

SUSTAINABLE NORTHWEST

Audited Financial Statements

For the Year Ended December 31, 2019



MCDONALD JACOBS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sustainable Northwest

We have audited the accompanying financial statements of Sustainable Northwest (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2019, 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.

Auditor's 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. 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 auditor's 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 organization'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 organization'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.

Basis for Qualified Opinion

The accompanying financial statements do not include financial information of the wholly-owned subsidiary, Sustainable Northwest Wood Distribution Center, Inc. Consolidation of this entity is required by accounting principles generally accepted in the United States of America. If consolidated, assets would have increased by \$124,000, liabilities increased by \$207,000, net assets decreased by \$83,000, revenues increased by \$3,202,000 and expenses increased by \$3,163,000 (amounts approximate).

Opinion

In our opinion, except for not consolidating the wholly-owned subsidiary, Sustainable Woods Distribution, Inc., the financial statements referred to above present fairly, in all material respects, the financial position of Sustainable Northwest as of December 31, 2019, and 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 Matter

The prior year summarized comparative information of Sustainable Northwest has been derived from the Organization's 2018 financial statements which were audited by other auditors who expressed an unmodified opinion on those statements in their report dated July 30, 2019.

McDonald Jacobson, P.C.

Portland, Oregon
May 28, 2020

SUSTAINABLE NORTHWEST
STATEMENT OF FINANCIAL POSITION
December 31, 2019
(With comparative totals for 2018)

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 778,278	\$ 596,542
Accounts receivable	178,944	209,119
Contributions and grants receivable	561,500	321,500
Prepaid expenses and other assets	19,518	25,611
Investment in subsidiary	800,000	800,000
Property and equipment, net	29,063	8,675
 TOTAL ASSETS	 \$ 2,367,303	 \$ 1,961,447
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 134,598	\$ 194,417
Accrued personnel expenses	79,147	49,682
Total liabilities	213,745	244,099
Net assets:		
Without donor restrictions:		
Undesignated	1,218,946	876,654
Net property and equipment	29,063	8,675
Without donor restrictions	1,248,009	885,329
With donor restrictions	905,549	832,019
Total net assets	2,153,558	1,717,348
 TOTAL LIABILITIES AND NET ASSETS	 \$ 2,367,303	 \$ 1,961,447

See notes to financial statements.

SUSTAINABLE NORTHWEST
STATEMENT OF ACTIVITIES
For the year ended December 31, 2019
(With comparative totals for 2018)

	2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenue:				
Contributions	\$ 360,727	\$ 1,464,700	\$ 1,825,427	\$ 1,017,400
Government grants	468,764	-	468,764	719,272
Contracts	227,439	-	227,439	182,398
Program services	181,541	-	181,541	146,573
Special events	66,860	-	66,860	67,727
Interest and dividend income	474	-	474	20,391
Other income	9,573	-	9,573	6,867
Net assets released from restrictions:				
Satisfaction of purpose restrictions	1,391,170	(1,391,170)	-	-
Total support and revenue	2,706,548	73,530	2,780,078	2,160,628
Expenses:				
Program services	1,675,896	-	1,675,896	1,308,250
Management and general	428,716	-	428,716	346,445
Fundraising	239,256	-	239,256	275,458
Total expenses	2,343,868	-	2,343,868	1,930,153
 Change in net assets	 362,680	 73,530	 436,210	 230,475
Net assets:				
Beginning of year	885,329	832,019	1,717,348	1,486,873
 End of year	 \$ 1,248,009	 \$ 905,549	 \$ 2,153,558	 \$ 1,717,348

See notes to financial statements.

SUSTAINABLE NORTHWEST
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2019

	Program Services						Management and General	Fundraising	Total
	Forests	Water	Energy	Range- lands	Markets	Program Services			
Personnel expenses	\$ 330,567	\$ 110,986	\$ 123,836	\$ 50,550	\$ 176,127	\$ 792,066	\$ 300,668	\$ 145,541	\$ 1,238,275
Consultants and contractors	209,559	121,923	10,865	302,290	40,138	684,775	37,182	20,862	742,819
Meetings and workshops	36,495	1,794	7,172	5	250	45,716	9,488	39,460	94,664
Travel	37,311	8,003	5,342	672	20,712	72,040	5,534	2,488	80,062
Meals and networking	8,843	2,346	908	37	3,843	15,977	2,966	2,542	21,485
Rent	21,568	6,543	7,028	2,424	9,694	47,257	12,843	6,300	66,400
Telephone and internet	-	-	-	-	-	-	16,368	126	16,494
Office expense	4,153	9	446	137	115	4,860	8,420	3,397	16,677
Insurance	-	-	-	-	-	-	6,792	-	6,792
Equipment and field supplies	3,812	-	-	-	-	3,812	7,567	422	11,801
Licenses and fees	2,718	10	568	234	1,472	5,002	15,214	6,573	26,789
Professional training	800	425	-	-	620	1,845	1,215	-	3,060
Miscellaneous	115	779	75	-	1,577	2,546	1,096	11,545	15,187
Depreciation	-	-	-	-	-	-	3,363	-	3,363
Total expenses	<u>\$ 655,941</u>	<u>\$ 252,818</u>	<u>\$ 156,240</u>	<u>\$ 356,349</u>	<u>\$ 254,548</u>	<u>\$ 1,675,896</u>	<u>\$ 428,716</u>	<u>\$ 239,256</u>	<u>\$ 2,343,868</u>

See notes to financial statements.

SUSTAINABLE NORTHWEST
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2018

	Program Services						Management and General	Fundraising	Total
	Forests	Water	Energy	Range- lands	Markets	Program Services			
Personnel expenses	\$ 250,763	\$ 50,865	\$ 144,447	\$ 64,592	\$ 134,541	\$ 645,208	\$ 223,311	\$ 192,747	\$ 1,061,266
Consultants and contractors	162,161	84,267	31,208	182,211	32,825	492,672	36,735	32,179	561,586
Meetings and workshops	29,799	6,051	3,992	-	74	39,916	6,084	30,964	76,964
Travel	34,057	11,051	9,431	1,767	11,767	68,073	6,316	2,652	77,041
Meals and networking	9,854	1,552	2,802	263	2,554	17,025	2,223	1,770	21,018
Rent	12,319	1,293	6,204	2,288	5,829	27,933	14,243	6,353	48,529
Telephone and internet	-	-	33	-	-	33	15,195	42	15,270
Office expense	2,821	263	510	66	268	3,928	8,326	1,555	13,809
Insurance	576	112	337	125	248	1,398	5,641	313	7,352
Equipment and field supplies	5,313	-	1,473	180	180	7,146	10,891	1,828	19,865
Licenses and fees	1,288	182	1,369	-	484	3,323	6,357	4,204	13,884
Professional training	161	-	300	-	1,000	1,461	669	124	2,254
Miscellaneous	99	35	-	-	-	134	1,383	727	2,244
Depreciation	-	-	-	-	-	-	9,071	-	9,071
Total expenses	<u>\$ 509,211</u>	<u>\$ 155,671</u>	<u>\$ 202,106</u>	<u>\$ 251,492</u>	<u>\$ 189,770</u>	<u>\$ 1,308,250</u>	<u>\$ 346,445</u>	<u>\$ 275,458</u>	<u>\$ 1,930,153</u>

See notes to financial statements.

SUSTAINABLE NORTHWEST
STATEMENT OF CASH FLOWS
For the year ended December 31, 2019
(With comparative totals for 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 436,210	\$ 230,475
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	3,363	9,071
(Increase) decrease in:		
Accounts receivable	30,175	(34,135)
Contributions and grants receivable	(240,000)	37,500
Prepaid expenses and other assets	6,093	3,343
Increase (decrease) in:		
Accounts payable	(59,819)	147,621
Accrued personnel expenses	<u>29,465</u>	<u>(4,366)</u>
Net cash flows from operating activities	<u>205,487</u>	<u>389,509</u>
 Cash flows from investing activities:		
Purchase of property and equipment	<u>(23,751)</u>	<u>(5,514)</u>
Net cash flows from investing activities	<u>(23,751)</u>	<u>(5,514)</u>
 Net change in cash and cash equivalents	181,736	383,995
 Cash and cash equivalents - beginning of year	<u>596,542</u>	<u>212,547</u>
 Cash and cash equivalents - end of year	<u>\$ 778,278</u>	<u>\$ 596,542</u>

See notes to financial statements.

SUSTAINABLE NORTHWEST
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

1. DESCRIPTION OF ORGANIZATION

Sustainable Northwest (the Organization) brings people, ideas, and innovation together so that nature, local economies, and rural communities can thrive. The Organization works to restore forests, rivers, and rangelands for healthier habitat and clean air and water. Bringing people together to find common ground heals the land and rebuilds rural economies.

Sustainable Northwest is an expert in facilitation, conflict resolution, and negotiation of multi-party agreements. The Organization crafts state and federal policy solutions that balance environmental and community needs and lends expertise in science, law, energy, and other technical knowledge, while mentoring local leaders to incite real, systemic change.

Sustainable Northwest collaborates with local people in rural communities across the Pacific Northwest to find long-term solutions for restoring ecosystems and creating jobs through improved land management practices and investments in new, green economies. Through collaboration, the Organization bridges rural and urban interests, encourages entrepreneurship, and builds trust in sustainable natural resource management and utilization in the western United States.

A summary of the Organization's programs is as follows:

Forests

Decades of fire suppression and litigation over logging have left degraded forests and dying towns. There is an urgent need to increase the pace and scale of restoration projects, and create jobs that make our forests resilient to the increasing threat of abnormal wildfire, insects, and disease. Sustainable Northwest has changed the conversation to "jobs for the environment" by bringing people together to create durable solutions that restore our Northwest forests.

- More large-scale restoration for healthier ecosystems, wildlife habitat, and forests that are resilient to the effects of climate change.
- Local and sustainable wood and biomass energy products.
- Clean, healthy, and abundant forest ecosystems for wildlife habitat and public enjoyment.
- Long-term, sustainable natural resource use for stable community economies with secure living wage jobs for rural people.

SUSTAINABLE NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2019

1. DESCRIPTION OF ORGANIZATION, Continued

Water

The competing needs of our cities, agriculture, fish, and energy production have led to water scarcity and pollution in the Pacific Northwest. Efforts to address water challenges in rural areas are often hampered by planning, financial, and social barriers. Historically, the response has been conflict, litigation, and emergency assistance. This has left our water-dependent ecosystems and communities imperiled.

- Enough clean water and habitat to support healthy populations of salmon and other native aquatic species.
- More basin-scale watershed restoration.
- Stable, sustainable water supply for cities and water-reliant livelihoods.
- Secure living wage jobs for rural people.

Energy

Implementation of local energy systems in rural areas is often hampered by the lack of coordinated planning, technical assistance, and financial and social barriers. With our on-the-ground partners and community leaders, Sustainable Northwest is developing lasting solutions through a collaborative community-based approach.

- Affordable access to local renewable energy.
- More energy efficient infrastructure.
- Stable and affordable power.
- Secure living wage jobs for rural people.

Rangelands

Decades of fire suppression have allowed Western Juniper to overtake rangelands, using precious water, and destroying habitat for sage grouse and other wildlife. By sustainably harvesting Western Juniper we are restoring rangelands to their natural state, and returning more water and a healthy wildlife habitat to the high desert.

- A balanced rangeland ecosystem with improved grazing conditions, increased water supplies, decreased wildfire risk, and restored habitat for sensitive wildlife like sage-grouse.
- Secure living wage jobs for rural people.
- New economic opportunities for sustainable wood products sourced from rangelands.

Markets

Sustainable Northwest believes that market based approaches are one of the most effective and long lasting strategies for restoring our environment and rural economies. For 10 years we have helped wood products businesses by providing them with access to a Forest Stewardship Council (FSC) group chain of custody certification program. The group certification program makes obtaining FSC certification easier for members by reducing their certification cost and staff time, and providing technical support.

SUSTAINABLE NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying financial statements only include the financial activity of Sustainable Northwest. Financial information of Sustainable Northwest Wood Distribution Center, Inc., a wholly-owned for-profit corporation, is not included.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents. It includes cash internally set aside to help fund construction and reported separately as cash restricted for capital project.

Accounts Receivable

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial.

Accounts receivable greater than ninety days is approximately \$37,000 and \$54,000 at December 31, 2019 and 2018, respectively.

SUSTAINABLE NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Contributions and Grants Receivable

Contributions receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Contributions receivable are written off when deemed uncollectible.

Investment in Subsidiary

Investment in subsidiary represents an advance of \$800,000 made to Sustainable Northwest Wood Distribution Center, Inc. and is accounted for according to the cost method.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,500 are capitalized. Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received.

Depreciation

Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from 3 to 10 years for most furniture and equipment. Leasehold improvements are capitalized and depreciated over the estimated useful life of the improvement or the lease term, whichever is less.

Revenue Recognition

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Government contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. All of the Organization's cost-reimbursable grants have been recognized at December 31, 2019 because qualifying expenditures have been incurred.

Revenue from contracts with customers and fee for service arrangements is recognized when any performance obligations have been met.

SUSTAINABLE NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenue Recognition, Continued

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. The portion of sponsorship revenue that relates to commensurate value the sponsor received in return is recognized when the related events are held and performance obligations are met.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates personnel expenses and rent according to estimates of time and effort.

Income Tax Status

Sustainable Northwest is a nonprofit corporation exempt from income tax under section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision for income taxes is made in the accompanying financial statements, as the Organization has no activities subject to unrelated business income tax. The Organization is not a private foundation.

The Organization follows the provisions of FASB ASC Topic 740 *Accounting for Uncertainty in Income Taxes*. Management has evaluated the Organization's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic.

Changes in Accounting Principles

The Organization has implemented Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* beginning in 2019. This standard establishes a new contract and control-based revenue recognition model, changes the basis for deciding when revenue is recognized over time or at a point in time, and expands disclosures about revenue. The various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued financial statements were required on a retrospective basis.

SUSTAINABLE NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Changes in Accounting Principles, Continued

The Organization also implemented Accounting Standards Update 2018-08, *clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists organizations in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The provisions of ASU 2018-08 were implemented applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. There was no significant impact to the Organization's revenue recognition in either year presented for this change in accounting principle.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Organization has evaluated all subsequent events through May 28, 2020, the date the financial statements were available to be issued.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Summarized Financial Information for 2018

The financial information as of December 31, 2018 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

SUSTAINABLE NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2019

3. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets of the Organization consist of the following at December 31, 2019 and December 31, 2018:

	2019	2018
Cash and cash equivalents	\$ 778,278	\$ 596,542
Accounts receivable	178,944	209,119
Contributions and grants receivable	<u>561,500</u>	<u>321,500</u>
	1,518,722	1,127,161
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions	<u>905,549</u>	<u>832,019</u>
Financial assets available for general expenditure	<u>\$ 613,173</u>	<u>\$ 295,142</u>

4. CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable represent unconditional promises to give totaling \$561,500 and \$321,500 as of December 31, 2019 and 2018, respectively, and are expected to be received within one year.

5. INVESTMENT IN SUBSIDIARY

The financial statements do not include the activity or disclose financial information of Sustainable Northwest Wood Distribution Center, Inc., a wholly-owned subsidiary. Accounting principles generally accepted in the United States of America require consolidation if there is a controlling financial interest; or if not consolidated, require disclosure of summarized financial information for those entities.

SUSTAINABLE NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2019

5. INVESTMENT IN SUBSIDIARY, Continued

Summarized financial information for Sustainable Northwest Wood Distribution Center, Inc. is as follows:

	<i>(unaudited)</i> 2019	<i>(audited)</i> 2018
Assets	\$ 940,032	\$ 882,713
Liabilities	223,365	205,749
Equity	716,667	676,964
Revenues	3,202,433	3,356,132
Costs of good sold	2,243,112	2,324,766
Operating expenses	919,628	991,089
Net income	39,693	40,277

Throughout the year, normal operating activities occur between these entities which generate revenues, expenses, receivables and payables. At December 31, 2019, amounts owed to the Organization totaled approximately \$16,400.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2019 and 2018:

	2019	2018
Furniture and equipment	\$ 47,946	\$ 24,195
Leasehold improvements	9,913	9,913
Total property and equipment	57,859	34,108
Less accumulated depreciation	28,796	25,433
Property and equipment, net	<u>\$ 29,063</u>	<u>\$ 8,675</u>

7. LINE OF CREDIT

The Organization has a \$200,000 stand-alone revolving line of credit with a financial institution. Interest on the line is payable monthly at the prime rate plus 1%, not go below 4% (4.75% at December 31, 2019 and 6.50% at December 31, 2018). The line matures July 2020 and is secured by all assets of the Organization. There were no outstanding advances on the line at December 31, 2019 and 2018.

SUSTAINABLE NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2019

8. LEASE COMMITMENTS

The Organization leases administrative space under an operating lease agreement that expires February 2023. Rent expense for the lease totaled approximately \$66,400 and \$57,200 for 2019 and 2018, respectively.

Future minimum lease commitments are as follows:

Year ending December 31, 2020	\$ 66,200
2021	68,200
2022	70,200
2023	<u>12,000</u>
Total	<u><u>\$ 216,600</u></u>

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following expiring restrictions at December 31, 2019 and 2018:

	2019	2018
Klamath Basin	\$ 234,167	\$ 212,500
Scaling juniper markets	100,000	342,768
Mycellium workshop	41,500	-
Oregon coastal community initiative	265,182	125,000
Wildfire and forest resiliency	10,000	-
Tribal engagement	185,000	-
Community forest	-	30,000
Water	-	64,584
Green market	-	22,917
Climate	-	22,500
Other purpose restricted	<u>69,700</u>	<u>11,750</u>
Total net assets with donor restrictions	<u><u>\$ 905,549</u></u>	<u><u>\$ 832,019</u></u>

SUSTAINABLE NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2019

10. REVENUE FROM CONTRACTS WITH CUSTOMERS

For revenue from contracts with customers, the timing of revenue recognition, billings, and cash collections may result in contract assets from billed accounts receivable or unbilled accounts receivable and contract liabilities, including deferred revenue on the statement of financial position.

- Revenue from fee for service work is recognized over time as work is completed and the performance obligations are met.
- Revenue from certification fees and other services is recognized at a point in time when the performance obligations are satisfied based on providing the certification.
- Revenue from events is recognized at a point in time when the event occurs.

The following table shows the Organization's revenue disaggregated according to the timing of the transfer of goods or services:

	2019	2018
Fee for service (over time)	\$ 188,000	\$ 152,704
Certifications (point in time)	181,541	146,573
Other services (point in time)	39,439	29,694
Event revenue (point in time)	66,860	67,727
	\$ 475,840	\$ 396,698

The following table provides information about significant changes in the contract assets:

	As of December 31,		
	2019	2018	2017
Contract receivable (over time)	\$ 159,711	\$ 197,652	\$ 171,582
Other receivables	19,233	11,467	13,393
Total accounts receivable	\$ 178,944	\$ 209,119	\$ 184,975

There were no contract liabilities as of December 31, 2019, 2018, or 2017.

SUSTAINABLE NORTHWEST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2019

11. RETIREMENT PLAN

The Organization provides all employees who have more than six months of service with a tax-sheltered annuity plan as described under Section 403(b) of the Internal Revenue Code. The Organization is required to contribute 5% (4% prior to July 1, 2019) of qualified salaries. Contributions by the Organization for 2019 and 2018 totaled approximately \$26,400 and \$25,200, respectively.

12. CONTINGENCIES, COMMITMENTS, AND CONCENTRATIONS

The Organization maintains its cash balances in one financial institution. Balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances, at times, may exceed the federally insured limit. Balances in excess of insured limits were approximately \$446,800 as of December 31, 2019.

Credit risk for contributions receivable is concentrated in that 65% of the balances are from three organizations at December 31, 2019. In addition, substantially all of the balances are receivable from organizations and individuals located within the same geographic region.