restrictions	285,631	263,371
TOTAL NET ASSETS	740,538	889,200
TOTAL LIABILITIES AND NET ASSETS	$ 953,865	$ 1,294,860

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES

STATEMENT OF ACTIVITIES
Year Ended December 31, 2017
(with summarized comparative information for the year ended December 31, 2016)

	2017			
SUPPORT AND REVENUE	Without Donor Restrictions	With Donor Restrictions	Total	2016
Government grants	$ 1,285,199	$ -	$ 1,285,199	$ 1,129,954
Grants and contributions	234,926	275,698	510,624	838,453
Conferences and meetings	-	-	-	756,059
Affiliate dues	45,000	-	45,000	45,000
Investment income	4,320	-	4,320	4,924
Other income	5,030	-	5,030	336
Net assets released from restriction:				
Satisfaction of program restrictions	253,438	(253,438)	-	-
TOTAL SUPPORT AND REVENUE	1,827,913	22,260	1,850,173	2,774,726
EXPENSES				
Program services	1,632,576	-	1,632,576	2,414,466
General and administrative	225,628	-	225,628	202,208
Fundraising	140,631	-	140,631	142,774
TOTAL EXPENSES	1,998,835	-	1,998,835	2,759,448
CHANGE IN NET ASSETS	(170,922)	22,260	(148,662)	15,278
NET ASSETS, beginning of year	625,829	263,371	889,200	873,922
NET ASSETS, end of year	$ 454,907	$ 285,631	$ 740,538	$ 889,200

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2017
(with summarized comparative information for the year ended December 31, 2016)

	2017				
	Program Services	General and Administrative	Fundraising	Total	2016
Payroll and related costs	$ 565,776	$ 113,004	$ 121,205	$ 799,985	$ 1,051,163
Affiliate support	243,845	-	-	243,845	411,432
Professional fees	299,305	10,767	-	310,072	370,559
National conference	-	-	-	-	359,482
NOAA/CRP member support	225,823	-	-	225,823	211,914
Grant partner support	197,183	-	-	197,183	150,657
Travel	55,850	15,946	380	72,176	78,557
Office related expense	1,961	61,636	31	63,628	63,385
Meeting, conference, staff development	32,296	1,390	2,339	36,025	24,487
Business related costs	231	6,889	16,632	23,752	12,146
Communications	4,753	14,525	-	19,278	17,927
Product production	5,206	982	-	6,188	4,890
Postage and delivery	322	517	44	883	2,079
Marketing and advertising	25	-	-	25	625
Other expenses	-	(28)	-	(28)	145
TOTAL EXPENSES	$ 1,632,576	$ 225,628	$ 140,631	$ 1,998,835	$ 2,759,448

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES

STATEMENT OF CASH FLOWS
Year Ended December 31, 2017
(with comparative information for the year ended December 31, 2016)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations		
Support and revenue	$ 2,258,388	$ 2,234,049
Investment income	4,560	4,907
Total cash received from operations	2,262,948	2,238,956
Cash disbursed by operations		
Payments to suppliers and employees	2,390,708	2,340,374
NET CASH USED BY OPERATING ACTIVITIES	(127,760)	(101,418)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and transfer of investments	204,850	359,236
Purchase of investments and reinvested dividends	(109,345)	(214,071)
NET CASH PROVIDED BY INVESTING ACTIVITIES	95,505	145,165
NET (DECREASE) INCREASE IN CASH	(32,255)	43,747
CASH, beginning of year	272,692	228,945
CASH, end of year	$ 240,437	$ 272,692

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES

STATEMENT OF CASH FLOWS
Year Ended December 31, 2017
(with comparative information for the year ended December 31, 2016)

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES	2017	2016
CHANGE IN NET ASSETS	$ (148,662)	$ 15,278
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES		
Non-cash occupancy costs	(5,376)	(3,793)
Unrealized gain (loss) on investments	240	(17)
NET ADJUSTMENTS	(5,136)	(3,810)
CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS (USING) PROVIDING CASH		
ASSETS		
Accounts receivable	225,302	(281,423)
Grants receivable	104,233	(174,850)
Prepaid expenses	(116,540)	134,170
	212,995	(322,103)
LIABILITIES		
Accounts payable and accrued expenses	(269,957)	288,697
Deferred revenue	83,000	(79,480)
	(186,957)	209,217
NET CHANGES IN ASSETS AND LIABILITIES	26,038	(112,886)
NET CASH USED BY OPERATING ACTIVITIES	$ (127,760)	$ (101,418)
NON-CASH INVESTING ACTIVITIES		
(Decrease) Increase in fair value of investments	$ (240)	$ 17
Unrealized (loss) gain in fair value of investments	240	(17)
	$ -	$ -

See Notes to Financial Statements.

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE

Nature of Activities

Restore America's Estuaries (RAE, the Organization) is a national 501(c)(3) not-for-profit organization established in 1995 as an alliance of community-based conservation organizations working to protect and restore the vital habitats of our nation's estuaries. The Organization is dedicated to working closely with community, private, and governmental organizations to preserve the nation's network of estuaries by protecting and restoring the lands and waters essential to the richness and diversity of coastal life.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses are recognized when obligations are incurred.

Adoption of New Accounting Standard

The Organization has adopted the financial statement presentation and disclosure standards contained in the Financial Accounting Standards Board Accounting Standards Update 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities,* modifying ASC 958. The change has been applied as of December 31, 2017 with no effect on beginning net assets.

Cash and Cash Equivalents

As of December 31, 2017 and 2016, cash consisted of two checking accounts and a savings account. Cash held within brokerage accounts is considered as investment holdings. All highly liquid investments available for current use within an initial maturity of three months or less are considered to be cash equivalents. There were no cash equivalents as of December 31, 2017 and 2016.

Accounts and Grants Receivable

Accounts and grants receivable are stated at the amount management expects to collect from outstanding balances. Receivables are generally due thirty days after they are billed and are considered past due if unpaid within thirty days. The Organization recognizes bad debts when, in the opinion of management, a specific account becomes uncollectible.

Investments

Investments are recorded at fair value. Realized and unrealized gains and losses are included in investment income in the accompanying statement of activities.

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (Continued)

Property and Equipment

The Organization has adopted a capitalization policy to capitalize all purchases greater than $5,000 that meet the criteria for capitalization. Routine repairs and maintenance are expensed as incurred.

Fair Value Measurements

The Organization applies accounting principles generally accepted in the United States (U.S. GAAP) for fair value measurements of financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis.

Deferred Revenue

Amounts received in advance for governmental grant activities of the Organization and sponsorships are deferred and recognized in the year to which they apply.

Net Assets

The net assets of the Organization are divided into two classes: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restriction include revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of the Organization and include both internally designated and undesignated resources.

Net assets with donor restriction include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities and change in net assets as net assets released from restrictions.

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (Continued)

Revenue Recognition

The Organization recognizes all unconditional contributed support in the period in which the commitment is made. Grants and cooperative agreements with federal and local government agencies are deemed to be exchange transactions and, accordingly, revenue is recognized when funds are utilized by the Organization to carry out the activity stipulated in the grant or cooperative agreement. Accordingly, amounts received but not recognized as revenue are classified in the statement of financial position as deferred revenue and amounts expended but not yet received are classified as accounts receivable. Conversely, revenue from fixed-price agreements are recorded as costs are incurred in relation to the grant agreements.

Income Taxes

The Organization is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. However, the Organization is subject to tax on net income generated by activities considered to be unrelated business income.

In accounting for uncertainty in income taxes, accounting standards require an entity to recognize the financial statement impact of a tax position when it is more-likely-than-not that the position will not be sustained upon examination. Management evaluated the Organization's tax positions and concluded no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance were taken.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about 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.

Government Grants

The Organization participates in federal grant programs which are subject to financial and compliance audits by the federal agencies or their representatives. As such, there is a possibility that questioned costs might result from such an audit in the future. Management estimates that there are no material unallowable costs.

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (Continued)

Donated Goods and Services

Donated goods and services are recorded at their estimated fair value on the date of receipt.

Allocated Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. Accordingly, certain costs including payroll and related costs, professional fees, travel, office related expenses, meetings, conferences and staff development, business related costs, communications, product production, and postage and delivery have been allocated among program services, general and adminstrative, and fundraising costs based on time expended or space occupied.

Summarized Comparative Information

The financial statements include certain summarized comparative information. 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 Organization's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Liquidity

The Organization maintains a liquid cash balance in checking, savings and money market accounts in an amount necessary to meet its anticipated expenditures in the next 30 days. Cash in excess of this amount is invested in short-term investments.

The Organization reconciles the balance of financial assets subject to donor restrictions monthly based on restricted amounts used and received. Restricted cash and investments are separately identified and monitored as part of the Organization's monthly financial reporting process.

The Organization also maintains a $75,000 credit limit on its credit cards to help manage cash flow.

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (Continued)

Liquidity (Continued)

The Organization's financial assets available within one year to meet cash needs for general expenditures through December 31, 2018 are as follows:

Financial Assets		
Cash	$	240,437
Investments		314,083
Accounts receivable		62,929
Grants receivable		113,482
Total financial assets	$	730,931
Less amounts not avaiable within one year		
Purpose restricted net assets		(285,631)
Financial assets available within one year to meet cash needs for general expenditures within one year	$	445,300

2. CASH

Cash as of December 31, 2017 and 2016 consisted of the following:

	2017	2016
Checking accounts	$ 240,437	$ 271,942
Savings and money market account	-	750
	$ 240,437	$ 272,692

The balances in a financial institution are insured by the Federal Deposit Insurance Corporation up to $250,000 per depositor. The bank balances as of December 31, 2017 and 2016 not covered by FDIC deposit insurance were $26,835 and $99,224, respectively.

3. ACCOUNTS AND GRANTS RECEIVABLE

Receivables as of December 31, 2017 and 2016 consisted of the following:

	2017	2016
Accounts receivable - program and miscellaneous	$ 62,929	$ 288,231
Grants receivable		
NOAA	$ 10,850	$ 102,083
USFWS	27,945	-
EPA	22,471	37,185
USDA	-	25,000
UMICH	30,242	-
Other	21,974	53,447
	113,482	217,715
	$ 176,411	$ 505,946

No allowance for uncollectable amounts was considered necessary as of December 31, 2017 and 2016.

4. INVESTMENTS

Investments as of December 31, 2017 and 2016 are comprised of the following:

	2017		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market	$ 73,745	$ 73,745	$ -
Certificates of deposit	340,000	340,071	71
	$ 413,745	$ 413,816	$ 71

	2016		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market	$ 66,201	$ 66,201	$ -
Certificates of deposit	445,000	443,360	(1,640)
	$ 511,201	$ 509,561	$ (1,640)

4. INVESTMENTS (Continued)

Investment income consisted of the following for the years ended December 31:

	2017	2016
Interest and dividends	$ 4,560	$ 4,907
Unrealized (loss) gain on investments	(240)	17
	$ 4,320	$ 4,924

5. FAIR VALUE MEASUREMENTS

The Organization records investments based on fair value on a recurring basis. Financial accounting and reporting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. The standard emphasizes that fair value is a market-based measurement, not an entity specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy was established that distinguishes between market participant assumptions based on market data obtained from sources independent from the reporting entity (observable inputs that are classified within level 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within level 3 of the hierarchy).

Level 1 - inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - inputs are inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets or liabilities in active markets, as well as inputs that are observable for the assets or liabilities (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at common quoted intervals.

Level 3 - inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The determination of the fair value level within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Organization's assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the assets or liabilities.

5. FAIR VALUE MEASUREMENTS (Continued)

The following summarizes investments, measured at fair value on a recurring basis, aggregated by the level in the fair value hierarchy within which those measurements fall, as of December 31, 2017 and 2016:

	2017			
	Fair Value	Level 1	Level 2	Level 3
Money market	$ 73,745	$ 73,745	$ -	$ -
Certificates of deposit	340,071	-	340,071	-
	$ 413,816	$ 73,745	$ 340,071	$ -

	2016			
	Fair Value	Level 1	Level 2	Level 3
Money market	$ 66,201	$ 66,201	$ -	$ -
Certificates of deposit	443,360	-	443,360	-
	$ 509,561	$ 66,201	$ 443,360	$ -

6. DEFERRED REVENUE

Certain amounts pertaining to corporate sponsorship for the 2018 biennial conference were received in advance in 2017. The amount of sponsorship received through December 31, 2017 that was related to this conference totaled $83,000. There was no deferred revenue as of December 31, 2016.

7. RELATED PARTIES

The Organization receives contributions from member affiliates for support of advocacy programs. The President, CEO, or other comparable position of these affiliates are members of the Organization's Board of Directors. During the years ended December 31, 2017 and 2016, the Organization received $45,000 and $45,000, respectively, from these member affiliates. In addition, during the years ended December 31, 2017 and 2016, the Organization awarded subgrants to these member affiliates totaling $372,513 and $456,705, respectively.

8. REVENUE CONCENTRATION

Approximately 69% and 41% of the Organization's revenue for the years ended December 31, 2017 and 2016, respectively, was derived from grants and contracts awarded by agencies of the United States Government. The Organization has no reason to believe that relationships with these agencies will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect the Organization's ability to finance ongoing operations.

9. NET ASSETS WITH DONOR RESTRICTION

A summary of activity in net assets with donor restriction for the years ended December 31, 2017 and 2016 is as follows:

	2017			
	Balance Jan 1, 2017	Support and revenue	Net assets released from restrictions	Balance Dec 31, 2017
Purpose restrictions:				
Tampa Bay projects	$ 75,368	$ 170,000	$ (65,515)	$ 179,853
Accenture-GBF	26,912	-	(25,010)	1,902
Scotts CRP	115,000	50,000	(100,000)	65,000
Friends of Herring River	8,508	-	(6,439)	2,069
Conservation International	7,708	33,246	(40,954)	-
TNC	1,630	-	(1,630)	-
Munson Foundation	17,754	20,000	(3,858)	33,896
Wildlife Forever Fund	10,491	-	(10,032)	459
CITGO	-	2,452	-	2,452
	$ 263,371	$ 275,698	$ (253,438)	$ 285,631

9. NET ASSETS WITH DONOR RESTRICTION (Continued)

	2016			
	Balance Jan 1, 2016	Support and revenue	Net assets released from restrictions	Balance Dec 31, 2016
Purpose restrictions:				
Coastal blue carbon project	$ 312	$ -	$ (312)	$ -
Tampa Bay projects	191,063	20,000	(135,695)	75,368
Accenture-GBF	-	65,000	(38,088)	26,912
Scotts water quality project	42,782	-	(42,782)	-
Scotts CRP	-	115,000	-	115,000
Friends of Herring River	-	26,548	(18,040)	8,508
CEC	5,223	48,000	(53,223)	-
Conservation International	-	25,000	(17,292)	7,708
TNC	-	10,000	(8,370)	1,630
Munson Foundation	5,228	20,000	(7,474)	17,754
Wildlife Forever Fund	8,000	10,000	(7,509)	10,491
NY Community Trust	82,058	-	(82,058)	-
	$ 334,666	$ 339,548	$ (410,843)	$ 263,371

10. RETIREMENT PLAN

The Organization maintains a qualified retirement plan and a voluntary 401(k) plan. Regular full-time employees are eligible for retirement benefits and the voluntary 401(k) plan upon completion of 90 days of continuous employment. Employees hired prior to March 2, 2009 are fully vested in the 401(k) plan employer contributions after 90 days of continuous employment. Employees hired after March 2, 2009 are fully vested in the 401(k) plan employer contributions after one year of continuous employment. The Organization contributes a percentage of the eligible employee's annual salary. Retirement plan expense of the Organization under this plan was $32,413 and $32,246 for the years ended December 31, 2017 and 2016, respectively.

11. DONATED SERVICES

The Organization received no donated services in 2017. During 2016, the donated services received including airfare, website advertisement, and product donations supported RAE's 8th National Summit on Coastal and Estuarine Restoration and the 25th Biennial Meeting of the Coastal Society. The donated services have been recorded in the financial statements at their estimated fair value in the Statement of Activities. The amount of donated services recognized for the years ended December 31, 2017 and 2016 was $0 and $38,448, respectively.

12. COMMITMENTS AND CONTINGENCIES

Office Lease

The Organization signed a five year office lease on March 11, 2013 that expires March 31, 2018, but was extended through August 31, 2023 subsequent to the fiscal year end. The lease contains a provision for annual rent increase of 2.5% and requires the Organization to pay, as additional rent, a proportionate share of any increase over the base year of all taxes assessed on the property and operating expenses. Additionally, the lease extension includes an abatement of rent for the first five months of lease extension. Rent expense for the years ended December 31, 2017 and 2016 was $55,278 and $56,148, respectively.

Future minimum lease payments under the lease extension are as follows:

2018	$	32,694
2019		54,425
2020		55,785
2021		57,180
2022		58,609
Beyond 2022		39,927
	$	298,620

Future Meeting Sites

The Organization entered into contracts with hotels and convention centers for the Summit taking place during fiscal year ended 2018. Total cancellation penalties related to these contracts as of December 31, 2017 would be approximately $322,241.

13. SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 14, 2018, the date the financial statements were available to be issued.