

**Galveston Bay Foundation, Inc.**

Financial Statements  
and Independent Auditors' Report  
for the year ended December 31, 2014

# Galveston Bay Foundation, Inc.

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## Independent Auditors' Report

To the Board of Directors of  
Galveston Bay Foundation, Inc.:

### Report on the Financial Statements

We have audited the accompanying financial statements of Galveston Bay Foundation, Inc., which comprise the statement of financial position as of December 31, 2014 and the related statements of activities, of functional expenses, and of 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 our 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 Galveston Bay Foundation, Inc. as of December 31, 2014 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.

### Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2015 on our consideration of Galveston Bay Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The

purpose of that report is 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 Galveston Bay Foundation, Inc.'s internal control over financial reporting and compliance.

*Blazek & Vetterling*

June 22, 2015

## Galveston Bay Foundation, Inc.

Statement of Financial Position as of December 31, 2014

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### ASSETS

Current assets:	
Cash ( <i>Note 2</i> )	\$ 1,661,671
Contracts receivable	241,271
Other assets	<u>25,022</u>
Total current assets	1,927,964
Cash held for board-designated purposes ( <i>Notes 2 and 8</i> )	201,488
Property, net ( <i>Note 3</i> )	<u>1,520,869</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,650,321</u></b>

### LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 107,314
Accrued liabilities	88,432
Note payable – current ( <i>Note 5</i> )	<u>32,125</u>
Total current liabilities	227,871
Note payable – long-term portion ( <i>Note 5</i> )	<u>617,875</u>
Total liabilities	<u>845,746</u>
Net assets:	
Unrestricted ( <i>Note 8</i> )	1,616,235
Temporarily restricted ( <i>Note 9</i> )	1,122,240
Permanently restricted	<u>66,100</u>
Total net assets	<u>2,804,575</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 3,650,321</u></b>

*See accompanying notes to financial statements.*

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## Galveston Bay Foundation, Inc.

Statement of Activities for the year ended December 31, 2014

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	<u>UNRESTRICTED</u>	TEMPORARILY <u>RESTRICTED</u>	PERMANENTLY <u>RESTRICTED</u>	<u>TOTAL</u>
REVENUE:				
Contract revenue ( <i>Note 10</i> )	\$ 2,228,941			\$ 2,228,941
Grants and contributions	545,327	\$ 1,425,878		1,971,205
Special events revenue	317,290			317,290
Costs of direct donor benefits	(48,098)			(48,098)
Easement consideration	188,400			188,400
Program fees	16,054			16,054
Investment and other income	<u>11,164</u>	<u>4</u>		<u>11,168</u>
Total revenue	3,259,078	1,425,882		4,684,960
Net assets released from restrictions:				
Program expenditures	<u>1,346,660</u>	<u>(1,346,660)</u>		<u>                    </u>
Total	<u>4,605,738</u>	<u>79,222</u>		<u>4,684,960</u>
EXPENSES:				
Program services:				
Conservation	2,700,484			2,700,484
Education	711,423			711,423
Advocacy	407,117			407,117
Research	<u>39,145</u>			<u>39,145</u>
Total program services	3,858,169			3,858,169
Supporting services:				
Management and general	242,275			242,275
Fundraising	<u>383,059</u>			<u>383,059</u>
Total expenses	<u>4,483,503</u>			<u>4,483,503</u>
CHANGES IN NET ASSETS	122,235	79,222		201,457
Net assets, beginning of year	<u>1,494,000</u>	<u>1,043,018</u>	<u>\$ 66,100</u>	<u>2,603,118</u>
Net assets, end of year	<u>\$ 1,616,235</u>	<u>\$ 1,122,240</u>	<u>\$ 66,100</u>	<u>\$ 2,804,575</u>

*See accompanying notes to financial statements.*

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## Galveston Bay Foundation, Inc.

### Statement of Functional Expenses for the year ended December 31, 2014

EXPENSES	CONSERVATION	EDUCATION	ADVOCACY	RESEARCH	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries and wages	\$ 233,429	\$ 278,446	\$ 220,338	\$ 18,703	\$ 750,916	\$ 94,298	\$ 191,872	\$ 1,037,086
Benefits	4,764	2,413	5,637	60	12,874	31,359	2,694	46,927
Payroll taxes	17,701	21,488	16,476	1,365	57,030	17,998	14,209	89,237
Total salaries and related expenses	255,894	302,347	242,451	20,128	820,820	143,655	208,775	1,173,250
Conservation easement consideration	1,316,400				1,316,400			1,316,400
Contracted materials and services	857,334	50,551	32,817	1,800	942,502	15,568	6,490	964,560
Supplies and materials	50,821	66,524	59,168	8,949	185,462	10,680	33,966	230,108
Event fees and supplies	11,907	102,509	3,793		118,209	11,730	25,261	155,200
Insurance	22,419	33,690	19,567	1,737	77,413	15,293	17,206	109,912
Occupancy	36,195	18,910	15,268	3,147	73,520	7,656	12,222	93,398
Partner support and grants	83,966				83,966		1,420	85,386
Printing and publications	2,128	38,368	9,116	320	49,932	25	16,648	66,605
Travel, meals and entertainment	17,289	27,854	14,117	2,684	61,944		4,050	65,994
Professional and technical services		670	2,411		3,081	3,826	31,230	38,137
Other committee expenses	14,811	4,184	2,059	216	21,270	2,386	2,312	25,968
Legal and accounting fees	5,995	577	307		6,879	16,090		22,969
Advertising and development	893	11,280	795		12,968	58	3,988	17,014
Depreciation	6,353	3,996			10,349	4,862		15,211
Licenses and permits		14,813			14,813	50		14,863
Conferences and workshops	8,458	1,082	919		10,459	1,388	1,040	12,887
Membership dues and subscriptions	4,335	385	1,244		5,964	3,973	949	10,886
Property taxes	3,489	7,130			10,619			10,619
Postage and shipping	117	4,558	279	7	4,961	772	4,878	10,611
Equipment rental and maintenance		1,187	573		1,760	3,406		5,166
Communications and telephone	913	1,633	635	157	3,338	248	903	4,489
Other	767	19,175	1,598		21,540	609	11,721	33,870
Total expenses	\$ 2,700,484	\$ 711,423	\$ 407,117	\$ 39,145	\$ 3,858,169	\$ 242,275	\$ 383,059	\$ 4,483,503

*See accompanying notes to financial statements.*

## Galveston Bay Foundation, Inc.

Statement of Cash Flows for the year ended December 31, 2014

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### CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$ 201,457
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	15,211
Changes in operating assets and liabilities:	
Contracts receivable	165,346
Other assets	(19,746)
Accounts payable	51,836
Accrued liabilities	<u>31,283</u>
Net cash provided by operating activities	<u>445,387</u>

### CASH FLOWS FROM INVESTING ACTIVITIES:

Net change in cash held for board-designated purposes	13,311
Purchase of property	<u>(932,238)</u>
Net cash used by investing activities	<u>(918,927)</u>

### CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from note payable	<u>650,000</u>
NET CHANGE IN CASH	176,460
Cash, beginning of year	<u>1,485,211</u>
Cash, end of year	<u>\$ 1,661,671</u>

*See accompanying notes to financial statements.*

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## Galveston Bay Foundation, Inc.

Notes to Financial Statements for the year ended December 31, 2014

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### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Galveston Bay Foundation, Inc. (the Foundation) is a §501(c)(3) non-profit organization established in 1987 under the laws of the State of Texas. It is managed by a Board of Directors whose members represent sport and commercial fishing groups, government agencies, recreational users, environmental groups, shipping, development, and business interests. The mission of the Foundation is to preserve, protect, and enhance the natural resources of the Galveston Bay estuarine system and its tributaries for present users and for posterity. Its programs in education, conservation, research, and advocacy strive to ensure that Galveston Bay remains a beautiful and productive place for generations to come.

The Foundation provides services through the following programs:

*Conservation programs* work to preserve, protect, and restore important coastal habitats, such as marsh, oyster reef, coastal prairie, and others, that have experienced loss or degradation. The Foundation works closely with numerous partners to enhance critical habitats across the bay. These habitats provide important ecosystem services such as filtering pollutants from runoff and improving water quality and clarity, stabilizing shorelines and providing flood control, and creating habitat for economically important finfish and shellfish and providing rookery and foraging areas for birds. The Foundation’s nationally recognized, community-based marsh restoration program, “Marsh Mania,” has involved over 7,500 citizen volunteers and restored more than 200 acres of marsh over the past 16 years. Important conservation projects in 2014, such as the acquisition of the Cotton Bayou and Cedar Gully tracts and conservation easements on Exploration Green and Lone Pine Farm, increased the Foundation’s land under conservation to 5,269 acres.

*Education programs* provide science-based environmental education focused on Galveston Bay. The goal of the programs is to develop a knowledgeable constituency, ranging from school children to public officials, which recognizes the positive quality-of-life benefits that a healthy Galveston Bay system provides for the entire Houston-Galveston region. Youth focused programs include the curriculum-based “Bay Ambassadors” program, annual “Children’s Art Calendar,” and school-based marsh grass nursery program, “Get Hip to Habitat.” Adult focused programs such as the Pump Don’t Dump campaign, Cease the Grease campaign, and Seafood Consumption Advisory campaign aim to educate adults on various water quality issues. The Foundation’s annual “Bay Day Festival” is a one-day celebration of the bay with highlights including hands-on, interactive exhibits, activities, and demonstrations that emphasize the value of Galveston Bay. “Bike Around the Bay” is an annual two-day bike ride that showcases the natural beauty of Galveston Bay while aiming to raise awareness and encourage area citizens to appreciate and visit the bay.

*Advocacy programs* allow the Foundation to serve as the watchdog for Galveston Bay. The Foundation reviews numerous projects and actively participates in the public review of those projects by attending public meetings and submitting written public comments. The overarching goal of the advocacy programs is to encourage and actively seek solutions to conflicts among the diverse users of the bay and balance the multiple uses of Galveston Bay so that the long-term interests of the bay itself are not compromised. With its partners, the Foundation has successfully supported passage of state and federal legislation on behalf of the bay, including the Texas Oil Spill Prevention and Response Act, the Texas Estuaries Act, the Texas Coastal Management Program, and the Federal Clean Waters and Estuary Restoration Act of 2000. Most recently, the Foundation has advocated for adequate freshwater inflows for the bay, for water conservation to be a major component of the State Water Plan, for the proper cleanup of the San Jacinto River Waste Pits Superfund site, for reduction of bacteria levels in our upper Gulf Coast oyster waters, for the bay environment to be adequately addressed in any storm surge mitigation strategy, and for RESTORE Act funds to be utilized on Galveston Bay.

*Research programs* focus on the monitoring of near-shore water quality around Galveston Bay. Trained citizen scientists augment professional monitoring data and aid in watershed planning through the Foundation's "Water Monitoring Team," "Bacteria Sampling Program," and the "College Research Experience." The Foundation also advocates for the allocation of research funds to the region to ensure the health of Galveston Bay and its users.

The Foundation receives significant support from federal, state, and local grants and contracts in support of its conservation, education, advocacy, and research work. As most grant funding comes from federal sources, the majority requires non-federal, voluntary matching funds at a ratio of at least 1:1. The Foundation matches federal grant funding with state, local, and private funds, in-kind donations and services, and volunteer participation, often at a much higher ratio than required.

Federal income tax status – The Foundation is exempt from federal income taxes as an organization described in §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi). The Foundation files an annual federal information return that is subject to routine examination; however, there are no examinations for any tax periods currently in progress. The Foundation believes it is no longer subject to examinations of returns for tax years ended before December 31, 2011.

Cash concentration – Cash balances exceed the federally insured limit per depositor per institution.

Property includes land, works of art, furniture and fixtures, office equipment and equipment for program services, which are either currently used or planned to be used for program services of the Foundation. Property is reported at cost or, in the case of donated property, at estimated fair market value at the time of the donation. Property, excluding land and works of art, is depreciated using the straight-line method over the estimated useful lives of the assets, generally from 3 to 20 years.

Net asset classification – Contributions, investment return, and related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation.
- *Temporarily restricted net assets* include contributions and investment return restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.
- *Permanently restricted net assets* include one contributed tract of land with a fair value of \$66,100 at the date of its contribution that is restricted for preservation in perpetuity. Any costs associated with maintaining the property have been provided by unrestricted or temporarily restricted funds, and the costs have been classified as conservation expenses in the period expended.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support. Conditional contributions are recognized in the same manner when the conditions are substantially met. The Foundation recognizes gifts of fixed assets as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are classified as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the assets are placed in service.

In-kind contributions – Contributed materials, services, and use of facilities are recognized as contributions at fair value when an unconditional commitment is received from the donor. The related expense is recognized as contributed materials, services, and facilities are used. 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.

A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration, and fundraising for which no amount has been recorded in the financial statements because the

donated services did not meet the criteria for recognition under generally accepted accounting principles. During the year ended December 31, 2014, these volunteers donated approximately 12,989 hours.

Contract revenue and receivables – Receivables consist of amounts due, both billed and unbilled, under reimbursable contracts with government agencies. Contract revenue is recognized as the Foundation incurs allowable costs under the contracts on a matching basis. The Foundation provides an allowance for estimated uncollectible receivables. No provision was considered necessary at December 31, 2014.

Program fees from the rain barrel workshop program are recognized as revenue when the services are provided.

Conservation easements – The Foundation assigns no value to conservation easements for which it has no ownership rights other than monitoring and enforcing the easement to protect and conserve the property. The costs associated with the Foundation’s monitoring and enforcement activities are recorded as expenses when they are incurred.

Advertising costs are expensed as incurred.

Functional allocation of expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses and the statement of activities. Accordingly, certain costs have been allocated among the programs and support services benefited.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## NOTE 2 – CASH

At December 31, 2014, the Foundation had deposits of \$1,824,590 in a cash management account with a securities brokerage firm. Those deposits were maintained in money market accounts. The Foundation also had deposits of \$14,395 in a money market account with a nationally chartered bank.

As required by an agreement with the Texas Commission on Environmental Quality (the Commission), the Foundation is required to maintain funds, which are contributed by respondents in enforcement actions brought by the Commission, in a separate account used exclusively for such funds. These funds are held in a cash management account with a nationally chartered bank totaling \$24,174 at December 31, 2014.

## NOTE 3 – PROPERTY

Property owned and used by the Foundation at December 31, 2014 consists of the following:

Nondepreciable assets:	
Unrestricted land	\$ 1,169,657
Temporarily restricted land	39,128
Permanently restricted land	66,100
Contributed artwork	9,400
Depreciable assets:	
Building	200,126
Equipment for program services	158,453
Temporarily restricted truck	26,248
Furniture and office equipment	<u>41,412</u>
Total property	1,710,524
Less: Accumulated depreciation	<u>(189,655)</u>
Property, net	<u>\$ 1,520,869</u>

In 1991, the Foundation received a donation of approximately 30.68 acres of land in Galveston County; the land was conveyed with a donor and deed restriction for conservation and is temporarily restricted as it must be used for the restricted purpose. In 1998, the Foundation received a donation of 449 acres of land in Galveston County; the land was conveyed with a donor and deed restriction for conservation and is permanently restricted as it is required to be held in perpetuity.

During the year ended December 31, 2013, the Foundation purchased and capitalized a truck with a cost of \$26,248 with federal grant funds. The Foundation is required to follow the provisions of OMB Circular A-110, which restricts the truck to be primarily utilized for the oyster shell recycling program for which it was acquired. When all federal contracts for this program expire, the truck will be retained by the Foundation and will be released from use restrictions. If the Foundation determines that the truck is no longer of service and disposes of the asset, the Foundation is required to offer the original granting agency the proceeds at the time of the sale.

**NOTE 4 – CONSERVATION EASEMENTS**

*Lone Pine Farm Purchased Easement*

The Foundation purchased a conservation easement comprised of approximately 1,097 acres on December 23, 2014. The United States Fish and Wildlife Service granted the Foundation \$1,316,400 to purchase the easement. Below is a breakdown of the purchase costs:

Gross market value of property before the easement	\$ 3,284,800
Reduction of value with conservation easement placement	<u>(1,968,400)</u>
Easement value	<u>\$ 1,316,400</u>
Purchase price of easement	\$ 1,316,400
Expenses of easement placement	<u>19,110</u>
Total cost of easement	<u>\$ 1,335,510</u>

The landowners made an unrestricted contribution of \$45,218 at closing. The Foundation, per land management policies, has designated this contribution for easement administration, easement stewardship, and legal defense.

*Exploration Green Donated Easement*

The Clear Lake City Water Authority donated a conservation easement comprised of approximately 178 acres on November 24, 2014. The Clear Lake City Water Authority also made an unrestricted contribution of \$28,836 upon donation of the easement. The Foundation, per land management policies, has designated this contribution for easement administration, easement stewardship, and legal defense.

**NOTE 5 – NOTE PAYABLE**

During 2014, the Foundation financed the purchase of a 17.23-acre tract of land and building for development of a nature center with a note payable from The Conservation Fund in the amount of \$650,000. The note bears interest at 2.75% per annum. Principal and interest payments of \$50,000 are due on the first and second anniversary of the note, with the remaining balance due in full on the third anniversary of the note. The note payable is secured by a deed of trust on the property. The outstanding balance at December 31, 2014 is \$650,000.

Principal payments at December 31, 2014 are due as follows:

2015	\$ 32,125
2016	33,008
2017	<u>584,867</u>
Total	<u>\$ 650,000</u>

Interest expense recognized and payable as of December 31, 2014, was \$7,448.

## NOTE 6 – COMMITMENTS

### *Lease commitments*

The Foundation leases office space under a noncancelable operating lease agreement through July 31, 2015, and continuing month-to-month thereafter. Lease expense of \$61,372 was recognized in 2014. Future minimum lease payments of \$34,820 are due during 2015.

### *Conservation easements*

As of December 31, 2014, the Foundation holds eight conservation easements covering approximately 1,935 acres. The Foundation is committed to monitoring these properties in order to ensure that the conditions of the conservation easements are not violated. In the event that any violation of these easements is deemed to have occurred, the Foundation is committed to bringing any and all actions necessary to bring remedy.

The Foundation also owns ten properties for conservation totaling approximately 3,318 acres. The Nature Conservancy was granted an easement on one of these properties.

## NOTE 7 – CONTRIBUTED GOODS AND SERVICES

On July 1, 2013, the Foundation entered into a five-year lease agreement with the Port of Houston Authority of Harris County, Texas. The Foundation leased approximately 1.5 acres of the Port of Houston's Memorial Tract in Harris County for an oyster shell recycling program. The site is being leased at \$10 annually, and the remaining monthly value of \$1,474 is being donated to the Foundation by the Port. The Foundation recognized \$17,682 of donated rent expense for this property for the year ended December 31, 2014.

The values of donated goods and services during the year ended December 31, 2014 were as follows:

Donations provided for conservation programs:	
Donation of plants for wetlands restoration	\$ 43,425
Donation of bio-mapping and survey of Sweetwater Preserve	26,795
Supplies	17,982
Donation of truck rental to transport oyster shell for oyster restoration projects	1,425
Donation of lease of oyster shell curing site	1,236
Donations provided for educational projects:	
Donation of plants for youth programs	29,588
Advertising	7,171
Equipment rental	6,170
Donation of mobile app hosting	3,750
Supplies	2,630
Donations provided for advocacy outreach programs:	
Supplies	31,080
Donation of space for program workshops	2,000
Legal fees donated to evaluate the severity of the San Jacinto Waste Pit Superfund site, advise the Foundation	307
Donated catering and prizes provided to support fundraising efforts	<u>5,006</u>
Total donated goods and services	<u>\$ 178,565</u>

## NOTE 8 – UNRESTRICTED NET ASSETS

Unrestricted net assets at December 31, 2014 consist of the following:

Property, net	\$ 749,862
Board-designated	201,488
Undesignated	<u>664,885</u>
Total unrestricted net assets	<u>\$ 1,616,235</u>

At December 31, 2014, the Board has designated funds to be used for matching federally funded oyster restoration programs; supporting the Bay Day education program; supporting the Marsh Mania restoration program; supporting the Rain Barrel Workshop program; funding habitat management; and supporting, acquiring, monitoring, and enforcing conservation easements held by the Foundation. There are no legal restrictions on these funds; and therefore, the management of the Foundation may use these funds at its discretion.

## NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2014 are available for the following specific program services and supporting services for subsequent periods:

Conservation	\$ 892,799
Advocacy	50,221
Donated land restricted for conservation	39,128
Truck for oyster shell recycling program	15,749
POHA reserves	100,000
Other services	<u>24,343</u>
Total temporarily restricted net assets	<u>\$ 1,122,240</u>

## NOTE 10 – CONTRACT REVENUE

The Foundation is a party to contracts with federal, state, and local governmental agencies. Should these contracts not be renewed, a replacement for this source of support may not be forthcoming, and related expenses would not be incurred. During 2014, funding sources were as follows:

United States Fish and Wildlife Service, Department of the Interior	\$ 1,840,757
National Oceanic and Atmospheric Administration, Department of Commerce	218,895
Office of Water, Environmental Protection Agency	124,310
Other grants	<u>44,979</u>
Total contract revenue	<u>\$ 2,228,941</u>

## NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2015, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.