

***ANACOSTIA WATERSHED SOCIETY, INC.  
AND SATURDAY ENVIRONMENTAL  
ACADEMY***

CONSOLIDATED FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2016 AND 2015



**Halt Buzas &  
Powell, LTD**

CERTIFIED PUBLIC ACCOUNTANTS • MANAGEMENT CONSULTANTS

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Anacostia Watershed Society, Inc. and Saturday Environmental Academy  
Bladensburg, Maryland

We have audited the accompanying consolidated financial statements of Anacostia Watershed Society, Inc. and Saturday Environmental Academy (collectively, the Organization), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2016 and 2015, 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 Matter***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedules of functional expenses (pages 17 - 18) are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Halt, Buzas & Powell, Ltd.*

Alexandria, Virginia  
July 11, 2017

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2016 AND 2015**

	2016	2015
<b>ASSETS</b>		
Current assets:		
Cash	\$ 314,668	\$ 194,327
Contracts receivable	281,396	363,899
Contributions receivable	19,355	50,000
Prepaid expenses	876	12,825
Total current assets	616,295	621,051
Property and equipment, net	936,694	958,912
Total assets	\$ 1,552,989	\$ 1,579,963
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Line of credit	\$ 56,958	\$ 136,884
Accounts payable	260,143	295,812
Accrued payroll liabilities	33,959	72,450
Deferred revenue	14,648	35,648
Note payable	5,403	5,205
Capital lease obligation	-	3,060
Total current liabilities	371,111	549,059
Note payable, non-current	3,745	9,108
Total liabilities	374,856	558,167
Net assets:		
Unrestricted	1,094,159	895,141
Temporarily restricted	83,974	126,655
Total net assets	1,178,133	1,021,796
Total liabilities and net assets	\$ 1,552,989	\$ 1,579,963

See accompanying notes to the consolidated financial statements.

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Unrestricted	Temporarily Restricted	Total
<b>Revenues:</b>			
Contract revenue	\$ 1,346,113	\$ -	\$ 1,346,113
Contributions	827,086	111,793	938,879
Program service fees	132,181	-	132,181
Special event, net of direct donor benefits of \$13,580	92,890	-	92,890
In-kind contributions	20,971	-	20,971
Loss on disposal of property and equipment	(1,267)	-	(1,267)
Net assets released from restrictions:			
Satisfaction of donor restrictions	154,474	(154,474)	-
Total revenues	2,572,448	(42,681)	2,529,767
<b>Expenses:</b>			
<b>Program services:</b>			
Stewardship	1,168,717	-	1,168,717
Environmental education	559,273	-	559,273
Advocacy	224,443	-	224,443
Recreation	82,652	-	82,652
Total program services	2,035,085	-	2,035,085
<b>Support services:</b>			
Management and general	200,893	-	200,893
Fundraising	137,452	-	137,452
Total support services	338,345	-	338,345
Total expenses	2,373,430	-	2,373,430
Change in net assets	199,018	(42,681)	156,337
Net assets, beginning of year	895,141	126,655	1,021,796
Net assets, end of year	\$ 1,094,159	\$ 83,974	\$ 1,178,133

See accompanying notes to the consolidated financial statements.

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contract revenue	\$ 2,415,317	\$ -	\$ 2,415,317
Contributions	732,027	76,655	808,682
Program service fees	135,006	-	135,006
Special event, net of direct donor benefits of \$12,040	110,110	-	110,110
In-kind contributions	16,385	-	16,385
Gain on disposal of property and equipment	2,215	-	2,215
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>243,793</u>	<u>(243,793)</u>	<u>-</u>
Total revenues	<u>3,654,853</u>	<u>(167,138)</u>	<u>3,487,715</u>
Expenses:			
Program services:			
Stewardship	2,495,220	-	2,495,220
Environmental education	443,630	-	443,630
Advocacy	265,589	-	265,589
Recreation	<u>122,313</u>	<u>-</u>	<u>122,313</u>
Total program services	<u>3,326,752</u>	<u>-</u>	<u>3,326,752</u>
Support services:			
Management and general	297,088	-	297,088
Fundraising	<u>164,473</u>	<u>-</u>	<u>164,473</u>
Total support services	<u>461,561</u>	<u>-</u>	<u>461,561</u>
Total expenses	<u>3,788,313</u>	<u>-</u>	<u>3,788,313</u>
Change in net assets	(133,460)	(167,138)	(300,598)
Net assets, beginning of year	<u>1,028,601</u>	<u>293,793</u>	<u>1,322,394</u>
Net assets, end of year	<u>\$ 895,141</u>	<u>\$ 126,655</u>	<u>\$ 1,021,796</u>

See accompanying notes to the consolidated financial statements.

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ <u>156,337</u>	\$ <u>(300,598)</u>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	67,375	65,342
Loss (gain) on disposal of assets	1,267	(2,215)
Donated property and equipment	(10,000)	(7,980)
Bad debt expense	17,310	15,500
Decrease (increase) in assets:		
Contracts receivable	65,193	175,382
Contributions receivable	30,645	46,013
Prepaid expenses	11,949	(4,695)
Increase (decrease) in liabilities:		
Accounts payable	(35,669)	68,608
Accrued payroll liabilities	(38,491)	(15,325)
Deferred revenue	<u>(21,000)</u>	<u>(62,526)</u>
Total adjustments	<u>88,579</u>	<u>278,104</u>
Net cash provided by (used in) operating activities	<u>244,916</u>	<u>(22,494)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(36,424)	(22,377)
Proceeds from sales of property and equipment	<u>-</u>	<u>4,900</u>
Net cash used in investing activities	<u>(36,424)</u>	<u>(17,477)</u>
Cash flows from financing activities:		
Principal payments on capital lease obligation	(3,060)	(3,060)
Proceeds from issuance of note payable	-	16,000
Principal payments on note payable	(5,165)	(1,687)
Proceeds from line of credit	-	210,377
Principal payments on line of credit	<u>(79,926)</u>	<u>(73,493)</u>
Net cash (used in) provided by financing activities	<u>(88,151)</u>	<u>148,137</u>
Net increase in cash	120,341	108,166
Cash, beginning of year	<u>194,327</u>	<u>86,161</u>
Cash, end of year	<u>\$ 314,668</u>	<u>\$ 194,327</u>
Supplemental disclosures of cash flow information:		
Interest expense	<u>\$ 8,029</u>	<u>\$ 2,989</u>

See accompanying notes to the consolidated financial statements.



**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**1. Organization**

The accompanying consolidated financial statements include the accounts of Anacostia Watershed Society, Inc. (the Society) and Saturday Environmental Academy (SEA), collectively the Organization.

The Society was founded as a nonprofit environmental organization in 1989. The mission of the Organization is to protect and restore the Anacostia River and its watershed communities by cleaning the water, recovering the shores, and honoring the heritage. The ultimate goal of the Organization is to make the Anacostia River swimmable and fishable, in compliance with the federal Clean Water Act. The Organization also remains committed to working with the historical preservation and cultural communities by maintaining the integrity of their historic headquarters, the George Washington House.

SEA is a D.C. nonprofit organization that offers outdoor education opportunities for 7th and 8th graders living in the watershed area.

Stewardship: the Organization engages community members of all ages in stewardship action to restore the health of the Anacostia River, create wildlife habitat, produce sustainable built and natural environments and foster a sense of stewardship to protect the river among watershed residents.

Environmental education: the Organization increases awareness, knowledge, skills, and a sense of stewardship among watershed residents that will result in changes in both present and future behavior positively affecting the health of the river.

Advocacy: the Organization influences policies and resources favorably towards the restoration of the Anacostia River, with an emphasis on enhanced storm-water controls, increased containment of trash, and reduced sewage levels.

Recreation: the Organization engages community members of all ages in recreational activities in the watershed to increase awareness of the river, foster their enjoyment of nature, and motivate them to further their stewardship of the river.

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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More than one million people reside in the 176 square mile Anacostia watershed, which encompasses eastern Washington, DC, and northern Prince George's and eastern Montgomery counties in Maryland. The watershed is widely believed to have been one of the most polluted in the nation. By restoring the watershed, the Organization will improve the quality of the environment and human health.

**2. Summary of significant accounting policies**

Principles of consolidation

All significant intra-entity accounts and transactions have been eliminated in consolidation.

Basis of presentation

The Organization's consolidated financial statements are presented in accordance with generally accepted accounting principles for nonprofit organizations. Under those principles, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

*Unrestricted Net Assets* represent resources that are not subject to donor imposed stipulations and are available for operations at management's discretion.

*Temporarily Restricted Net Assets* represent resources restricted by donors as to purpose or by the passage of time.

*Permanently Restricted Net Assets* represent resources whose use by the Organization is limited by donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by action of the Organization. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations.

The Organization had no permanently restricted net assets at December 31, 2016 and 2015.

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

Basis of accounting

The Organization's consolidated financial statements are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses when obligations are incurred.

Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses and their functional allocation during the reporting period. Actual results could differ from those estimates.

Income taxes

The Society and SEA are both exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on income derived from activities related to its exempt purpose. This code section enables the Organization to accept donations that qualify as charitable contributions to the donor. The Organization is subject to income taxes on taxable income from unrelated business activities. For the years ended December 31, 2016 and 2015, the Organization did not recognize income tax expense in the accompanying consolidated financial statements as there was no unrelated business taxable income.

The Organization is not aware of any activities that would jeopardize its tax-exempt status that would require recognition in the accompanying consolidated financial statements. Generally, tax returns are subject to examination by taxing authorities for up to three years from the date a completed return is filed. If material omissions of income exist, tax returns may be subject to examination for up to six years. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in the accompanying consolidated financial statements. As of December 31, 2016 and 2015, the Organization had no uncertain tax positions which should be recognized as a liability.

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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Contracts receivable

Contracts receivable principally represent amounts due from government awards that are all due in less than one year and stated at their net realizable value. In the opinion of management, all receivables are considered collectible. Accordingly, no allowance for doubtful contracts receivable has been recorded.

Contributions receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at their net realizable value. Amounts that are expected to be collected in more than one year are recorded at the present value of their estimated future cash flows. The cash flows are discounted at a discount rate commensurate with the risk involved. Amortization of the resulting discount is recognized as additional contribution revenue. Reserves are established for receivables that are delinquent and considered uncollectible based on periodic reviews by management. At December 31, 2016 and 2015, no allowance for doubtful contributions receivable had been recognized.

Property and equipment, net

Property and equipment acquisitions are recorded in the consolidated financial statements at cost, net of accumulated depreciation and amortization. Donated property and equipment is stated at fair value at the date of donation. Depreciation and amortization expense is computed using the straight-line method over the estimated useful lives of the assets as follows:

Building and improvements	10 - 27.5 years
Equipment	5 - 10 years
Vehicles	5 - 7 years
Office barges	20 years

The Organization's policy is to capitalize major additions and improvements over \$500. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred.

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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Revenue recognition

*Contributions*

Contributions and certain foundation and corporate grants are recognized as revenue when received or promised and are recorded net of any current year allowance or discount activity. The Organization reports gifts of cash and other assets as temporarily restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to the Organization's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

*Contracts*

Contract revenue is recognized as earned when the qualifying costs are incurred. Amounts received in advance are recorded as deferred revenue in the accompanying consolidated statements of financial position.

*Program service fees*

Program service fees are recognized as revenue in the period in which services are provided. Fees received relating to future periods are recorded as deferred revenue in the accompanying consolidated statements of financial position.

*In-kind contributions*

Donated materials, services and use of facilities are recorded at fair value when an unconditional commitment is received and are recognized as in-kind contributions as revenue and expense in the accompanying consolidated financial statements. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The value of such services is recorded based on the estimated fair value of services provided and is classified as in-kind contributions revenue and expense charged to programs and supporting services based on the program or support services directly benefited.

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

Many individuals volunteer their time and perform a variety of tasks that assist the Organization. The value of these contributed services is not recorded as in-kind contributions since the criteria for recognition was not met under the standards.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

**3. Concentrations of credit risk**

The Organization maintains bank deposits that, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limits. At December 31, 2016, the Organization had bank deposits in excess of FDIC limits of \$29,744. There were no deposits in excess of FDIC limits at December 31, 2015.

**4. Line of credit**

On March 29, 2012, the Organization entered into a \$60,000 line of credit with a financial institution. The line of credit was increased to \$150,000 on March 11, 2014. The line of credit is payable on demand and matures on March 29, 2018. The line has an interest rate equal to the "Wall Street Journal Prime Rate" plus 2% with a minimum rate of 6%. For the years ended December 31, 2016 and 2015, the balance due on the line of credit was \$56,958 and \$136,884, respectively. As of January 2017, the line was paid in full.

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**5. Property and equipment, net**

The following is a summary of property and equipment held at December 31:

	2016	2015
Land	\$ 134,075	\$ 134,075
Building and improvements	828,543	828,543
Equipment	260,891	219,363
Vehicles	51,209	51,209
Office barges	230,000	230,000
Property and equipment	1,504,718	1,463,190
Accumulated depreciation and amortization	(568,024)	(504,278)
Total property and equipment, net	\$ 936,694	\$ 958,912

Depreciation and amortization expense for the years ended December 31, 2016 and 2015 was \$67,375 and \$65,342, respectively.

**6. Note payable**

On August 26, 2015, the Organization entered into a note payable in the amount of \$16,000 with interest on the unpaid principal balance calculated as 3.75% per annum. Payments of \$471 are due monthly beginning on September 26, 2015, with all unpaid principal due on August 26, 2018. The note is secured by a truck. At December 31, 2016 and 2015, the balance due on the note was \$9,148 and \$14,313, respectively.

Aggregate future maturities of notes payable are as follows for the years ending December 31:

2017	\$ 5,404
2018	3,744
Total	\$ 9,148

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**7. Temporarily restricted net assets**

Net assets were released from donor restrictions for the following purposes during the years ended December 31:

	<u>2016</u>	<u>2015</u>
Environmental education	\$ 87,278	\$ 173,928
Advocacy	39,377	29,115
Stewardship	27,819	-
Management and general	<u>-</u>	<u>40,750</u>
Total net assets released from restrictions	<u>\$ 154,474</u>	<u>\$ 243,793</u>

At December 31, 2016 and 2015, temporarily restricted net assets were available for the following purposes:

	<u>2016</u>	<u>2015</u>
Environmental education	\$ 33,605	\$ 87,278
Advocacy	28,188	-
Stewardship	22,181	-
Management and general	<u>-</u>	<u>39,377</u>
Total temporarily restricted net assets	<u>\$ 83,974</u>	<u>\$ 126,655</u>

**8. In-kind donations**

During the years ended December 31, 2016 and 2015, the Organization received various donated goods and services which require skill and would need to be purchased if not donated. The Organization received donated supplies, food and equipment valued at \$10,971 and \$8,405 for the years ended December 31, 2016 and 2015, respectively. For the years ended December 31, 2015, the Organization also received donated use of space valued at \$13,000, which is included in special event revenue on the accompanying consolidated statement of activities. Total donated services and goods are recorded as in-kind contributions revenue and included under program advocacy, stewardship, and management and general services expense (except for the special event amounts as noted above) in the accompanying consolidated statements of activities.



**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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During the years ended December 31, 2016 and 2015, the Organization also received donated property and equipment valued at \$10,000 and \$7,980, respectively. All donated property and equipment were capitalized and included in property and equipment on the accompanying consolidated statement of financial position.

**9. Commitments**

Operating leases

The Organization entered into a lease agreement for equipment in August 2011. The equipment lease is for a period of 60 months with monthly payments of \$372. The lease ended in August 2016.

On October 14, 2014, the Organization entered into a lease agreement for rental slips for the barges. The agreement calls for monthly payments of \$1,000 beginning December 2014 and is on a month-to-month basis. Beginning December 2016 monthly payments changed to \$500.

Capital lease

On November 18, 2014 a capital lease was entered into for equipment. The fair value of the equipment when acquired was \$6,120. The lease is for a period of 24 months with monthly principal payments of \$255 and a one dollar buyout option. Capital lease amortization is included with depreciation expense in the consolidated financial statements. As of December 31, 2016, the lease was paid in full and bought out for one dollar.

**10. Contingency**

The Organization receives a portion of its revenue from contracts. The ultimate determination of amounts received under these programs often is based upon allowable costs reported to and audited by the awarding agency. Until such audits have been completed and final settlement reached, a contingency exists to refund any amount received in excess of allowable costs. Management is of the opinion that no liability will result from such an audit.

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
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**11. Retirement plan**

The Organization sponsors a defined contribution retirement plan (the Plan) under Internal Revenue Code section 403(b) which substantially covers all of its employees who meet certain age and length of service requirements. The Organization makes matching contributions in accordance with the Plan provisions. Retirement plan expense for the years ended in December 31, 2016 and 2015 was \$16,981 and \$16,748 respectively.

**12. Subsequent events**

In preparing the consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 11, 2017, which is the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, these financial statements.

SUPPLEMENTAL INFORMATION

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Stewardship</u>	<u>Environmental education</u>	<u>Advocacy</u>	<u>Recreation</u>	<u>Total program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total support services</u>	<u>Total expenses</u>
Salaries	\$ 270,148	\$ 249,500	\$ 127,893	\$ 50,919	\$ 698,460	\$ 87,843	\$ 76,800	\$ 164,643	\$ 863,103
Payroll taxes	22,283	21,307	10,228	3,961	57,779	12,940	6,315	19,255	77,034
Employee benefits	11,287	10,507	5,344	2,127	29,265	3,671	3,236	6,907	36,172
Materials and supplies	210,081	30,093	3,267	1,405	244,846	2,602	147	2,749	247,595
Green Roofs-rebate	291,904	-	-	-	291,904	-	-	-	291,904
GW House (includes depreciation)	13,743	12,486	5,757	2,291	34,277	8,581	3,457	12,038	46,315
DC office (includes depreciation)	15,799	5,557	2,726	1,086	25,168	3,727	1,638	5,365	30,533
Bad debt expense	5,418	5,004	2,565	1,021	14,008	1,762	1,540	3,302	17,310
Equipment repairs and maintenance	2,854	4,401	2,041	448	9,744	5,250	625	5,875	15,619
Computer and website	1,993	2,714	1,181	-	5,888	7,472	1,472	8,944	14,832
Telephone	1,450	2,086	1,320	-	4,856	4,970	40	5,010	9,866
Postage and shipping	954	866	654	161	2,635	277	1,587	1,864	4,499
Printing and publications	10,799	207	5	21	11,032	1,849	11,873	13,722	24,754
Office expenses	1,120	1,262	695	211	3,288	1,398	319	1,717	5,005
Dues and membership	4,176	2,903	1,360	3,321	11,760	934	3,092	4,026	15,786
Conferences and conventions	492	470	250	29	1,241	568	-	568	1,809
Miscellaneous	6,788	11,324	1,248	536	19,896	14,220	1,741	15,961	35,857
Travel	445	2,871	1,374	103	4,793	283	268	551	5,344
Promotion	-	-	-	-	-	-	270	270	270
Professional fees	42,595	37,858	22,683	9,641	112,777	14,100	13,268	27,368	140,145
Contract services	224,185	129,104	19,506	-	372,795	19,175	1,659	20,834	393,629
Insurance	21,956	21,135	10,441	3,816	57,348	6,588	5,760	12,348	69,696
Depreciation and amortization	<u>8,247</u>	<u>7,618</u>	<u>3,905</u>	<u>1,555</u>	<u>21,325</u>	<u>2,683</u>	<u>2,345</u>	<u>5,028</u>	<u>26,353</u>
<b>Total expenses</b>	<b><u>\$ 1,168,717</u></b>	<b><u>\$ 559,273</u></b>	<b><u>\$ 224,443</u></b>	<b><u>\$ 82,652</u></b>	<b><u>\$ 2,035,085</u></b>	<b><u>\$ 200,893</u></b>	<b><u>\$ 137,452</u></b>	<b><u>\$ 338,345</u></b>	<b><u>\$ 2,373,430</u></b>

**ANACOSTIA WATERSHED SOCIETY, INC. AND SATURDAY ENVIRONMENTAL ACADEMY**  
**CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Stewardship</u>	<u>Environmental education</u>	<u>Advocacy</u>	<u>Recreation</u>	<u>Total program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total support services</u>	<u>Total expenses</u>
Salaries	\$ 564,326	\$ 250,709	\$ 146,850	\$ 80,998	\$ 1,042,883	\$ 211,222	\$ 70,058	\$ 281,280	\$ 1,324,163
Payroll taxes	53,492	23,690	13,244	7,351	97,777	3,063	6,563	9,626	107,403
Employee benefits	27,283	12,342	7,146	3,898	50,669	11,043	3,248	14,291	64,960
Materials and supplies	142,590	27,101	446	798	170,935	191	822	1,013	171,948
Green Roofs-rebate	188,532	-	-	-	188,532	-	-	-	188,532
GW House (includes depreciation)	19,956	7,818	5,526	2,469	35,769	5,995	2,057	8,052	43,821
DC office (includes depreciation)	23,452	4,221	2,444	1,393	31,510	3,777	1,111	4,888	36,398
Bad debt expense	-	5,500	-	-	5,500	-	10,000	10,000	15,500
Equipment repairs and maintenance	10,064	5,170	3,418	961	19,613	561	576	1,137	20,750
Computer and website	13,644	3,948	1,755	121	19,468	17,444	2,306	19,750	39,218
Telephone	6,193	3,132	1,491	335	11,151	496	796	1,292	12,443
Postage and shipping	2,405	687	669	200	3,961	568	1,462	2,030	5,991
Printing and publications	23,644	4,009	2,438	982	31,073	2,038	7,493	9,531	40,604
Office expenses	2,343	395	328	216	3,282	4,352	336	4,688	7,970
Dues and membership	9,490	4,146	2,298	3,821	19,755	3,397	14,838	18,235	37,990
Conferences and conventions	4,934	2,621	410	284	8,249	309	401	710	8,959
Miscellaneous	7,851	14,184	707	812	23,554	319	1,704	2,023	25,577
Travel	1,494	7,290	846	191	9,821	124	573	697	10,518
Promotion	855	342	198	108	1,503	306	170	476	1,979
Professional fees	57,552	27,567	23,121	10,579	118,819	20,057	25,149	45,206	164,025
Contract services	1,297,816	21,599	42,770	2,320	1,364,505	1,191	11,681	12,872	1,377,377
Insurance	25,697	10,988	7,670	2,902	47,257	8,217	2,418	10,635	57,892
Depreciation and amortization	<u>11,607</u>	<u>6,171</u>	<u>1,814</u>	<u>1,574</u>	<u>21,166</u>	<u>2,418</u>	<u>711</u>	<u>3,129</u>	<u>24,295</u>
<b>Total expenses</b>	<b><u>\$ 2,495,220</u></b>	<b><u>\$ 443,630</u></b>	<b><u>\$ 265,589</u></b>	<b><u>\$ 122,313</u></b>	<b><u>\$ 3,326,752</u></b>	<b><u>\$ 297,088</u></b>	<b><u>\$ 164,473</u></b>	<b><u>\$ 461,561</u></b>	<b><u>\$ 3,788,313</u></b>