

RESTORE AMERICA'S ESTUARIES

(a not-for-profit organization)

FINANCIAL STATEMENTS

Year Ended December 31, 2016

(with summarized comparative information for December 31, 2015)

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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, 2016, 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, 2016, 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 July 14, 2017, 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 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 2, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Renner & Company, CPA PC

Alexandria, Virginia
July 14, 2017

RESTORE AMERICA'S ESTUARIES

STATEMENT OF FINANCIAL POSITION

December 31, 2016 (with comparative information as of December 31, 2015)

	ASSETS	
	2016	2015
CURRENT ASSETS		
Cash	\$ 272,692	\$ 228,945
Investments	270,582	101,322
Accounts receivable	288,231	6,808
Grants receivable	217,715	42,865
Prepaid expenses	2,209	136,379
TOTAL CURRENT ASSETS	<u>1,051,429</u>	<u>516,319</u>
OTHER ASSETS		
Long-term investments	238,979	553,387
Security deposit	4,452	4,452
TOTAL OTHER ASSETS	<u>243,431</u>	<u>557,839</u>
TOTAL ASSETS	<u>\$ 1,294,860</u>	<u>\$ 1,074,158</u>
	LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 398,840	\$ 110,143
Deferred revenue	-	79,480
Deferred rent	5,376	3,793
TOTAL CURRENT LIABILITIES	<u>404,216</u>	<u>193,416</u>
LONG-TERM LIABILITIES		
Deferred rent, net of current portion	1,444	6,820
TOTAL LIABILITIES	<u>405,660</u>	<u>200,236</u>
NET ASSETS		
Unrestricted	625,829	539,256
Temporarily restricted	263,371	334,666
TOTAL NET ASSETS	<u>889,200</u>	<u>873,922</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,294,860</u>	<u>\$ 1,074,158</u>

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES

STATEMENT OF ACTIVITIES

Year Ended December 31, 2016

(with summarized comparative information for the year ended December 31, 2015)

	2016			2015
	Unrestricted	Temporarily Restricted	Total	
SUPPORT AND REVENUE				
Government grants	\$ 1,129,954	\$ -	\$ 1,129,954	\$ 1,275,136
Grants and contributions	498,905	339,548	838,453	477,121
Conferences and meetings	756,059	-	756,059	37,860
Affiliate dues	45,000	-	45,000	45,000
Investment income	4,924	-	4,924	9,443
Other income	336	-	336	100
Net assets released from restriction:				
Satisfaction of program restrictions	410,843	(410,843)	-	-
TOTAL SUPPORT AND REVENUE	<u>2,846,021</u>	<u>(71,295)</u>	<u>2,774,726</u>	<u>1,844,660</u>
EXPENSES				
Program services	2,414,466	-	2,414,466	1,781,112
General and administrative	202,208	-	202,208	85,572
Fundraising	142,774	-	142,774	138,937
TOTAL EXPENSES	<u>2,759,448</u>	<u>-</u>	<u>2,759,448</u>	<u>2,005,621</u>
CHANGE IN NET ASSETS	86,573	(71,295)	15,278	(160,961)
NET ASSETS, beginning of year	<u>539,256</u>	<u>334,666</u>	<u>873,922</u>	<u>1,034,883</u>
NET ASSETS, end of year	<u>\$ 625,829</u>	<u>\$ 263,371</u>	<u>\$ 889,200</u>	<u>\$ 873,922</u>

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2016

(with summarized comparative information for the year ended December 31, 2015)

	2016				2015
	Program Services	General and Administrative	Fundraising	Total	
Payroll and related costs	\$ 823,758	\$ 96,981	\$ 130,424	\$ 1,051,163	\$ 786,047
Affiliate support	411,432	-	-	411,432	167,000
Professional fees	348,540	20,366	1,653	370,559	247,988
National conference	359,482	-	-	359,482	-
NOAA/CRP member support	211,914	-	-	211,914	573,331
Grant partner support	150,657	-	-	150,657	-
Travel	74,374	3,361	822	78,557	72,770
Office related expense	2,669	60,151	565	63,385	63,814
Meeting, conference, staff development	22,812	158	1,517	24,487	55,848
Communications	2,989	14,938	-	17,927	13,743
Business related costs	552	4,649	6,945	12,146	9,056
Product production	3,871	1,019	-	4,890	9,170
Postage and delivery	1,271	585	223	2,079	1,146
Marketing and advertising	-	-	625	625	31
Other expenses	145	-	-	145	5,677
TOTAL EXPENSES	\$ 2,414,466	\$ 202,208	\$ 142,774	\$ 2,759,448	\$ 2,005,621

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES

STATEMENT OF CASH FLOWS

Year Ended December 31, 2016

(with comparative information for the year ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations		
Support and revenue	\$ 2,234,049	\$ 2,041,526
Investment income	4,907	5,424
	<u>2,238,956</u>	<u>2,046,950</u>
Cash disbursed by operations		
Payments to suppliers and employees	<u>2,340,374</u>	<u>2,189,172</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(101,418)</u>	<u>(142,222)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	359,236	208,859
Purchase of investments	<u>(214,071)</u>	<u>(214,327)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>145,165</u>	<u>(5,468)</u>
NET INCREASE (DECREASE) IN CASH	43,747	(147,690)
CASH, beginning of year	<u>228,945</u>	<u>376,635</u>
CASH, end of year	<u>\$ 272,692</u>	<u>\$ 228,945</u>

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES

STATEMENT OF CASH FLOWS

Year Ended December 31, 2016

(with comparative information for the year ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	<u>\$ 15,278</u>	<u>\$ (160,961)</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES		
Non-cash occupancy costs	(3,793)	(2,252)
Unrealized gain on investments	<u>(17)</u>	<u>(3,108)</u>
NET ADJUSTMENTS	<u>(3,810)</u>	<u>(5,360)</u>
CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS (USING) PROVIDING CASH		
ASSETS		
Accounts receivable	(281,423)	68,658
Grants receivable	(174,850)	57,260
Prepaid expenses	134,170	(134,673)
	<u>(322,103)</u>	<u>(8,755)</u>
LIABILITIES		
Accounts payable and accrued expenses	288,697	(46,626)
Deferred revenue	<u>(79,480)</u>	<u>79,480</u>
	<u>209,217</u>	<u>32,854</u>
NET CHANGES IN ASSETS AND LIABILITIES	<u>(112,886)</u>	<u>24,099</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (101,418)</u></u>	<u><u>\$ (142,222)</u></u>
NON-CASH INVESTING ACTIVITIES		
Increase in fair value of investments	\$ 17	\$ 3,108
Unrealized gain in fair value of investments	<u>(17)</u>	<u>(3,108)</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2016

(with comparative information for the year ended December 31, 2015)

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.

Cash and Cash Equivalents

As of December 31, 2016 and 2015, cash consisted of two checking accounts and a savings account. Cash held within brokerage accounts are 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, 2016 and 2015.

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, 2016

(with comparative information for the year ended December 31, 2015)

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 are deferred and recognized in the year to which they apply.

Net Assets

The net assets of the Organization are divided into three classes: unrestricted, temporarily restricted, and permanently restricted net assets.

Unrestricted net assets include unrestricted 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.

Temporarily restricted net assets 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities and change in net assets as net assets released from restrictions.

Permanently restricted net assets includes resources that are invested and held in perpetuity. There were no permanently restricted net assets at December 31, 2016 and 2015.

Revenue Recognition

The Organization recognizes all unconditional contributed support in the period in which the commitment is made. When a donor restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished) temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

RESTORE AMERICA'S ESTUARIES

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2016

(with comparative information for the year ended December 31, 2015)

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

Revenue Recognition (Continued)

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.

RESTORE AMERICA'S ESTUARIES

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2016

(with comparative information for the year ended December 31, 2015)

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 Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Summarized 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, 2015, from which the summarized information was derived.

2. CASH

Cash as of December 31, 2016 and 2015, consisted of the following:

	2016	2015
Checking accounts	\$ 271,942	\$ 227,445
Savings and money market accounts	750	1,500
	<u>\$ 272,692</u>	<u>\$ 228,945</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, 2016 and 2015 not covered by FDIC deposit insurance were \$99,224 and \$148,251, respectively.

RESTORE AMERICA'S ESTUARIES

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2016

(with comparative information for the year ended December 31, 2015)

3. ACCOUNTS AND GRANTS RECEIVABLE

Receivables as of December 31, 2016 and 2015 consisted of the following:

	2016	2015
Accounts receivable - program and miscellaneous	\$ 288,231	\$ 6,808
Grants receivable		
NOAA	102,083	8,950
EPA	37,185	33,915
USDA	25,000	-
Other	53,447	-
	<u>217,715</u>	<u>42,865</u>
	<u>\$ 505,946</u>	<u>\$ 49,673</u>

No allowance for uncollectable amounts was considered necessary as of December 31, 2016 and 2015.

4. INVESTMENTS

Investments as of December 31, 2016 and 2015 are comprised of the following:

	2016		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market	\$ 66,201	\$ 66,201	\$ -
Certificates of deposit	445,000	443,360	(1,640)
	<u>\$ 511,201</u>	<u>\$ 509,561</u>	<u>\$ (1,640)</u>
	2015		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market	\$ 441	\$ 441	\$ -
Certificates of deposit	653,800	654,268	468
	<u>\$ 654,241</u>	<u>\$ 654,709</u>	<u>\$ 468</u>

RESTORE AMERICA'S ESTUARIES

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2016

(with comparative information for the year ended December 31, 2015)

4. INVESTMENTS (Continued)

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

	2016	2015
Interest and dividends	\$ 4,907	\$ 6,335
Unrealized gains on investments	17	3,108
	<u>\$ 4,924</u>	<u>\$ 9,443</u>

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, 2016

(with comparative information for the year ended December 31, 2015)

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, 2016 and 2015:

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

	2015			
	Fair Value	Level 1	Level 2	Level 3
Money market	\$ 441	\$ 441	\$ -	\$ -
Certificates of deposit	654,268	-	654,268	-
	<u>\$ 654,709</u>	<u>\$ 441</u>	<u>\$ 654,268</u>	<u>\$ -</u>

6. DEFERRED REVENUE

There was no deferred revenue as of December 31, 2016. Certain amounts pertaining to corporate sponsorship for the 2016 biennial conference were received in advance in 2015. The amount of sponsorship received through December 31, 2015 that was related to this conference totaled \$79,480.

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, 2016 and 2015, the Organization received \$45,000 and \$45,000, respectively, from these member affiliates. In addition, during the years ended December 31, 2016 and 2015, the Organization awarded subgrants to these member affiliates totaling \$456,705 and \$581,615, respectively.

RESTORE AMERICA'S ESTUARIES

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2016

(with comparative information for the year ended December 31, 2015)

8. REVENUE CONCENTRATION

Approximately 41% and 69% of the Organization's revenue for the years ended December 31, 2016 and 2015, 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. TEMPORARILY RESTRICTED NET ASSETS

A summary of activity in temporarily restricted net assets for the years ended December 31, 2016 and 2015 is as follows:

	2016			Balance Dec 31, 2016
	Balance Jan 1, 2016	Support and revenue	Net assets released from restrictions	
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)	-
	<u>\$ 334,666</u>	<u>\$ 339,548</u>	<u>\$ (410,843)</u>	<u>\$ 263,371</u>

RESTORE AMERICA'S ESTUARIES

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2016

(with comparative information for the year ended December 31, 2015)

9. TEMPORARILY RESTRICTED NET ASSETS (Continued)

	2015			
	Balance	Support and	Net assets	Balance
	Jan 1, 2015	revenue	released from	Dec 31, 2015
			restrictions	
Purpose restrictions:				
Coastal blue carbon project	\$ 25,000	\$ -	\$ (24,688)	\$ 312
Tampa Bay projects	253,100	80,000	(142,037)	191,063
Norcross	1,300	900	(2,200)	-
Accenture-GBF	49,530	-	(49,530)	-
Scotts water quality project	-	50,000	(7,218)	42,782
CEC	-	16,000	(10,777)	5,223
Munson Foundation	-	30,000	(24,772)	5,228
Wildlife Forever Fund	-	8,000	-	8,000
Louis Berger	-	12,500	(12,500)	-
NY Community Trust	-	100,000	(17,942)	82,058
	<u>\$ 328,930</u>	<u>\$ 297,400</u>	<u>\$ (291,664)</u>	<u>\$ 334,666</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 \$32,246 and \$35,438 for the years ended December 31, 2016 and 2015, respectively.

11. DONATED SERVICES

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 Organization received no donated services in 2015. 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, 2016 and 2015 was \$38,448 and \$0, respectively.

RESTORE AMERICA'S ESTUARIES

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2016

(with comparative information for the year ended December 31, 2015)

12. COMMITMENTS AND CONTINGENCIES

Office Lease

The Organization signed a five year office lease on March 11, 2013. The lease expires on March 31, 2018. Under the operating lease agreement, the Organization's rental payment for the first three months was waived. The rent abatement has been deferred and is being amortized over the life of the lease. The Organization delivered to the landlord a security deposit in the amount of \$4,452, or the amount of one month's rent for the first year of the lease. The lease provides for annual fixed rent increases of 2.75% 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. Rent expense for the years ended December 31, 2016 and 2015 was \$56,148 and \$54,674, respectively.

Future minimum lease payments required under the lease as of December 31, 2016 are as follows:

2017	\$	59,148
2018		<u>14,887</u>
	\$	<u>74,035</u>

Future Meeting Sites

Subsequent to the fiscal year end, the Organization entered into three 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 July 14, 2017, would be approximately \$192,823.

13. SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 14, 2017, the date the financial statements were available to be issued.