

0
6
/
2
3
/
2
0
1
6

TOXICS ACTION CENTER, INC.

Financial Statements

June 30, 2015

0
6
/
2
3
/
2
0
1
6

TOXICS ACTION CENTER, INC.

June 30, 2015

CONTENTS

Independent Accountant’s Review Report.....1

Statement of Financial Position.....2

Statement of Activities and Changes in Net Assets.....3

Statement of Cash Flows4

Notes to Financial Statements.....5

0
6
/
2
3
/
2
0
1
6



Independent Accountant's Review Report

To the Board of Directors
Toxics Action Center, Inc.
Boston, Massachusetts

We have reviewed the accompanying statement of financial position of Toxics Action Center, Inc. (a nonprofit organization) as of June 30, 2015, and the related statements of activities and changes in net assets and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Edelstein & Company LLP

Boston, Massachusetts
May 12, 2016

0
6
/
2
3
/
2
0
1
6

TOXICS ACTION CENTER, INC.

Statement of Financial Position
June 30, 2015

Assets:

Cash	\$ 1,159,187
Accounts receivable	614
Contributions receivable - other public interest organizations	63,948
Prepaid expenses	<u>1,677</u>
Total assets	<u><u>\$ 1,225,426</u></u>

Liabilities and net assets

Liabilities:

Accounts payable and accrued expenses:

Trade	\$ 13,671
Other public interest organizations	254,844
Accrued salaries and benefits	<u>13,811</u>
Total liabilities	<u>282,326</u>

Net assets - unrestricted 943,100

Total liabilities and net assets **\$ 1,225,426**

0
6
/
2
3
/
2
0
1
6

TOXICS ACTION CENTER, INC.

**Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Grants and contributions	\$ 438,715	\$ -	\$ 438,715
Program income	11,496	-	11,496
Interest	2,149	-	2,149
Net assets released from restrictions	135,600	(135,600)	-
Total support and revenue	<u>587,960</u>	<u>(135,600)</u>	<u>452,360</u>
Expenses:			
Program services	399,142	-	399,142
Management and general	51,906	-	51,906
Fundraising	68,232	-	68,232
Total expenses	<u>519,280</u>	<u>-</u>	<u>519,280</u>
Change in net assets	68,680	(135,600)	(66,920)
Net assets, beginning of year	<u>874,420</u>	<u>135,600</u>	<u>1,010,020</u>
Net assets, end of year	<u>\$ 943,100</u>	<u>\$ -</u>	<u>\$ 943,100</u>

0
6
/
2
3
/
2
0
1
6

TOXICS ACTION CENTER, INC.

Statement of Cash Flows
For the Year Ended June 30, 2015

Cash flows provided by operating activities:

Change in net assets	\$ (66,920)
Changes in operating assets and liabilities:	
Accounts receivable	(374)
Contributions receivable - other public interest organizations	(28,320)
Grants receivable	116,987
Prepaid expenses	8
Accounts payable - trade	(1,146)
Accounts payable - other public interest organizations	132,128
Accrued salaries and benefits	2,570
Net cash provided by operating activities	<u>154,933</u>
Cash, beginning of year	<u>1,004,254</u>
Cash, end of year	<u><u>\$ 1,159,187</u></u>

0
6
/
2
3
/
2
0
1
6

TOXICS ACTION CENTER, INC.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Organization and Purpose

Toxics Action Center, Inc. (the "Organization") engages in public interest research and education about the harmful impact of toxic material use on the environment, focusing particularly on issues surrounding air and water pollution, pesticide use, and contaminated landfills in New England. The Organization also provides consulting and program-related services to individuals and other public interest organizations engaged in similar activities.

Affiliated Organizations

The Executive Director of Toxics Action Center, Inc. serves in the same capacity with Toxic Action Center Campaigns, Inc. ("TACC"). The Organization had no transactions with TACC during the year ended June 30, 2015.

Representatives of Toxics Action Center, Inc. are on the Board of National Center for Public Interest, Inc. ("NCPI"), a nonprofit organization comprised of representatives from 501(c)(3) organizations. In accordance with the rules described in the Organization's by-laws, NCPI has the power to appoint members to as well as remove members from the Board of Directors of the Organization. The Organization had no financial transactions with NCPI during the year ended June 30, 2015.

Other Public Interest Organizations

The Organization has entered into agreements with other exempt organizations, including the Fund for the Public Interest, Inc. (the "Fund") and the Center for Public Interest Research, Inc. ("Center"), to share office space and to conduct administrative services, such as legal, accounting and human resources. In addition, the Organization has entered into an agreement with the Fund whereby the Fund conducts outreach and canvass-related activities on behalf of the Organization. Receipts for services provided and payments for services rendered are based on the costs of these services without mark-up. As such, financial results could be significantly different if the Organization obtained these services from independent parties. Although the Organization shares a common mission with the Fund and Center, it is neither controlled by nor an affiliate of either organization.

From time to time, the Organization works collaboratively with other organizations within The Public Interest Network. Transactions among these organizations for services received and provided are charged without mark-up.

Financial Statement Presentation

In order to ensure the observance of limitations and restrictions placed on the use of resources available to the Organization, the Organization determines the classification of its net assets and its support and revenues based on the existence or absence of donor-imposed restrictions.

The net assets of the Organization are reported in three categories as follows:

- (1) Unrestricted net assets represent expendable resources available for support of the Organization's general operations.
- (2) Temporarily restricted net assets represent resources restricted by donors for a specific period or purposes.
- (3) Permanently restricted net assets represent resources which cannot be expended.

0
6
/
2
3
/
2
0
1
6

TOXICS ACTION CENTER, INC.

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Financial Statement Presentation (continued)

The Organization had no permanently restricted net assets as of or for the year ended June 30, 2015.

Support and Revenue

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. The Organization has elected to report any restricted grants and contributions whose restrictions are met in the same reporting period as unrestricted support. Conditional promises to give are not recorded as support until the conditions are substantially met.

Grants and contributions revenue includes amounts raised through canvass-related activities conducted by the Fund on behalf of the Organization.

Program income consists of income from conference and publication service fees which are recorded when earned.

Functional Allocation of Expenses

The cost of providing program services has been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Cash

Cash is comprised of checking and savings account deposits.

Use of Estimates and Subsequent Events

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Organization's management has evaluated the effect which subsequent events may have on these financial statements. Management's evaluation was completed May 12, 2016, the date these financial statements became available to be issued. No events have occurred subsequent to the statement of financial position date and through the date of evaluation that meet the criteria required for disclosure or accrual.

Income Taxes

The Organization operates as a publicly supported tax-exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from federal income taxes on related income. The Organization is also exempt from Massachusetts income tax under Massachusetts General Law Chapter 180. Returns for tax years beginning with those filed for the year ended June 30, 2012 are open to examination.

0
6
/
2
3
/
2
0
1
6

TOXICS ACTION CENTER, INC.

Notes to Financial Statements

2. Concentration Risks

The Organization has a concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). The maximum deposit insurance amount is \$250,000 for interest-bearing accounts, which is applied per depositor, per insured depository institution for each account ownership category.

During the year ended June 30, 2015, one funder provided 11% of total revenue and support.

3. Temporarily Restricted Net Assets

Net assets released from restrictions for the year ended June 30, 2015 were released based on time restrictions. Total amounts released for the year ended June 30, 2015 amounted to \$135,600.

4. Rent

The Organization shares office space in Massachusetts with the Fund and other public interest organizations in Connecticut, Maine, and Vermont under tenant at will arrangements. Rent expense for the year ended June 30, 2015 was \$39,155.

5. Retirement Plan

The Organization offers a retirement plan that is sponsored by the Fund for all eligible employees. The Organization provides for an employer match of employee deferrals and may also contribute an additional amount as determined by the Board of Directors. The amount charged to expense for the year ended June 30, 2015 was \$3,817.

6. Transactions with Affiliates and Other Public Interest Organizations

The following summarizes the transactions between the Organization and other public interest organizations as of and for the year ended June 30, 2015:

	Contributions Receivable - Other Public Interest Organizations	Contributions Raised on Behalf of the Organization	Account Payable and Accrued Expenses - Other Public Interest Organizations	Program and Administrative Expenses	Shared Office Space
The Fund	\$ 63,923	\$ 76,674	\$ 99,908	\$ 113,035	\$ 31,397
Center	-	-	66,939	17,251	-
Other PIRGs	25	-	87,997	11	7,758
	<u>\$ 63,948</u>	<u>\$ 76,674</u>	<u>\$ 254,844</u>	<u>\$ 130,297</u>	<u>\$ 39,155</u>

0
6
/
2
3
/
2
0
1
6

TOXICS ACTION CENTER, INC.

Notes to Financial Statements

7. Allocation of Joint Costs

During the year ended June 30, 2015, the Organization incurred joint costs of \$36,777 for informational materials and activities that included fundraising appeals. Of those costs, \$9,194 was allocated to fundraising expense and \$27,583 was allocated to program services.