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# CENTER FOR ENVIRONMENTAL HEALTH

## FINANCIAL STATEMENTS

DECEMBER 31, 2015

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2014)

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**CROSBY & KANEDA**  
Certified Public Accountants

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Dedicated to Nonprofit Organizations

# CENTER FOR ENVIRONMENTAL HEALTH

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Center for Environmental Health  
Oakland, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Center for Environmental Health, which comprise the balance sheet as of December 31, 2015, and the related statements of activity, cash flows and functional expenses 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. 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 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 Center for Environmental Health as of December 31, 2015, and the results of its' operations and its' cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited Center for Environmental Health's December 31, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 10, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountants

Oakland, California

May 13, 2016

**CENTER FOR ENVIRONMENTAL HEALTH**

**Statement of Financial Position**

**December 31, 2015**

**(With Comparative Totals as of December 31, 2014)**

|   | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| <b>Assets</b>                               |                     |                     |
| Current Assets                              |                     |                     |
| Cash and cash equivalents                   | \$ 560,839          | \$ 413,175          |
| Investments (Note 3)                        | 4,419,666           | 4,081,984           |
| Accounts receivable                         | 100,733             | 374,312             |
| Grants and pledges receivable               | -                   | 229,717             |
| Prepaid expenses                            | 46,250              | 39,829              |
| Total Current Assets                        | <u>5,127,488</u>    | <u>5,139,017</u>    |
| Property and equipment, net (Note 5)        | 47,907              | 51,041              |
| Deposits                                    | <u>10,029</u>       | <u>10,029</u>       |
| Total Assets                                | <u>\$ 5,185,424</u> | <u>\$ 5,200,087</u> |
| <b>Liabilities and Net Assets</b>           |                     |                     |
| Current Liabilities                         |                     |                     |
| Accounts payable and accrued expenses       | \$ 227,836          | \$ 234,206          |
| Grants payable                              | 65,224              | 71,711              |
| Vacation and sabbatical accrual             | 75,989              | 56,363              |
| Deferred revenue                            | <u>320,927</u>      | <u>386,316</u>      |
| Total Liabilities                           | <u>689,976</u>      | <u>748,596</u>      |
| Commitments and Contingency (Notes 6 and 7) |                     |                     |
| Net Assets                                  |                     |                     |
| Unrestricted                                |                     |                     |
| Board-designated (Note 9)                   | 1,500,000           | 1,500,000           |
| Undesignated                                | <u>2,722,761</u>    | <u>2,749,304</u>    |
| Total Unrestricted                          | 4,222,761           | 4,249,304           |
| Temporarily restricted (Note 8)             | <u>272,687</u>      | <u>202,187</u>      |
| Total Net Assets                            | <u>4,495,448</u>    | <u>4,451,491</u>    |
| Total Liabilities and Net Assets            | <u>\$ 5,185,424</u> | <u>\$ 5,200,087</u> |

See Notes to the Financial Statements

**CENTER FOR ENVIRONMENTAL HEALTH**

**Statement of Activities  
For the Year Ended December 31, 2015  
(With Comparative Totals for the Year Ended December 31, 2014)**

|  | Unrestricted        | Temporarily<br>Restricted | Total               |                     |
|--|---------------------|---------------------------|---------------------|---------------------|
|  |                     |                           | 2015                | 2014                |
| <b>Support and Revenue</b>                             |                     |                           |                     |                     |
| Support  |                     |                           |                     |                     |
| Foundation and corporate support                       | \$ 246,600          | \$ 532,500                | \$ 779,100          | \$ 328,100          |
| Contributions  | 207,287             |                           | 207,287             | 144,701             |
| Special event, net (Note 11)                           | 191,723             |                           | 191,723             | 181,061             |
| Total Support  | <u>645,610</u>      | <u>532,500</u>            | <u>1,178,110</u>    | <u>653,862</u>      |
| Revenue  |                     |                           |                     |                     |
| Awards and settlements                                 | 1,360,245           |                           | 1,360,245           | 1,580,396           |
| Testing and other fees                                 | 1,047,129           |                           | 1,047,129           | 752,244             |
| Investment activity (Note 3)                           | 10,423              |                           | 10,423              | 128,848             |
| Other  | 22,494              |                           | 22,494              | 15,044              |
| Total Revenue  | <u>2,440,291</u>    | <u>-</u>                  | <u>2,440,291</u>    | <u>2,476,532</u>    |
| Net assets released from<br>donor restriction (Note 8) | 462,000             | (462,000)                 | -                   | -                   |
| Total Support and Revenue                              | <u>3,547,901</u>    | <u>70,500</u>             | <u>3,618,401</u>    | <u>3,130,394</u>    |
| <b>Expenses</b>  |                     |                           |                     |                     |
| Program  | 2,794,259           |                           | 2,794,259           | 2,362,206           |
| Management and general                                 | 206,419             |                           | 206,419             | 267,793             |
| Fundraising  | 573,766             |                           | 573,766             | 444,111             |
| Total Expenses   | <u>3,574,444</u>    | <u>-</u>                  | <u>3,574,444</u>    | <u>3,074,110</u>    |
| Change in Net Assets                                   | (26,543)            | 70,500                    | 43,957              | 56,284              |
| Net Assets, beginning of year                          | <u>4,249,304</u>    | <u>202,187</u>            | <u>4,451,491</u>    | <u>4,395,207</u>    |
| Net Assets, end of year                                | <u>\$ 4,222,761</u> | <u>\$ 272,687</u>         | <u>\$ 4,495,448</u> | <u>\$ 4,451,491</u> |

See Notes to the Financial Statements

**CENTER FOR ENVIRONMENTAL HEALTH**

**Statement of Cash Flows**  
**For the Year Ended December 31, 2015**  
**(With Comparative Totals for the Year Ended December 31, 2014)**

|   | 2015       | 2014        |
|---|------------|-------------|
| <b>Cash flows from operating activities</b>   |            |             |
| Change in net assets  | \$ 43,957  | \$ 56,284   |
| Adjustments to reconcile change in net assets to net cash provided (used) in operating activities |            |             |
| Depreciation  | 22,290     | 21,067      |
| Donated stock   | (2,259)    | -           |
| Investment activity   | (10,423)   | (39,450)    |
| Change in assets and liabilities:   |            |             |
| Accounts receivable   | 273,579    | (249,972)   |
| Grant and pledge receivables  | 229,717    | 345,283     |
| Prepaid expenses  | (6,421)    | (8,488)     |
| Deposits  | -          | (2,250)     |
| Accounts payable and accrued expenses   | (6,370)    | 120,961     |
| Grants payable  | (6,487)    | 41,278      |
| Vacation and sabbatical accrual   | 19,626     | (17,654)    |
| Deferred revenue  | (65,389)   | 57,020      |
| Net cash provided (used) by operating activities  | 491,820    | 324,079     |
| <b>Cash flows from investing activities</b>   |            |             |
| Purchases of property and equipment   | (19,156)   | -           |
| Purchases of investments  | (575,000)  | (1,625,018) |
| Proceeds from sale of investments   | 250,000    | 1,130,242   |
| Net cash provided (used) by investing activities  | (344,156)  | (494,776)   |
| Net change in cash and cash equivalents   | 147,664    | (170,697)   |
| Cash and cash equivalents, beginning of year  | 413,175    | 583,872     |
| Cash and cash equivalents, end of year  | \$ 560,839 | \$ 413,175  |

See Notes to the Financial Statements

**CENTER FOR ENVIRONMENTAL HEALTH**

**Statement of Functional Expenses  
For the Year Ended December 31, 2015  
(With Comparative Totals for the Year Ended December 31, 2014)**

|                                  | Program             | Management<br>and general | Fundraising       | Total               |                     |
|----------------------------------|---------------------|---------------------------|-------------------|---------------------|---------------------|
|                                  |                     |                           |                   | 2015                | 2014                |
| Salaries                         | \$ 1,273,402        | \$ 94,759                 | \$ 326,116        | \$ 1,694,277        | \$ 1,438,993        |
| Retirement benefits              | 42,257              | 4,162                     | 10,783            | 57,202              | 56,768              |
| Other employee benefits          | 132,105             | 10,187                    | 32,872            | 175,164             | 148,860             |
| Payroll taxes                    | 99,626              | 7,369                     | 24,975            | 131,970             | 114,136             |
| Total Personnel                  | <u>1,547,390</u>    | <u>116,477</u>            | <u>394,746</u>    | <u>2,058,613</u>    | <u>1,758,757</u>    |
| Grants                           | 68,213              | -                         | -                 | 68,213              | 65,417              |
| Legal                            | 322,925             | 1,498                     | -                 | 324,423             | 231,206             |
| Accounting                       | -                   | 38,892                    | -                 | 38,892              | 61,061              |
| Contract services                | 394,744             | 12,174                    | 60,211            | 467,129             | 362,596             |
| Research and testing services    | 137,827             | 59                        | 193               | 138,079             | 104,529             |
| Supplies                         | 20,962              | 1,638                     | 27,948            | 50,548              | 31,935              |
| Telephone and internet           | 17,366              | 1,143                     | 2,962             | 21,471              | 19,584              |
| Postage and mailing              | 4,689               | 313                       | 5,653             | 10,655              | 4,900               |
| Printing and reproduction        | 5,478               | 55                        | 14,969            | 20,502              | 34,116              |
| Equipment rental and maintenance | 13,695              | 732                       | 1,265             | 15,692              | 103                 |
| Information technology           | 24,878              | 1,881                     | 4,939             | 31,698              | 29,298              |
| Occupancy                        | 130,482             | 9,923                     | 26,054            | 166,459             | 155,740             |
| Travel and meals                 | 68,615              | 232                       | 5,702             | 74,549              | 53,823              |
| Training and conferences         | 4,307               | 5,782                     | 5,939             | 16,028              | 82,746              |
| Depreciation                     | 17,472              | 1,329                     | 3,489             | 22,290              | 21,067              |
| Insurance                        | 135                 | 13,959                    | 27                | 14,121              | 11,718              |
| Dues, licenses, service fees     | 14,790              | 320                       | 19,568            | 34,678              | 25,545              |
| Miscellaneous                    | 291                 | 12                        | 101               | 404                 | 19,969              |
| Total Expenses                   | <u>\$ 2,794,259</u> | <u>\$ 206,419</u>         | <u>\$ 573,766</u> | <u>\$ 3,574,444</u> | <u>\$ 3,074,110</u> |

See Notes to the Financial Statements



## CENTER FOR ENVIRONMENTAL HEALTH

### Notes to the Financial Statements For the Year Ended December 31, 2015 (With Comparative Totals for the Year Ended December 31, 2014)

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#### NOTE 1: NATURE OF ACTIVITIES

Center for Environmental Health (the Organization) is a California nonprofit public benefit corporation, which was organized to protect the public from toxic chemicals.

##### **Public Interest Litigation Program**

The Organization's Public Interest Litigation Program uses California's Proposition 65 Law (the Safe Drinking Water and Toxic Enforcement Act of 1986) and other laws to force corporations to stop exposing people to toxic chemicals.

##### **Bridging Environmental Health and Justice Program**

The Organization's Bridging Environmental Health and Justice Program supports efforts led by low-income communities to protect residents and workers from toxic chemicals.

##### **Policy Program**

The Organization's Policy Program works with coalitions, other non-profit organizations, and local, state, and federal agencies to help the government draft, implement, and enforce sensible public health regulations on toxic chemicals.

##### **Pollution Prevention Program**

The Organization's Pollution Prevention Program works to protect people from toxic flame retardant chemicals and from toxic chemicals related to oil and gas development.

##### **Public Education Program**

The Organization's Public Education Program is a resource for environmental health information, sharing effective ways for individuals to reduce their exposures to toxic chemicals and participate in corporate, legislative, and other campaigns that protect public health.

#### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

##### **Basis of Presentation**

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

*Unrestricted net assets* – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

## CENTER FOR ENVIRONMENTAL HEALTH

### Notes to the Financial Statements For the Year Ended December 31, 2015 (With Comparative Totals for the Year Ended December 31, 2014)

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*Temporarily restricted net assets* – represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

*Permanently restricted net assets* – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization, other asset enhancements and diminishments subject to the same kinds of stipulations or reclassifications from or to other classes of net assets as a consequence of donor-imposed stipulations. There were no permanently restricted net assets as of December 31, 2015.

#### **Contributions**

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### **Accounts, Grants, and Pledges Receivable**

The Organization considers all accounts, grants, and pledges receivable to be fully collectible at December 31, 2015. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

#### **Income Taxes**

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of December 31, 2015 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

**CENTER FOR ENVIRONMENTAL HEALTH**

**Notes to the Financial Statements  
For the Year Ended December 31, 2015  
(With Comparative Totals for the Year Ended December 31, 2014)**

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**Contributed Services**

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended December 31, 2015.

**Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents held in investment accounts for investment purposes are treated as part of investment balances for purposes of the statement of cash flows.

**Concentration of Credit Risk**

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

**Property and Equipment**

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$5,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

|                         |           |
|-------------------------|-----------|
| Furniture and equipment | 3-5 years |
| Website and software    | 3 years   |

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable. Impairment is recognized if the sum of the undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

**CENTER FOR ENVIRONMENTAL HEALTH**

**Notes to the Financial Statements  
For the Year Ended December 31, 2015  
(With Comparative Totals for the Year Ended December 31, 2014)**

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**Deferred Revenue**

Deferred revenue represents advance payments for fashion accessories testing.

**Functional Allocation of Expenses**

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

**Prior Year Summarized Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

**Reclassifications**

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

**Subsequent Events**

The Organization has evaluated subsequent events and has concluded that as of May 13, 2016 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

**NOTE 3: INVESTMENTS**

The fair value of investments consisted of the following at December 31:

|   | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| Certificates of deposit                 | \$ 900,087          | \$ 1,140,313        |
| Cash held for investment and treasuries | 3,487,261           | 2,289,124           |
| Domestic equities                       | 2,259               | 652,547             |
| Mutual funds – fixed income             | <u>30,059</u>       | <u>-</u>            |
| Total                                   | <u>\$ 4,419,666</u> | <u>\$ 4,081,984</u> |

Investment activity consisted of the following at December 31:

|                                      | <u>2015</u>      | <u>2014</u>       |
|--------------------------------------|------------------|-------------------|
| Interest and dividends               | \$ 57,869        | \$ 89,398         |
| Realized and unrealized gains (loss) | (30,964)         | 54,741            |
| Investment management fees           | <u>(16,482)</u>  | <u>(15,291)</u>   |
| Total                                | <u>\$ 10,423</u> | <u>\$ 128,848</u> |

**CENTER FOR ENVIRONMENTAL HEALTH**

**Notes to the Financial Statements  
For the Year Ended December 31, 2015  
(With Comparative Totals for the Year Ended December 31, 2014)**

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**NOTE 4: FAIR VALUE MEASUREMENTS**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value. Certain investments are recorded at values that approximate fair value due to their short term nature such as cash and cash equivalents.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

Fair values of assets measured on recurring basis were as follows as of December 31, 2015:

|                             | <u>Level 1</u>      | <u>Level 2</u>    | <u>Total</u>        |
|-----------------------------|---------------------|-------------------|---------------------|
| Domestic equities           | \$ 2,259            | \$ -              | \$ 2,259            |
| Mutual Funds - fixed income | 30,059              | -                 | 30,059              |
| Cash and cash equivalents   | 3,487,261           |                   | 3,487,261           |
| Certificates of Deposit     | <u>-</u>            | <u>900,087</u>    | <u>900,087</u>      |
| Total                       | <u>\$ 3,519,579</u> | <u>\$ 900,087</u> | <u>\$ 4,419,666</u> |

Cash held for investment was valued at cost.

**NOTE 5: PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

|                                | <u>2015</u>      | <u>2014</u>      |
|--------------------------------|------------------|------------------|
| Furniture and equipment        | \$ 73,013        | \$ 53,858        |
| Website and software           | 63,575           | 63,575           |
| Less: Accumulated depreciation | <u>(88,681)</u>  | <u>(66,392)</u>  |
| Total                          | <u>\$ 47,907</u> | <u>\$ 51,041</u> |

**NOTE 6: COMMITMENTS**

The Organization is party to leases for office space in Oakland which expire in July 2021 and June 2016. The future minimum operating lease payments are as follows at December 31:

|      |            |
|------|------------|
| 2016 | \$ 176,035 |
| 2017 | 199,625    |
| 2018 | 205,613    |
| 2019 | 211,782    |
| 2020 | 218,134    |

**CENTER FOR ENVIRONMENTAL HEALTH**

**Notes to the Financial Statements  
For the Year Ended December 31, 2015  
(With Comparative Totals for the Year Ended December 31, 2014)**

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|            |                     |
|------------|---------------------|
| Thereafter | <u>129,445</u>      |
| Total      | <u>\$ 1,140,634</u> |

Rent payments for the years ended December 31, 2015 and 2014 totaled \$166,459 and \$155,740, respectively.

**NOTE 7: CONTINGENCY**

Certain grant awards and donations require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

**NOTE 8: TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were available as follows on December 31:

|  | <u>2015</u>       | <u>2014</u>       |
|--|-------------------|-------------------|
| Bridging Environment, Health and Justice | \$ 2,187          | \$ 2,187          |
| Litigation                               | 100,000           | -                 |
| Flame Retardant                          | 60,000            | -                 |
| Policy                                   | 23,000            | -                 |
| Energy                                   | <u>87,500</u>     | <u>-</u>          |
| Total purpose restrictions               | 272,687           | 2,187             |
| Restricted for future operations         | <u>-</u>          | <u>200,000</u>    |
| Total                                    | <u>\$ 272,687</u> | <u>\$ 202,187</u> |

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes and time restrictions specified by donors as follows:

|                                     | <u>2015</u>       | <u>2014</u>       |
|-------------------------------------|-------------------|-------------------|
| Litigation                          | \$ 40,000         | \$ -              |
| Flame Retardant                     | 92,500            | -                 |
| Policy                              | 42,000            | 50,000            |
| Energy                              | <u>87,500</u>     | <u>140,000</u>    |
| Total purpose restriction fulfilled | 262,000           | 190,000           |
| Passage of time                     | <u>200,000</u>    | <u>150,000</u>    |
| Total                               | <u>\$ 462,000</u> | <u>\$ 340,000</u> |

**NOTE 9: BOARD-DESIGNATED NET ASSETS**

As of December 31, 2015 and 2014, the Board of Directors designated \$1,500,000 in unrestricted net assets for an operating reserve.

**CENTER FOR ENVIRONMENTAL HEALTH**

**Notes to the Financial Statements  
For the Year Ended December 31, 2015  
(With Comparative Totals for the Year Ended December 31, 2014)**

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**NOTE 10: PENSION**

The Organization has a defined contribution plan as established under Internal Revenue Code Section 401(k) (the Plan). All full time employees become eligible for participation after six months of employment and contributions are 100% vested. The Organization matches employee contributions based on the following formula: 100% of elective deferral contribution amounts up to 5% of compensation. Total contributions made by the Organization for the years ended December 31, 2015 and 2014 were \$57,202 and \$56,768, respectively.

**NOTE 11: SPECIAL EVENT**

The Organization held a fundraising event during the year. Activity related to the event was as follows during the year ended December 31:

|                                     | <u>2015</u>       | <u>2014</u>       |
|-------------------------------------|-------------------|-------------------|
| Admission                           | \$ 21,750         | \$ 49,000         |
| Donations and sponsorships          | 239,382           | 190,434           |
| Less: Costs of direct donor benefit | <u>(69,409)</u>   | <u>(58,373)</u>   |
| Total                               | <u>\$ 191,723</u> | <u>\$ 181,061</u> |