

**RESTORE AMERICA'S ESTUARIES**  
**(a nonprofit organization)**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2018**  
**with Summarized Comparative Information for the year ended**  
**December 31, 2017**

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## **INDEPENDENT AUDITORS' REPORT**

To Board of Directors  
Restore America's Estuaries  
Arlington, VA

### **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, 2018, 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, 2018, 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 15, 2019, 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 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Lenner and Company, CPA, P.C.*

Alexandria, Virginia  
August 15, 2019

## RESTORE AMERICA'S ESTUARIES

### STATEMENT OF FINANCIAL POSITION

December 31, 2018 (with Comparative Information as of December 31, 2017)

	ASSETS	
	2018	2017
<b>CURRENT ASSETS</b>		
Cash	\$ 184,824	\$ 240,437
Investments	288,491	314,083
Accounts receivable	150,450	62,929
Grants receivable	266,559	113,482
Prepaid expenses	5,995	118,749
<b>TOTAL CURRENT ASSETS</b>	<u>896,319</u>	<u>849,680</u>
<b>OTHER ASSETS</b>		
Long-term investments	132,614	99,733
Security deposit	4,452	4,452
<b>TOTAL OTHER ASSETS</b>	<u>137,066</u>	<u>104,185</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,033,385</u>	<u>\$ 953,865</u>
	<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 373,341	\$ 128,883
Deferred revenue	-	83,000
Deferred rent	2,043	1,444
<b>TOTAL CURRENT LIABILITIES</b>	<u>375,384</u>	<u>213,327</u>
<b>LONG-TERM LIABILITIES</b>		
Deferred rent, net of current portion	19,436	-
<b>TOTAL LIABILITIES</b>	<u>394,820</u>	<u>213,327</u>
<b>NET ASSETS</b>		
Without donor restrictions	476,692	454,907
With donor restrictions	161,873	285,631
<b>TOTAL NET ASSETS</b>	<u>638,565</u>	<u>740,538</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,033,385</u>	<u>\$ 953,865</u>

See Notes to Financial Statements.

## RESTORE AMERICA'S ESTUARIES

### STATEMENT OF ACTIVITIES

Year Ended December 31, 2018 (with Summarized Comparative Information for the year ended December 31, 2017)

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>SUPPORT AND REVENUE</b>				
Government grants	\$ 1,343,111	\$ -	\$ 1,343,111	\$ 1,285,199
Grants and contributions	343,403	28,400	371,803	510,624
Conferences and meetings	672,000	-	672,000	-
Affiliate dues	45,600	-	45,600	45,000
Investment income	7,373	-	7,373	4,320
Other income	2,120	-	2,120	5,030
Net assets released from restriction:				
Satisfaction of program restrictions	152,158	(152,158)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>2,565,765</u>	<u>(123,758)</u>	<u>2,442,007</u>	<u>1,850,173</u>
<b>EXPENSES</b>				
Program services	2,254,486	-	2,254,486	1,632,576
General and administrative	209,933	-	209,933	225,628
Fundraising	79,561	-	79,561	140,631
<b>TOTAL EXPENSES</b>	<u>2,543,980</u>	<u>-</u>	<u>2,543,980</u>	<u>1,998,835</u>
<b>CHANGE IN NET ASSETS</b>	21,785	(123,758)	(101,973)	(148,662)
<b>NET ASSETS, beginning of year</b>	<u>454,907</u>	<u>285,631</u>	<u>740,538</u>	<u>889,200</u>
<b>NET ASSETS, end of year</b>	<u>\$ 476,692</u>	<u>\$ 161,873</u>	<u>\$ 638,565</u>	<u>\$ 740,538</u>

See Notes to Financial Statements.

## RESTORE AMERICA'S ESTUARIES

### STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018 (with Summarized Comparative Information for the year ended December 31, 2017)

	2018			Total	2017
	Program Services	General and Administrative	Fundraising		
<b>EXPENSES</b>					
Payroll and related costs	\$ 872,069	\$ 88,563	\$ 68,254	\$ 1,028,886	\$ 799,985
Affiliate support	499,259	-	-	499,259	243,845
National conference	361,342	-	-	361,342	-
Professional fees	186,801	20,289	5,000	212,090	310,072
Grant partner support	162,961	-	-	162,961	197,183
Meeting, conference, staff development	66,595	5,610	-	72,205	36,025
Office related expense	2,389	62,401	1,567	66,357	63,628
Travel	41,925	14,586	362	56,873	72,176
Business related costs	19,351	6,074	4,274	29,699	23,752
NOAA/CRP member support	21,976	-	-	21,976	225,823
Communications	8,099	11,559	-	19,658	19,278
Product production	10,079	279	-	10,358	6,188
Postage and delivery	1,640	555	104	2,299	883
Marketing and advertising	-	-	-	-	25
Other expenses	-	17	-	17	(28)
<b>TOTAL EXPENSES</b>	<u>\$ 2,254,486</u>	<u>\$ 209,933</u>	<u>\$ 79,561</u>	<u>\$ 2,543,980</u>	<u>\$ 1,998,835</u>

See Notes to Financial Statements.

## RESTORE AMERICA'S ESTUARIES

### STATEMENT OF CASH FLOWS

Year Ended December 31, 2018 (with Comparative Information for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from operations		
Support and revenue	\$ 2,111,036	\$ 2,258,388
Investment income	8,192	4,560
	<u>2,119,228</u>	<u>2,262,948</u>
Cash disbursed by operations		
Payments to suppliers and employees	<u>2,166,733</u>	<u>2,390,708</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(47,505)</u>	<u>(127,760)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale and transfer of investments	-	204,850
Purchase of investments and reinvested dividends	<u>(8,108)</u>	<u>(109,345)</u>
<b>NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES</b>	<u>(8,108)</u>	<u>95,505</u>
<b>NET DECREASE IN CASH</b>	(55,613)	(32,255)
<b>CASH, beginning of year</b>	<u>240,437</u>	<u>272,692</u>
<b>CASH, end of year</b>	<u><u>\$ 184,824</u></u>	<u><u>\$ 240,437</u></u>

See Notes to Financial Statements.



## RESTORE AMERICA'S ESTUARIES

### STATEMENT OF CASH FLOWS

Year Ended December 31, 2018 (with Comparative Information for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
<b>CHANGE IN NET ASSETS</b>	<u>\$ (101,973)</u>	<u>\$ (148,662)</u>
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Non-cash occupancy costs	20,035	(5,376)
Unrealized loss on investments	<u>819</u>	<u>240</u>
<b>NET ADJUSTMENTS</b>	<u>20,854</u>	<u>(5,136)</u>
<b>CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS (USING) PROVIDING CASH</b>		
<b>ASSETS</b>		
Accounts receivable	(87,521)	225,302
Grants receivable	(153,077)	104,233
Prepaid expenses	112,754	(116,540)
	<u>(127,844)</u>	<u>212,995</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	244,458	(269,957)
Deferred revenue	(83,000)	83,000
	<u>161,458</u>	<u>(186,957)</u>
<b>NET CHANGES IN ASSETS AND LIABILITIES</b>	<u>33,614</u>	<u>26,038</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>\$ (47,505)</u>	<u>\$ (127,760)</u>
<b>NON-CASH INVESTING ACTIVITIES</b>		
Decrease in fair value of investments	\$ (819)	\$ (240)
Unrealized loss in fair value of investments	<u>819</u>	<u>240</u>
	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

## **RESTORE AMERICA'S ESTUARIES**

### **NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2018 (with Comparative Information for the year ended December 31, 2017)**

#### **1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE**

##### **Nature of Activities**

Restore America's Estuaries (the Organization) is a national 501(c)(3) nonprofit 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.

##### **Cash and Cash Equivalents**

As of December 31, 2018 and 2017, 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, 2018 and 2017.

##### **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.

##### **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.

## RESTORE AMERICA'S ESTUARIES

### NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2018 (with Comparative Information for the year ended December 31, 2017)

#### 1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (CONTINUED)

##### **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 restriction and net assets with donor restriction.

**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.

##### **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.

## **RESTORE AMERICA'S ESTUARIES**

### **NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2018 (with Comparative Information for the year ended December 31, 2017)**

#### **1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (CONTINUED)**

##### **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.

##### **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, meeting, conferences and staff development, office related expenses, travel, business related costs, communications, product production, and postage and delivery have been allocated among program services, general and administrative, and fundraising costs based on time expended or space occupied.

## RESTORE AMERICA'S ESTUARIES

### NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2018 (with Comparative Information for the year ended December 31, 2017)

#### 1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (CONTINUED)

##### 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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

##### Liquidity

The Organization maintains a liquid cash balance in checking and savings 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 \$50,000 credit limit on its credit cards to help manage cash flow.

The Organization's financial assets available within one year to meet cash needs for general expenditures through December 31, 2019 are as follows:

Financial Assets	
Cash	\$ 184,824
Investments	288,491
Accounts receivable	150,450
Grants receivable	266,559
Total financial assets	<u>\$ 890,324</u>
Less amounts not available within one year	
Purpose restricted net assets	<u>(161,873)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u><u>\$ 728,451</u></u>

## RESTORE AMERICA'S ESTUARIES

### NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2018 (with Comparative Information for the year ended December 31, 2017)

#### 2. CASH

Cash as of December 31, 2018 and 2017 consisted of the following:

	2018	2017
Checking accounts	\$ 184,374	\$ 240,437
Savings account	450	-
	<u>\$ 184,824</u>	<u>\$ 240,437</u>

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, 2018 and 2017 not covered by FDIC deposit insurance were \$48,990 and \$26,835, respectively.

#### 3. ACCOUNTS AND GRANTS RECEIVABLE

Receivables as of December 31, 2018 and 2017 consisted of the following:

	2018	2017
Accounts receivable - program and miscellaneous	\$ 150,450	\$ 62,929
Grants receivable		
NOAA	37,396	10,850
USFWS	1,800	27,945
EPA	136,936	22,471
UMICH	39,536	30,242
Other	50,891	21,974
	<u>266,559</u>	<u>113,482</u>
	<u>\$ 417,009</u>	<u>\$ 176,411</u>

No allowance for uncollectable amounts was considered necessary as of December 31, 2018 and 2017.

## RESTORE AMERICA'S ESTUARIES

### NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2018 (with Comparative Information for the year ended December 31, 2017)

#### 4. INVESTMENTS

Investments as of December 31, 2018 and 2017 are comprised of the following:

	2018		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market	\$ 54,553	\$ 54,553	\$ -
Certificates of deposit	366,000	366,552	552
	<u>\$ 420,553</u>	<u>\$ 421,105</u>	<u>\$ 552</u>
	2017		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market	\$ 73,745	\$ 73,745	\$ -
Certificates of deposit	340,000	340,071	71
	<u>\$ 413,745</u>	<u>\$ 413,816</u>	<u>\$ 71</u>

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

	2018	2017
Interest and dividends	\$ 8,192	\$ 4,560
Unrealized loss on investments	(819)	(240)
	<u>\$ 7,373</u>	<u>\$ 4,320</u>

## **RESTORE AMERICA'S ESTUARIES**

### **NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2018 (with Comparative Information for the year ended December 31, 2017)**

#### **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.



## RESTORE AMERICA'S ESTUARIES

### NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2018 (with Comparative Information for the year ended December 31, 2017)

#### 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, 2018 and 2017:

	2018		
	Fair Value	Level 1	Level 2
Money market	\$ 54,553	\$ 54,553	\$ -
Certificates of deposit	366,552	-	366,552
	<u>\$ 421,105</u>	<u>\$ 54,553</u>	<u>\$ 366,552</u>
	2017		
	Fair Value	Level 1	Level 2
Money market	\$ 73,745	\$ 73,745	\$ -
Certificates of deposit	340,071	-	340,071
	<u>\$ 413,816</u>	<u>\$ 73,745</u>	<u>\$ 340,071</u>

#### 6. DEFERRED REVENUE

There was no deferred revenue as of December 31, 2018. 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.

#### 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, 2018 and 2017, the Organization received \$45,000 and \$45,000, respectively, from these member affiliates. In addition, during the years ended December 31, 2018 and 2017, the Organization awarded subgrants to these member affiliates totaling \$214,139 and \$372,513 respectively.

## RESTORE AMERICA'S ESTUARIES

### NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2018 (with Comparative Information for the year ended December 31, 2017)

#### 8. REVENUE CONCENTRATION

Approximately 55% and 69% of the Organization's revenue for the years ended December 31, 2018 and 2017, 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, 2018 and 2017 is as follows:

	2018			
	Balance Dec 31, 2017	Support and revenue	Net assets released from restrictions	Balance Dec 31, 2018
Purpose restrictions:				
Tampa Bay projects	\$ 179,853	\$ -	\$ (52,916)	\$ 126,937
Clean Foundation	-	2,000	-	2,000
Accenture-GBF	1,902	-	(1,902)	-
Scotts CRP	65,000	15,000	(65,000)	15,000
Friends of Herring River	2,069	-	(2,069)	-
Conservation International	-	1,400	-	1,400
Munson Foundation	33,896	-	(27,360)	6,536
Wildlife Forever Fund	459	10,000	(459)	10,000
CITGO	2,452	-	(2,452)	-
	<u>\$ 285,631</u>	<u>\$ 28,400</u>	<u>\$ (152,158)</u>	<u>\$ 161,873</u>

## RESTORE AMERICA'S ESTUARIES

### NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2018 (with Comparative Information for the year ended December 31, 2017)

#### 9. NET ASSETS WITH DONOR RESTRICTION (CONTINUED)

	2017			
	Balance Dec 31, 2016	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
	<u>\$ 263,371</u>	<u>\$ 275,698</u>	<u>\$ (253,438)</u>	<u>\$ 285,631</u>

#### 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 \$28,183 and \$32,413 for the years ended December 31, 2018 and 2017, respectively.

#### 11. DONATED SERVICES

During 2018, the donated services received including airfare, boat and crew, and product donations supported RAE's 9th National Summit on Coastal and Estuarine Restoration and the 26th Biennial Meeting of the Coastal Society. The Organization received no donated services in 2017. 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, 2018 and 2017 was \$28,500 and \$0, respectively.

## RESTORE AMERICA'S ESTUARIES

### NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2018 (with Comparative Information for the year ended December 31, 2017)

#### 12. COMMITMENTS AND CONTINGENCIES

##### Office Lease

The Organization signed a five year office lease on March 11, 2013 that expired March 31, 2018, but was extended through August 31, 2023 during the fiscal year. 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, 2018 and 2017 was \$53,347 and \$55,278, respectively.

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

2019	\$	54,425
2020		55,785
2021		57,180
2022		58,609
2023		39,927
		<u>\$ 265,926</u>

#### 13. SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 15, 2019, the date the financial statements were available to be issued.