

CITIZENS' ENVIRONMENTAL COALITION EDUCATION FUND
(A Non-Profit Corporation)

FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

HJOVSKY, JONES & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS
Houston, Texas

Hajovsky, Jones & Co., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
14405 WALTERS ROAD, SUITE 825
HOUSTON, TEXAS 77014
(281) 440-0142
FAX (281) 440-9409

MICHAEL J. HAJOVSKY, C.P.A.
RICHARD A. JONES, C.P.A.

MEMBERS
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

June 6, 2012

REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees of the
Citizens' Environmental Coalition Education Fund
Houston, Texas

We have audited the accompanying statement of financial position of the Citizen's Environmental Coalition Education Fund (a nonprofit corporation) as of December 31, 2011, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the organization's management. 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 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 Citizens' Environmental Coalition Education Fund as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Hajovsky, Jones & Co. P.C.
CERTIFIED PUBLIC ACCOUNTANTS

CITIZENS' ENVIRONMENTAL COALITION EDUCATION FUND

(A Non-Profit Corporation)

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS

December 31, 2011

ASSETS

Current assets:

Cash in banks		\$ 41,965
Total current assets		<u>41,965</u>

Property and equipment:

Furniture, fixtures & equipment	\$ 929	
Less: Accumulated depreciation	<u>929</u>	<u>-</u>

Total assets		<u><u>\$ 41,965</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable and accrued expenses		<u>\$ -</u>
Total current liabilities		<u>-</u>

Net assets

Unrestricted	\$ 41,965	
Temporarily restricted	<u>-</u>	<u>41,965</u>

Total liabilities and net assets		<u><u>\$ 41,965</u></u>
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The accompanying notes are an integral part of these financial statements.

CITIZENS' ENVIRONMENTAL COALITION EDUCATION FUND

(A Non-Profit Corporation)

STATEMENT OF ACTIVITY

For the Year Ended December 31, 2011

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions and grants	\$ 24,452		\$ 24,452
Membership dues	9,250		9,250
Reclassification of temporarily restricted net assets satisfied by payments	-	-	-
Total support and revenue	<u>33,702</u>	<u>-</u>	<u>33,702</u>
Expenses:			
Program services:			
Education and community awareness	64,713		64,713
Total program services	<u>64,713</u>	<u>-</u>	<u>64,713</u>
Supporting services:			
Fundraising	2,607		2,607
Administrative	15,775		15,775
Total supporting services	<u>18,382</u>	<u>-</u>	<u>18,382</u>
Total expenses	<u>83,095</u>	<u>-</u>	<u>83,095</u>
Increase (decrease) in net assets	(49,393)	-	(49,393)
Net assets - beginning of year	<u>91,358</u>	<u>-</u>	<u>91,358</u>
Net assets - end of year	<u>\$ 41,965</u>	<u>\$ -</u>	<u>\$ 41,965</u>

The accompanying notes are an integral part of these financial statements.

CITIZENS' ENVIRONMENTAL COALITION EDUCATION FUND

(A Non-Profit Corporation)

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2011

Cash flows from operating activities	
Changes in net assets	\$ (49,393)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Increase (decrease) in:	
Accounts payable and accrued expenses	<u>(4,801)</u>
Net cash used for operating activities	<u>(54,194)</u>
Cash flows from financing activities	<u>-</u>
Cash flows from investing activities	<u>-</u>
Net increase (decrease) in cash	(54,194)
Cash and cash equivalents at beginning of year	<u>96,159</u>
Cash and cash equivalents at end of year	<u><u>\$ 41,965</u></u>

The accompanying notes are an integral part of these financial statements.

CITIZENS' ENVIRONMENTAL COALITION EDUCATION FUND

(A Non-Profit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2011

	Program Services		Supporting Services		Total
	Education		Fundraising	Administrative	
Salaries and related taxes	\$ 40,277			\$ 2,187	\$ 42,464
Professional fees				8,507	8,507
Travel	423				423
Insurance				1,410	1,410
Special event costs	5,402				5,402
Fundraising Fees			2,607		2,607
Printing and reproduction	9,015				9,015
Office and postage				694	694
Dues, subscriptions and books				619	619
Telephone				376	376
Rent	5,502			1,982	7,484
Other program expenses	4,094				4,094
	<u>\$ 64,713</u>		<u>\$ 2,607</u>	<u>\$ 15,775</u>	<u>\$ 83,095</u>

The accompanying notes are an integral part of these financial statements.

CITIZENS' ENVIRONMENTAL COALITION EDUCATION FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE A – ORGANIZATION

The Citizens' Environmental Coalition Education Fund (CECEF) is a nonprofit, tax-exempt corporation whose purpose is to serve as an information clearinghouse that provides education, training and information to a coalition of nonprofit organizations whose activities impact the environment and quality of life in the Houston/Gulf Coast region.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of CECEF have been prepared on the accrual method of accounting. Significant accounting policies are summarized below:

Contributions and Net Asset Classification – Contributions are recorded as temporarily restricted if they are received with donor stipulations that limit their use either through the donor stipulated purposes or time restrictions. When donor time restrictions expire, or when contributed funds are expended for donor stipulated purposes, temporarily restricted net assets are reclassified to unrestricted assets and reported in the statement of activities as net assets from restrictions. Separate net asset classifications are provided for groups of contributions that have similar characteristics as follows:

Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently, but permit the income derived from the donated assets to be expended for temporarily restricted or unrestricted purposes.

Temporarily restricted net assets contain donor-imposed restrictions that permit CECEF to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of CECEF.

Unrestricted net assets are not restricted by donors, or the donor-imposed restrictions have expired or been satisfied.

Temporarily restricted contributions and grants expended for the appropriate purpose during the year are included in unrestricted support. CECEF does not have any permanently restricted net assets.

CITIZENS' ENVIRONMENTAL COALITION EDUCATION FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE B – SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributed Services – The value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. However, many individuals volunteer their time and perform a variety of tasks that assist in providing CECEF services.

Cash and Cash Equivalents – For purposes of cash flows, CECEF considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Furniture, Fixtures and Equipment – Furniture and equipment acquisitions are recorded at cost if purchased or, if donated, at fair value at the date of the gift. Furniture and equipment have been depreciated using the straight-line method over the estimated useful lives of the assets, which range from 5 to 7 years.

Functional Expense Allocation – The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. The majority of expenses can generally be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses, by function, have been allocated among program and supporting services classifications on the basis of salaries and other methods determined by the management of CECEF.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Federal Income Taxes – The Citizens' Environmental Coalition Education Fund is a nonprofit, charitable corporation exempt from federal income tax under Internal Revenue Code Section 501 (c) (3) and is classified as a public charity under Section 509 (a) (1). The association's forms 990, Return of Organization Exempt from Income Tax, for the years ending December 31, 2011, 2010 and 2009 are subject to examination by the Internal Revenue Service, generally for a period of three years after they were filed.

CITIZENS' ENVIRONMENTAL COALITION EDUCATION FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE C – CONCENTRATION OF CREDIT RISK

CECEF places its cash and temporary cash in accounts at FDIC insured institutions. At times such accounts may be in excess of the FDIC insurance limits.

NOTE D - COMMITMENTS AND OBLIGATIONS

CECEF leases property for its office facilities under a five year operating lease expiring August, 2013. The rent expense for the year ended December 31, 2011 was \$5,980.

Future minimum lease obligations for the years ending December 31 are as follows:

2012	\$5,628
2013	<u>4,464</u>
	<u>\$10,092</u>

NOTE E – SUBSEQUENT EVENTS

Subsequent events were evaluated through June 6, 2012, which is the date the financial statements were available to be issued.