

PUGET SOUNDKEEPER ALLIANCE

FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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C e r t i f i e d P u b l i c A c c o u n t a n t s

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Puget Soundkeeper Alliance
Seattle, Washington

We have audited the accompanying financial statements of Puget Soundkeeper Alliance (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018 and the related statements of activities and net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement.

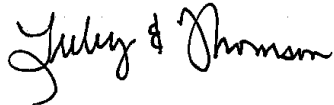
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or 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 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 Puget Soundkeeper Alliance as of December 31, 2019 and 2018, 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.

A handwritten signature in black ink that reads "Luby & Thomson". The signature is written in a cursive, flowing style.

Luby and Thomson, PLLC
Certified Public Accountants
Bellevue, WA
October 28, 2020

PUGET SOUNDKEEPER ALLIANCE

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,021,507	\$ 907,929
Receivables	105,084	89,062
Prepaid expenses	33,907	28,750
Total current assets	<u>1,160,498</u>	<u>1,025,741</u>
Receivables, due in more than one year	-	15,000
Property and equipment, net	9,269	13,768
Rent deposit	6,458	6,458
TOTAL ASSETS	<u><u>\$ 1,176,225</u></u>	<u><u>\$ 1,060,967</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 47,699	\$ 21,330
Accrued expenses	58,615	59,571
Deferred rent	1,285	5,140
Total current liabilities	<u>107,599</u>	<u>86,041</u>
NET ASSETS		
Without donor restrictions		
Undesignated	412,144	345,977
Board designated	530,007	441,949
	<u>942,151</u>	<u>787,926</u>
With donor restrictions	126,475	187,000
Total net assets	<u>1,068,626</u>	<u>974,926</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,176,225</u></u>	<u><u>\$ 1,060,967</u></u>

The accompanying notes are an integral part of these financial statements

PUGET SOUNDKEEPER ALLIANCE

STATEMENT OF ACTIVITIES AND NET ASSETS
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	\$ 765,427	\$ 291,888	\$ 1,057,315
In-kind contributions	18,564	-	18,564
Earth Share of Washington contributions	7,409	-	7,409
Special event revenue	\$ 221,482		
Less: Costs of direct benefits to donors	<u>(65,437)</u>		
Net revenues from special events	156,045	-	156,045
Program fees	205,249	-	205,249
Interest income	1,781	-	1,781
	<u>1,154,475</u>	<u>291,888</u>	<u>1,446,363</u>
Net assets releases:			
Satisfaction of donor restrictions	<u>352,413</u>	<u>(352,413)</u>	<u>-</u>
Total support and revenue	<u>1,506,888</u>	<u>(60,525)</u>	<u>1,446,363</u>
EXPENSES			
Program services	983,375	-	983,375
Management and general	107,329	-	107,329
Fundraising and development	261,959	-	261,959
Total expenses	<u>1,352,663</u>	<u>-</u>	<u>1,352,663</u>
CHANGE IN NET ASSETS	154,225	(60,525)	93,700
NET ASSETS			
Beginning of the year	787,926	187,000	974,926
End of the year	<u>\$ 942,151</u>	<u>\$ 126,475</u>	<u>\$ 1,068,626</u>

The accompanying notes are an integral part of these financial statements

PUGET SOUNDKEEPER ALLIANCE

STATEMENT OF ACTIVITIES AND NET ASSETS
YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	\$ 830,639	\$ 460,000	\$ 1,290,639
In-kind contributions	34,069	-	34,069
Earth Share of Washington contributions	6,922	-	6,922
Special event revenue	\$ 209,822		
Less: Costs of direct benefits to donors	<u>(67,197)</u>		
Net revenues from special events	142,625	-	142,625
Program fees	53,416	-	53,416
Gain on insurance claim	927	-	927
Interest income and other	2,490	-	2,490
	<u>1,071,088</u>	<u>460,000</u>	<u>1,531,088</u>
Net assets releases:			
Satisfaction of donor restrictions	<u>494,550</u>	<u>(494,550)</u>	<u>-</u>
Total support and revenue	<u>1,565,638</u>	<u>(34,550)</u>	<u>1,531,088</u>
EXPENSES			
Program services	1,137,319	-	1,137,319
Management and general	65,121	-	65,121
Fundraising and development	224,585	-	224,585
Total expenses	<u>1,427,025</u>	<u>-</u>	<u>1,427,025</u>
CHANGE IN NET ASSETS	138,613	(34,550)	104,063
NET ASSETS			
Beginning of the year	649,313	221,550	870,863
End of the year	<u>\$ 787,926</u>	<u>\$ 187,000</u>	<u>\$ 974,926</u>

The accompanying notes are an integral part of these financial statements

PUGET SOUNDKEEPER ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services				Support Services			
	Sound-keeper	Outreach	Pollution Prevention	Total	Management & General	Fundraising & Development	Total	Total
Salaries and related	\$ 298,690	\$ 208,399	\$ 122,213	\$ 629,302	\$ 73,100	\$ 162,655	\$ 235,755	\$ 865,057
Professional services	63,878	39,431	22,885	126,194	21,191	19,958	41,149	167,343
Occupancy	25,713	23,900	10,699	60,312	6,250	13,982	20,232	80,544
Special event costs of direct benefit to donors	-	-	-	-	-	65,437	65,437	65,437
Printing and publications	1,200	13,336	16,458	30,994	203	23,394	23,597	54,591
Boat	18,966	410	8,564	27,940	-	-	-	27,940
Legal fund	25,825	-	-	25,825	-	-	-	25,825
Advertising and marketing	148	13,346	72	13,566	34	9,373	9,407	22,973
Supplies	1,381	11,579	2,834	15,794	703	5,089	5,792	21,586
Dues and conferences	6,921	4,654	1,723	13,298	1,225	6,220	7,445	20,743
Other	1,591	1,336	4,073	7,000	2,111	9,729	11,840	18,840
Travel and meetings	5,180	4,653	3,666	13,499	649	3,808	4,457	17,956
Postage and mailing	2,293	1,702	1,707	5,702	529	4,660	5,189	10,891
Equipment	2,353	5,107	936	8,396	689	1,655	2,344	10,740
Depreciation	1,553	1,084	635	3,272	380	846	1,226	4,498
Insurance	1,083	755	443	2,281	265	590	855	3,136
Total expenses	<u>\$ 456,775</u>	<u>\$ 329,692</u>	<u>\$ 196,908</u>	<u>\$ 983,375</u>	<u>\$ 107,329</u>	<u>\$ 327,396</u>	<u>\$ 434,725</u>	<u>\$ 1,418,100</u>
Reconciliation to the Statement of Activities:								
Less expenses netted against revenues:								
Special event costs of direct benefit to donors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,437	\$ 65,437	\$ 65,437
	<u>\$ 456,775</u>	<u>\$ 329,692</u>	<u>\$ 196,908</u>	<u>\$ 983,375</u>	<u>\$ 107,329</u>	<u>\$ 261,959</u>	<u>\$ 369,288</u>	<u>\$ 1,352,663</u>

The accompanying notes are an integral part of these financial statements

PUGET SOUNDKEEPER ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

	Program Services				Support Services			
	Sound-keeper	Outreach	Pollution Prevention	Total	Management & General	Fundraising & Development	Total	Total
Salaries and related	\$ 465,672	\$ 138,906	\$ 163,822	\$ 768,400	\$ 43,227	\$ 139,420	\$ 182,647	\$ 951,047
Professional services	131,006	14,611	17,961	163,578	14,390	24,324	38,714	202,292
Occupancy	34,107	10,801	12,304	57,212	3,259	10,131	13,390	70,602
Special event costs of direct benefit to donors	-	-	-	-	-	67,197	67,197	67,197
Printing and publications	1,451	10,009	7,484	18,944	225	16,741	16,966	35,910
Boat	16,320	330	7,409	24,059	-	-	-	24,059
Legal fund	33,605	-	-	33,605	-	-	-	33,605
Advertising and marketing	120	5,369	-	5,489	-	6,412	6,412	11,901
Supplies	3,024	1,242	5,183	9,449	100	6,562	6,662	16,111
Dues and conferences	9,971	2,977	1,955	14,903	837	4,957	5,794	20,697
Other	415	278	3,677	4,370	1,862	9,338	11,200	15,570
Travel and meetings	10,307	3,140	5,021	18,468	333	1,403	1,736	20,204
Postage and mailing	2,753	1,047	1,203	5,003	296	3,387	3,683	8,686
Equipment	2,819	4,000	978	7,797	258	832	1,090	8,887
Depreciation	2,017	602	709	3,328	187	604	791	4,119
Insurance	1,584	473	657	2,714	147	474	621	3,335
Total expenses	<u>\$ 715,171</u>	<u>\$ 193,785</u>	<u>\$ 228,363</u>	<u>\$ 1,137,319</u>	<u>\$ 65,121</u>	<u>\$ 291,782</u>	<u>\$ 356,903</u>	<u>\$ 1,494,222</u>
Reconciliation to the Statement of Activities:								
Less expenses netted against revenues:								
Special event costs of direct benefit to donors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,197	\$ 67,197	\$ 67,197
	<u>\$ 715,171</u>	<u>\$ 193,785</u>	<u>\$ 228,363</u>	<u>\$ 1,137,319</u>	<u>\$ 65,121</u>	<u>\$ 224,585</u>	<u>\$ 289,706</u>	<u>\$ 1,427,025</u>

The accompanying notes are an integral part of these financial statements

PUGET SOUNDKEEPER ALLIANCE

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Cash received from contributions, grants, events, and programs	\$ 1,490,433	\$ 1,558,720
Cash paid to employees and vendors	(1,378,636)	(1,444,400)
Interest received	1,781	2,490
	<u>113,578</u>	<u>116,810</u>
Net cash provided by operating activities	113,578	116,810
Cash flows from investing activities		
Purchase of property and equipment	-	(4,575)
Proceeds from insurance claim	-	4,074
	<u>-</u>	<u>4,074</u>
Net cash used by investing activities	-	(501)
Net increase (decrease) in cash	113,578	116,309
Cash, at beginning of year	<u>907,929</u>	<u>791,620</u>
Cash, at end of year	<u>\$ 1,021,507</u>	<u>\$ 907,929</u>

The accompanying notes are an integral part of these financial statements

PUGET SOUNDKEEPER ALLIANCE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1. ORGANIZATION

Puget Soundkeeper Alliance (PSA) was established in 1984 in the State of Washington. Puget Soundkeeper's mission is to protect and preserve the waters of Puget Sound by stopping the discharge of pollution into its waters. Puget Soundkeeper accomplishes its mission through monitoring and enforcement of the Clean Water Act, stewardship and education, and advocacy and civic engagement.

Puget Soundkeeper helps establish strong policies, permits, and regulations at the local, state, and federal level that protect waterways from harmful pollutants like stormwater runoff, industrial discharges, oil spills, and marine debris such as plastics. Puget Soundkeeper has been a vital voice in designating Puget Sound a No Discharge Zone, has advocated for the establishment or improvement of more than 35 water treatment facilities, and set national precedence for industrial stormwater treatment, toxics regulation, single-use plastic pollution reduction, and low-impact development requirements that help keep our waters clean and preserve and restore species in Puget Sound.

Revenue is primarily derived from grants, public and private contributions, and special events.

PSA's three major programs are:

Soundkeeper – In addition to reviewing the data collected under National Pollutant Discharge Elimination System permits, Puget Soundkeeper also monitors the waters of Puget Sound by boat, kayak, and aircraft in order to detect, document, and report sources of illegal pollution. When egregious pollution violations occur, Puget Soundkeeper utilizes the Citizen Lawsuit Provision of the Clean Water Act to bring polluting industries into compliance with federal and state laws that protect community rights to drinkable, swimmable, and fishable waters. To date, Puget Soundkeeper has filed over 200 legal actions. Funds from legal settlements are awarded to regional environmental projects that help restore water quality and mitigate water pollution in communities most affected by illegal pollution discharges and degraded ecosystems. Puget Soundkeeper has directed over \$7.4 million toward clean water projects in the region.

Outreach – Puget Soundkeeper has developed and maintains a web page, Instagram, Facebook, and Twitter accounts and regularly produces printed materials for outreach and education. The target audience includes students, volunteers, members, agency personnel, foundations, and the general public, including recreational boaters.

Pollution Prevention – Puget Soundkeeper's Pollution Prevention programs engage Puget Sound businesses, water recreationalists, and residents in reducing harmful pollution and cleaning up litter and marine debris along and in Puget Sound waterways. Every year, Puget Soundkeeper involves over 2,000 volunteers in stewardship projects, educates more than 10,000 community members on water quality issues, and partners with dozens of agencies, businesses, school groups, and organizations in water quality protection projects. To date, Puget Soundkeeper has removed more than 150,000 pounds of marine debris with the help of nearly 25,000 volunteers.

PUGET SOUNDKEEPER ALLIANCE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by PSA are as follows:

Basis of Presentation

The financial statements of PSA have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require PSA to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of PSA. These net assets may be used at the discretion of PSA’s management and the board of directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of PSA or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. All of PSA’s net assets with donor restrictions are temporary in nature.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, PSA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents consist of checking, savings and money market accounts. At times bank balances may exceed the federally insured limit. PSA has not experienced any losses related to this risk in the past. Management believes that any potential losses related to this risk are not significant.

Receivables

Receivables consist primarily of grants and donations receivable and contracts receivable. Receivables that are expected to be collected within one year are presented in current assets on the statement of financial position. Receivables that are expected to be collected in one to five years are presented in non-current assets on the statement of financial position. No allowance for uncollectible balances has been established by management based upon PSA’s historical experience in the collection of balances due.

Property and Equipment

Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over a period of three to ten years. PSA capitalizes assets that have a useful life greater than one year and a value greater than \$5,000.

PUGET SOUNDKEEPER ALLIANCE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

PSA has analyzed the provisions of the FASB's ASC Topic 606, Revenue from Contracts with Customers, and have concluded that no changes are necessary to conform with the new standards. Revenue recognition policies are as follows:

Contributions and Grants – Contributions and grants consist primarily of unconditional promises to give and are recognized as revenue in the period the promise is made. Conditional promises to give are not recognized as support until the conditions are substantially met.

Special Event Revenue – Ticket sales from the special event are recognized when the event occurs. Cash receipts for ticket sales typically occur in the year the event occurs.

Program Fees – Program fees consist of funds received from legal settlements under the Soundkeeper program. Revenue is recognized when a settlement is awarded and the amount is determined by the Court.

In-Kind Contributions

Donations of supplies, facilities and services are recorded as contribution support at the estimated fair value at the date of donation. During the years ended December 31, 2019 and 2018, PSA received donated goods and services valued at \$18,564 and \$34,069, respectively. In-kind goods and services were used in programs, management and general, and fundraising.

Volunteers have made significant contributions of time to PSA's program, fundraising, and support functions. The value of this contributed time does not meet the criteria for recognition of contributed services under accounting principles generally accepted in the United States of America, and, accordingly, is not reflected in the accompanying financial statements.

Advertising

Advertising costs are expensed as incurred. For the years ended December 31, 2019 and 2018, advertising costs were \$22,973 and \$11,901, respectively.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

Individual expenses that solely relate to one program or supporting service are allocated in full to that category. Expenses that relate to multiple programs or supporting services are allocated based on employee time and effort.

Allocated expenses are included in salaries and related, professional services, occupancy, printing and publications, dues and conferences, travel and meetings, supplies, equipment, postage and mailing, depreciation, insurance, and other expenses.

PUGET SOUNDKEEPER ALLIANCE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Board Designated Net Assets

The Board of Directors has designated a legal fund and a reserve to be used in the future, as needed. The funds for these designated purposes are included in cash and cash equivalents. See Note 3 and Note 5.

Estimates

Management uses estimates and assumptions in preparing these financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status

PSA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. PSA qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

PSA has determined there are no uncertain tax positions for the years ended December 31, 2019 and 2018, and the accompanying financial statements contain no interest or penalties with respect to federal income taxes. PSA's federal income tax returns remain open for examination to the extent prescribed by the Internal Revenue Code.

NOTE 3. AVAILABILITY OF FINANCIAL ASSETS AND LIQUIDITY

The following represents PSA's liquidity and availability at December 31:

Financial assets at year end:	2019	2018
Cash and cash equivalents	\$ 1,021,507	\$ 907,929
Receivables	105,084	104,062
Total financial assets	1,126,591	1,011,991
Less amounts not available to be used for general purposes within one year:		
Net assets with donor restrictions	126,475	187,000
Board designated - legal fund	227,423	141,240
Board designated - operating reserve	302,584	300,709
	656,482	628,949
Financial assets available to meet general expenditures over the next twelve months:		
Excluding operating reserve	\$ 470,109	\$ 383,042
Including operating reserve	\$ 772,693	\$ 683,751

PSA's goal is generally to maintain financial assets to meet three to six months of operating expenses (approximately \$360,000 to \$720,000). In the event of liquidity issues, the Board has the ability to remove designations for the legal fund and operating reserve for use in operations.

PUGET SOUNDKEEPER ALLIANCE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2019</u>	<u>2018</u>
Boat	\$ 11,345	\$ 11,345
Office furniture	1,145	1,145
Office equipment	17,764	17,764
Tenant improvements	<u>7,953</u>	<u>7,953</u>
	38,207	38,207
Less accumulated depreciation	<u>(28,938)</u>	<u>(24,439)</u>
	<u>\$ 9,269</u>	<u>\$ 13,768</u>

NOTE 5. BOARD DESIGNATED NET ASSETS

Board designated net assets consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Reserve fund	\$ 302,584	\$ 300,709
Legal fund	<u>227,423</u>	<u>141,240</u>
	<u>\$ 530,007</u>	<u>\$ 441,949</u>

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Specific purpose		
Soundkeeper	\$ 50,975	\$ 73,000
Pollution Prevention	10,500	7,000
Outreach	-	42,000
Passage of time	<u>65,000</u>	<u>65,000</u>
	<u>\$ 126,475</u>	<u>\$ 187,000</u>

PUGET SOUNDKEEPER ALLIANCE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets released from net assets with donor restrictions are as follows for the years ended December 31:

	2019	2018
Specific purpose		
Soundkeeper	\$ 163,413	\$ 291,830
Pollution Prevention	77,000	108,600
Outreach	42,000	12,000
ORG Capacity Building	-	16,420
Other	5,000	700
Passage of time	65,000	65,000
	\$ 352,413	\$ 494,550

NOTE 7. RETIREMENT PLANNING AND PROFIT SHARING

In 2006, PSA established a 403(b) employee retirement plan (the Plan) covering all employees who work at least 20 hours per week or are willing to contribute at least \$200 per year to the Plan. The employer contribution to the Plan is elective. There were no employer contributions to the Plan in 2019 or 2018.

NOTE 8. OPERATING LEASES

PSA has a noncancelable operating lease for the rental of its office space effective January 1, 2015 through April 30, 2020. Rental expense was \$65,563 and \$63,541 for the years ended December 31, 2019 and 2018, respectively. Subsequent to year end, PSA amended the lease to extend the term through April 30, 2025.

PSA entered into a lease obligation in January 2016 for a copier. The lease expires in February 2021. The monthly base rent on the lease is \$419. Rental expense under this lease was \$5,338 and \$5,238 for the years ended December 31, 2019 and 2018, respectively.

Future minimum payments under these leases, including the subsequent amendment, are as follows for the years ending December 31:

2020	\$ 85,786
2021	87,945
2022	89,721
2023	92,413
2024	95,185
	\$ 451,050

PUGET SOUNDKEEPER ALLIANCE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 9. CONCENTRATIONS

During the years ended December 31, 2019 and 2018, 8% and 17% of total revenue, respectively, was received from one donor.

Additionally, PSA received significant contributions due to a business raising funds for the benefit of PSA via a corporate campaign with the participation of several local businesses. During the years ended December 31, 2019 and 2018, 5% and 9% of total revenue, respectively, was received from individuals and businesses contributing through this program.

NOTE 10. SUBSEQUENT EVENTS

PSA has evaluated subsequent events through the date these financial statements were available to be issued on October 28, 2020.

In January 2020, PSA signed a lease amendment to extend the term of their office lease for five years, through April 30, 2025. See Note 8.

In April 2020, PSA obtained a Paycheck Protection Program (PPP) loan of \$174,400 in order to maintain staffing levels throughout the COVID-19 Pandemic. The loan has a maturity of two years, an interest rate of one percent, and will be forgiven if certain requirements are met.