ENVIRONMENTAL RESEARCH FOUNDATION

FINANCIAL REPORT

NOVEMBER 30, 1990

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ENVIRONMENTAL RESEARCH FOUNDATION
NOVEMBER 30, 1990

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MGR Milgrom, Galuskin, Rosner & Company
Certified Public Accountants, P.C.

# INDEPENDENT AUDITOR'S REPORT

Board of Directors
Environmental Research Foundation
Washington, D.C.

We have audited the statement of assets, liabilities and fund balance of Environmental Research Foundation as of November 30, 1990, and the related statements of revenue, expenses and changes in fund balance for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts disclosed in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of Environmental Research Foundation as of November 30, 1990, and its revenue and expenses and changes in fund balance for the year then ended in conformity with generally accepted accounting principles.

Milgrom, Galuskin, Rosner & Company

Milgrom, Galuskin, Rosner & Company
Certified Public Accountants, P. C.

Edison, New Jersey
January 28, 1991

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ENVIRONMENTAL RESEARCH FOUNDATION
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE
NOVEMBER 30, 1990

## ASSETS

| | |
|---|---|
| Current Assets: | |
| Cash | $ 85,825 |
| Grants receivable | 35,000 |
| Other current assets | 2,300 |
| Prepaid rent | 1,750 |
| Total Current Assets | 124,875 |
| Property and Equipment less accumulated depreciation of $18,643 (Notes 1 and 2) | 19,090 |
| TOTAL ASSETS | $ 143,965 |

## LIABILITIES AND FUND BALANCE

| | |
|---|---|
| Current Liabilities: | |
| Deferred revenue (Note 3) | $ 49,583 |
| Accounts payable | 7,700 |
| Accrued professional fees | 4,000 |
| Payroll taxes payable | 838 |
| Total Current Liabilities | 62,121 |
| Fund Balance | 81,844 |
| TOTAL LIABILITIES AND FUND BALANCE | $ 143,965 |

See notes to financial statements.

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# ENVIRONMENTAL RESEARCH FOUNDATION
## STATEMENT OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
## FOR THE YEAR ENDED NOVEMBER 30, 1990

| | |
|---|---|
| **Support and Revenues:** | |
| Support: | |
| Grants | $ 140,000 |
| Revenues: | |
| Publication sales | 27,017 |
| Contributions | 4,136 |
| Interest income | 3,477 |
| Total | 34,630 |
| Total Support and Revenues | 174,630 |
| Expenses | 151,678 |
| Excess of Support and Revenues Over Expenses | 22,952 |
| **Fund Balance:** | |
| Balance - beginning | 94,549 |
| Cumulative effect on prior years of retroactive restatement for accounting change (Note 4) | (27,568) |
| Prior period adjustment - error in depreciation (Note 5) | (8,089) |
| Balance - Beginning as restated | 58,892 |
| Balance - Ending | $ 81,844 |

See notes to financial statements.

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ENVIRONMENTAL RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 1990

## Note 1 - Summary of Significant Accounting Policies:

### Organization

The Environmental Research Foundation ("The Foundation") is a New Jersey not-for-profit organization whose purpose is to provide the general public with useful information about environmental problems, to enhance democratic decision making in the development of public policies leading to solutions.

### Income Tax Status

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for Federal and State income taxes.

### Public Support and Revenue

All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

### Property and Equipment

Property and equipment are stated at cost. Depreciation is provided using accelerated methods over estimated useful lives of five to seven years.

## Note 2 - Property and Equipment:

Details of property and equipment are as follows:

| | |
|---|---|
| Computer hardware | $ 21,842 |
| Office equipment | 13,302 |
| Office furniture | 2,589 |
| Total | 37,733 |
| Less: Accumulated depreciation | 18,643 |
| Net Property and Equipment | $ 19,090 |

Depreciation expense aggregated $4,778 for the year ended November 30, 1990.

## Note 3 - Deferred Revenue:

Deferred revenue results from grants received in the current year to be used as support for the following year's activities.

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ENVIRONMENTAL RESEARCH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 1990

Note 4 - Change in Accounting Principle:

During 1990, the Company changed from the cash basis to the accrual basis of accounting. The Company believes that the accrual basis more accurately reflects financial position and results of operations. The effect of this change was to decrease the excess of support and revenues over expenses for 1990 by $7,946. Fund balance has been adjusted for the effect of the retroactive application of the new method.

Note 5 - Prior Period Adjustment:

Fund balance at the beginning of 1990 has been adjusted to correct an error in depreciation in prior years. Had the error not been made, excess of support and revenues over expenses for 1989 would have decreased by $396.

Note 6 - Subsequent Event:

On December 1, 1990, the Company entered into an agreement to lease new office facilities located in Washington, D.C. The lease term is for 27 months and expires on February 28, 1993. Minimum future rental payments required under the lease are as follows:

| | |
|---|---|
| 1991 | $ 19,200 |
| 1992 | 19,712 |
| 1993 | 4,992 |
| | $ 43,904 |

Rent expense for the year ended November 30, 1990 was $13,468.

In order to acquire the above lease, the Company terminated an agreement which existed during 1990 for office facilities located in Princeton, New Jersey, and incurred lease termination fee expenses totalling $5,750. These expenses represent a one time payment of $4,000 and the forfeiture of a $1,750 security deposit.

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SUPPLEMENTARY INFORMATION

(Unaudited)

Milgrom, Galuskin, Rosner & Company
Certified Public Accountants, P.C.

Board of Directors
Environmental Research Foundation
Washington, D.C.

The schedules of grants and operating expenses are not a required part of the basic financial statements of Environmental Research Foundation as of November 30, 1990. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation (or disclosure) of the supplementary information. However, we did not audit the information and express no opinion on it.

Milgrom, Galuskin, Rosner & Company

Milgrom, Galuskin, Rosner & Company
Certified Public Accountants, P.C.

Edison, New Jersey
January 28, 1991

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ENVIRONMENTAL RESEARCH FOUNDATION
SCHEDULE OF GRANTS
FOR THE YEAR ENDED NOVEMBER 30, 1990
(Unaudited)

| | |
|---|---|
| North Shore Unitarian Universalist Veatch Program | $ 20,000 |
| Rockefeller Family Fund | 15,000 |
| Public Welfare Foundation, Inc. | 25,000 |
| Geraldine R. Dodge Foundation | 25,000 |
| Charles Stewart Mott Foundation | 15,000 |
| W. Alton Jones Foundation, Inc. | 35,000 |
| Ann R. Roberts | 5,000 |
| Total Grants | $ 140,000 |

See accountants' review report on supplementary information and notes to financial statements.

# ENVIRONMENTAL RESEARCH FOUNDATION
## SCHEDULE OF OPERATING EXPENSES
## FOR THE YEAR ENDED NOVEMBER 30, 1990
## (Unaudited)

| | |
|---|---|
| Salaries | $ 20,668 |
| Payroll taxes | 2,461 |
| Non-salaried personnel | 39,030 |
| Rent (Note 6) | 13,468 |
| Repairs and maintenance | 396 |
| Insurance | 800 |
| Postage and shipping | 18,851 |
| Reproduction and printing | 8,472 |
| Computer expense | 5,763 |
| Books and journals | 5,028 |
| Memberships | 520 |
| Office expense | 2,735 |
| Telephone | 4,602 |
| Professional fees | 7,560 |
| Consulting | 1,000 |
| Office supplies | 4,192 |
| Contributions | 500 |
| Conferences | 529 |
| Travel and entertainment | 10,130 |
| Depreciation | 4,778 |
| Miscellaneous | 195 |
| Total Expenses | $ 151,678 |

See accountants' review report on supplementary information and notes to financial statements.

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