ENVIRONMENTAL RESEARCH FOUNDATION, INC.

REPORT ON
FINANCIAL STATEMENTS

FOR THE PERIOD
DECEMBER 1, 1990 TO DECEMBER 31, 1991
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED
NOVEMBER 30, 1990

C00427

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Environmental Research Foundation, Inc.
Washington, D.C.

We have audited the balance sheet of the Environmental Research Foundation, Inc. as of December 31, 1991, and the related statement of revenue, expenses, and changes in fund balance for the period December 1, 1990 to December 31, 1991. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Environmental Research Foundation, Inc. as of November 30, 1990 were audited by other auditors whose report dated January 28, 1991 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits 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 and disclosures 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 financial position of the Environmental Research Foundation, Inc. as of December 31, 1991, and the results of operations for the period then ended in conformity with generally accepted accounting principles.

Gelman, Rosenberg & Freedman

February 21, 1992

EXHIBIT A

ENVIRONMENTAL RESEARCH FOUNDATION, INC.

BALANCE SHEET
AS OF DECEMBER 31, 1991
WITH COMPARATIVE TOTALS AS OF NOVEMBER 30, 1990

ASSETS

	1991	1990
Current Assets		
Cash	$145,667	$ 85,825
Grants receivable	-	35,000
Security deposit	1,600	1,750
Other current assets	1,130	2,300
Total current assets	148,397	124,875
Furniture and Equipment		
Furniture	6,960	11,478
Equipment	14,578	4,413
Computer equipment	41,021	21,842
	62,559	37,733
Less: Accumulated depreciation	(18,037)	(18,643)
Net furniture and equipment	44,522	19,090
Total Assets	$192,919	$143,965

LIABILITIES AND FUND BALANCE

	1991	1990
Liabilities		
Accounts payable	$ 6,142	$ 11,700
Deferred revenue	91,250	49,583
Payroll taxes payable	-	838
Total liabilities	97,392	62,121
Fund Balance	95,527	81,844
Total Liabilities and Fund Balance	$192,919	$143,965

See accompanying notes to financial statements.

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ENVIRONMENTAL RESEARCH FOUNDATION, INC.

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE PERIOD DECEMBER 1, 1990 TO DECEMBER 31, 1991
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED
NOVEMBER 30, 1990

	1991			1990
	General and Administrative	Program	Total	Total
Revenue				
Grants	$ -	$233,333	$233,333	$140,000
Contributions	-	4,619	4,619	4,136
Publication sales	-	31,119	31,119	27,017
Special events	-	15,802	15,802	-
Interest income	-	3,849	3,849	3,477
Total revenue	-	288,722	288,722	174,630
Expenses				
Salaries	24,514	107,055	131,569	59,698
Consultant	-	-	-	1,000
Benefits	884	4,030	4,914	800
Payroll taxes	1,417	6,447	7,864	2,461
Rent, utilities and cleaning	5,203	25,404	30,607	16,203
Repairs and maintenance	-	-	-	396
Insurance	304	1,481	1,785	-
Postage	1,370	22,184	23,554	18,851
Printing	862	10,725	11,587	8,472
Computer expenses	1,499	6,796	8,295	5,763
Publication	145	3,287	3,432	5,028
Membership	765	35	800	520
Telephone	1,435	5,456	6,891	4,602
Professional fees	3,255	2,462	5,717	7,560
Supplies	1,105	5,501	6,606	4,192
Contribution	-	350	350	500
Conferences	145	1,215	1,360	529
Travel	938	9,217	10,155	10,130
Miscellaneous	381	1,059	1,440	195
Depreciation	11,318	-	11,318	4,778
Loss on disposal of furniture and equipment	872	-	872	-
Special events	-	4,484	4,484	-
Equipment rentals	205	1,234	1,439	-
Total expenses	56,617	218,422	275,039	151,678

See accompanying notes to financial statements.

EXHIBIT B
(Continued)

ENVIRONMENTAL RESEARCH FOUNDATION, INC.

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE PERIOD DECEMBER 1, 1990 TO DECEMBER 31, 1991
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED
NOVEMBER 30, 1990

	1991			1990
	General and Administrative	Program	Total	Total
Excess (deficiency) of revenue with respect to expenses	$(56,617)	$ 70,300	$ 13,683	$ 22,952
Fund balance at beginning of year			81,844	58,892
Fund Balance at End of Year			$ 95,527	$ 81,844

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1991

1. Summary of Significant Accounting Policies and General Information

Organization -

Environmental Research Foundation, Inc. (ERF) was incorporated in New Jersey in 1980 as a nonprofit organization. ERF provides the public with useful information about environmental problems to enhance democratic decision making in the development of public policies leading to solutions.

Basis of presentation -

The Foundation's financial statements are prepared on the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized when the obligations are incurred.

During 1991, ERF changed its fiscal year end to December 31, 1991. The accompanying financial statements reflect the period from December 1, 1990 to December 31, 1991.

Comparative data -

The amounts shown for 1990 in the accompanying financial statements are presented in accordance with the format recommended by the American Institute for Certified Public Accountants. This financial information is included to provide a basis for comparison with 1991, presenting summarized totals only. Accordingly, the 1990 amounts are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

Income taxes -

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Deferred revenue -

Revenue from grants received in the current year to be used as support for the following year has appropriately been recorded as a current liability.

Furniture and equipment -

Furniture and equipment are stated at cost. Depreciation is provided on the straight-line basis over the estimated useful lives of the related assets, generally five years.

2. Commitments

In November, 1990, ERF entered into a lease expiring February 28, 1993 for office space. Minimum future rental payments required under the lease are as follows:

1992	$19,200
1993	3,200
	$22,400

3. Litigation

The Foundation is a defendant in a libel action brought by an individual. Legal counsel for the Foundation has filed a motion to dismiss the plaintiff's claim on the grounds that the article was really a report of judicial and governmental activity, and therefore is absolutely privileged. The Foundation has not received a ruling from the court on that motion. In the opinion of the Foundation's management and legal counsel, there are other defenses available to them. It is not possible, at this time to estimate the amount of any possible adverse verdict, if any.