

FINANCIAL STATEMENTS

**NUCLEAR INFORMATION AND
RESOURCE SERVICE**

**FOR THE YEAR ENDED JANUARY 31, 2011
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2010**

NUCLEAR INFORMATION AND RESOURCE SERVICE

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GELMAN, ROSENBERG & FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Nuclear Information and Resource Service
Takoma Park, Maryland

We have audited the accompanying statement of financial position of the Nuclear Information and Resource Service (NIRS) as of January 31, 2011, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of NIRS' management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from NIRS' 2010 financial statements and, in our report dated December 2, 2010, we expressed an unqualified opinion on those statements.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NIRS' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 NIRS as of January 31, 2011, and its change in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Freedman

January 10, 2012

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NUCLEAR INFORMATION AND RESOURCE SERVICE
STATEMENT OF FINANCIAL POSITION
AS OF JANUARY 31, 2011
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2010

| ASSETS | | <u>2011</u> | <u>2010</u> |
|--|--|--------------------------|--------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | \$ 10,887 | \$ 72,652 |
| Grants receivable | | <u>-</u> | <u>50,000</u> |
| Total current assets | | <u>10,887</u> | <u>122,652</u> |
| FIXED ASSETS | | | |
| Land | | 50,000 | 50,000 |
| Building (Note 6) | | 150,000 | 150,000 |
| Furniture and equipment | | 102,323 | 102,323 |
| Leased equipment (Note 5) | | <u>22,299</u> | <u>19,271</u> |
| | | 324,622 | 321,594 |
| Less: Accumulated depreciation | | <u>(109,132)</u> | <u>(108,182)</u> |
| Net fixed assets | | <u>215,490</u> | <u>213,412</u> |
| OTHER ASSETS - Deposit | | <u>25,000</u> | <u>25,000</u> |
| TOTAL ASSETS | | <u>\$ 251,377</u> | <u>\$ 361,064</u> |
| LIABILITIES AND NET ASSETS | | | |
| CURRENT LIABILITIES | | | |
| Current portion of capital lease (Note 5) | | \$ 3,461 | \$ 3,427 |
| Current portion of note payable (Note 6) | | 50,000 | 50,000 |
| Accounts payable and accrued liabilities | | 74,036 | 42,105 |
| Grants payable | | <u>6</u> | <u>2,200</u> |
| Total current liabilities | | <u>127,503</u> | <u>97,732</u> |
| LONG-TERM LIABILITIES | | | |
| Capital lease, less current portion (Note 5) | | 17,297 | 11,607 |
| Note payable, less current portion (Note 6) | | <u>10,000</u> | <u>60,000</u> |
| Total long-term liabilities | | <u>27,297</u> | <u>71,607</u> |
| Total liabilities | | <u>154,800</u> | <u>169,339</u> |
| NET ASSETS | | | |
| Unrestricted | | (10,366) | 81,725 |
| Temporarily restricted (Note 2) | | <u>106,943</u> | <u>110,000</u> |
| Total net assets | | <u>96,577</u> | <u>191,725</u> |
| TOTAL LIABILITIES AND NET ASSETS | | <u>\$ 251,377</u> | <u>\$ 361,064</u> |

See accompanying notes to financial statements.

NUCLEAR INFORMATION AND RESOURCE SERVICE
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JANUARY 31, 2011
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2010

| | 2011 | | | 2010 |
|---|---------------------------|---------------------------|-------------------------|--------------------------|
| | Unrestricted | Temporarily Restricted | Total | Total |
| REVENUE | | | | |
| Grants and contributions | \$ 312,944 | \$ 81,200 | \$ 394,144 | \$ 409,916 |
| Rental income (Note 4) | 4,260 | - | 4,260 | 4,235 |
| Publications | 80 | - | 80 | - |
| Interest | 2,597 | - | 2,597 | 240 |
| Other | 11,577 | - | 11,577 | 3,192 |
| Net assets released from donor restrictions (Note 3) | <u>84,257</u> | <u>(84,257)</u> | <u>-</u> | <u>-</u> |
| Total revenue | <u>415,715</u> | <u>(3,057)</u> | <u>412,658</u> | <u>417,583</u> |
| EXPENSES | | | | |
| Program Services | 435,715 | - | 435,715 | 424,252 |
| Management and General | 47,353 | - | 47,353 | 49,302 |
| Fundraising | <u>24,738</u> | <u>-</u> | <u>24,738</u> | <u>24,651</u> |
| Total expenses | <u>507,806</u> | <u>-</u> | <u>507,806</u> | <u>498,205</u> |
| Change in net assets | (92,091) | (3,057) | (95,148) | (80,622) |
| Net assets at beginning of year | <u>81,725</u> | <u>110,000</u> | <u>191,725</u> | <u>272,347</u> |
| NET ASSETS AT END OF YEAR | <u>\$ (10,366)</u> | <u>\$ 106,943</u> | <u>\$ 96,577</u> | <u>\$ 191,725</u> |

See accompanying notes to financial statements.

NUCLEAR INFORMATION AND RESOURCE SERVICE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JANUARY 31, 2011
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2010

| | 2011 | | | 2010 | |
|-----------------------------------|---------------------|---------------------------|------------------|-------------------|-------------------|
| | Program Services | Management and General | Fundraising | Total Expenses | Total Expenses |
| Grant - Wise Amsterdam | \$ 8,137 | \$ - | \$ - | \$ 8,137 | \$ 5,000 |
| Salaries | 170,563 | 20,066 | 10,033 | 200,662 | 190,208 |
| Benefits | 28,851 | 3,394 | 1,697 | 33,942 | 27,559 |
| Payroll taxes | 15,389 | 1,811 | 905 | 18,105 | 17,134 |
| Accounting fees | 13,040 | 1,534 | 767 | 15,341 | 19,223 |
| Legal | 7,016 | - | - | 7,016 | 183 |
| Supplies | 280 | 33 | 16 | 329 | 1,239 |
| Telephone | 2,629 | 309 | 155 | 3,093 | 3,424 |
| Postage and delivery | 11,722 | 1,379 | 690 | 13,791 | 12,200 |
| Occupancy (Note 4) | 79,116 | 9,308 | 4,654 | 93,078 | 93,112 |
| Repairs and maintenance | 7,596 | 894 | 447 | 8,937 | 8,476 |
| Depreciation and amortization | 7,359 | 866 | 433 | 8,658 | 7,171 |
| Printing | 10,336 | 1,216 | 608 | 12,160 | 20,347 |
| Travel | 892 | 105 | 52 | 1,049 | 3,199 |
| Meetings | 1,159 | 136 | 68 | 1,363 | 666 |
| Insurance | 3,456 | 407 | 203 | 4,066 | 4,066 |
| Subscriptions and publications | 1,029 | 121 | 61 | 1,211 | 2,851 |
| Advertising and promotion | 8,287 | 975 | 487 | 9,749 | 21,127 |
| Events and campaign | 4,634 | 545 | 273 | 5,452 | 11,826 |
| Bank fees | 3,459 | 407 | 203 | 4,069 | 1,333 |
| Technology - computer/ website | 9,860 | 1,160 | 580 | 11,600 | 12,549 |
| Interest expense | 8,881 | 1,045 | 522 | 10,448 | 9,601 |
| Other - Miscellaneous | 4,424 | (1,605) | 260 | 3,079 | 2,027 |
| Other - RMTA | 9,435 | 1,110 | 555 | 11,100 | 4,011 |
| Other - Projects | 14,467 | 1,702 | 851 | 17,020 | 12,392 |
| Other - Ecodefense | 850 | 100 | 50 | 1,000 | 5,823 |
| Other - NIRS Ukraine | - | - | - | - | 682 |
| Contributions | 2,848 | 335 | 168 | 3,351 | 276 |
| Licensing | - | - | - | - | 500 |
| TOTAL | \$ 435,715 | \$ 47,353 | \$ 24,738 | \$ 507,806 | \$ 498,205 |

NUCLEAR INFORMATION AND RESOURCE SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JANUARY 31, 2011
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2010

| | <u>2011</u> | <u>2010</u> |
|--|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ (95,148) | \$ (80,622) |
| Adjustments to reconcile change in net assets to net cash (used) provided by operating activities: | | |
| Depreciation and amortization | 8,658 | 7,171 |
| Loss on disposal | (2,123) | - |
| (Increase) decrease in: | | |
| Grants receivable | 50,000 | 125,000 |
| Increase (decrease) in: | | |
| Accounts payable and accrued liabilities | 31,931 | 18,737 |
| Grants payable | <u>(2,194)</u> | <u>(4,534)</u> |
| Net cash (used) provided by operating activities | <u>(8,876)</u> | <u>65,752</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of land and building | <u>-</u> | <u>(200,000)</u> |
| Net cash used by investing activities | <u>-</u> | <u>(200,000)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payments on capital lease obligation | (2,889) | (2,825) |
| Proceeds from note payable | - | 160,000 |
| Payments on note payable | <u>(50,000)</u> | <u>(50,000)</u> |
| Net cash (used) provided by financing activities | <u>(52,889)</u> | <u>107,175</u> |
| Net decrease in cash and cash equivalents | (61,765) | (27,073) |
| Cash and cash equivalents at beginning of year | <u>72,652</u> | <u>99,725</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 10,887</u> | <u>\$ 72,652</u> |
| SUPPLEMENTAL INFORMATION | | |
| Interest Paid | <u>\$ 10,448</u> | <u>\$ 9,601</u> |
| SCHEDULE OF NON-CASH FINANCING TRANSACTIONS | | |
| Capital Lease Obligations Incurred for Use of Equipment | <u>\$ 22,299</u> | <u>\$ -</u> |

See accompanying notes to financial statements.

NUCLEAR INFORMATION AND RESOURCE SERVICE

NOTES TO FINANCIAL STATEMENTS JANUARY 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Nuclear Information and Resource Service (NIRS) is a non-profit organization, incorporated in Washington, D.C. for the purpose of being the national information and networking center for citizens and environmental activists concerned about nuclear power, radioactive waste, radiation and sustainable energy issues.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with NIRS' financial statements for the year ended January 31, 2010, from which the summarized information was derived.

Cash and cash equivalents -

NIRS considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

At times during the year, NIRS maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

Fixed assets -

Fixed assets are stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five to thirty-nine years. The cost of maintenance and repairs is recorded as expenses are incurred.

Income taxes -

NIRS 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. NIRS is not a private foundation.

Uncertain tax positions -

In June 2006, the Financial Accounting Standards Board (FASB) released FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes. For the year ended January 31, 2011, NIRS has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements. The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

NUCLEAR INFORMATION AND RESOURCE SERVICE

**NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of NIRS and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of NIRS and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

Grants and contributions -

Grants and contributions are recorded as revenue in the year notification is received from the donor. Temporarily restricted grants and contributions are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Grants and contributions received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

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

2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at January 31, 2011:

| | |
|--------------------------|--------------------------|
| Southeast Office Housing | \$ 60,000 |
| Calvert Cliffs | 5,000 |
| Levy Co | 7,609 |
| Normandie/West Valley | 9,334 |
| Southeast | <u>25,000</u> |
| | <u>\$ 106,943</u> |

NUCLEAR INFORMATION AND RESOURCE SERVICE

**NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2011**

3. NET ASSETS RELEASED FROM RESTRICTIONS

The following temporarily restricted net assets were released from donor restrictions by incurring expenses (or through the passage of time), which satisfied the restricted purposes specified by the donors:

| | |
|--------------------------|-------------------------|
| Southeast Office Housing | \$ 50,000 |
| Calvert Cliffs | 5,000 |
| Levy Co | 12,590 |
| Normandie/West Valley | <u>16,667</u> |
| | <u>\$ 84,257</u> |

4. LEASE COMMITMENT

In September 2005, NIRS entered into a six-year lease agreement for office space, which commenced in March 2006. In August of 2011, NIRS extended the lease through February 28, 2018 with reduced monthly rent commencing July 1, 2011, and an annual escalation of 3% on March 1st of each fiscal year following.

The following are the future minimum lease payments:

| <u>Year Ended January 31,</u> | |
|-------------------------------|--------------------------|
| 2012 | \$ 67,755 |
| 2013 | 59,036 |
| 2014 | 60,807 |
| 2015 | 62,631 |
| 2016 | 64,510 |
| Thereafter | <u>140,602</u> |
| | <u>\$ 455,341</u> |

Rent expense for the year ended January 31, 2011 totaled \$93,078.

During 2007, NIRS began subleasing a portion of its office space on a month-to-month basis. Rental income for the year ended January 31, 2011 totaled \$4,260.

5. CAPITAL LEASE OBLIGATION

In fiscal year 2009, NIRS entered into a capital lease obligation with GE Capital for a copier, which expires in 2013. In August of 2010, NIRS terminated the capital lease with GE Capital and entered into a new five-year agreement for a new copier with the Xerox Corporation.

As of January 31, 2011, the cost and related accumulated amortization of the leased asset totaled \$22,299 and \$2,602, respectively with amortization expense for the period totaling \$4,207

NUCLEAR INFORMATION AND RESOURCE SERVICE

**NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2011**

5. CAPITAL LEASE OBLIGATION (Continued)

Future minimum lease payments at January 31, 2011 are as follows:

| <u>Year Ended January 31,</u> | |
|-------------------------------|-------------------------|
| 2012 | \$ 6,428 |
| 2013 | 6,428 |
| 2014 | 6,428 |
| 2015 | 6,428 |
| 2016 | <u>3,214</u> |
| | 28,926 |
| Less: Interest | <u>(8,168)</u> |
| | 20,758 |
| Less: Current portion | <u>(3,461)</u> |
| LONG-TERM PORTION | <u>\$ 17,297</u> |

For the year ended January 31, 2011, interest paid totaled \$2,850.

6. NOTE PAYABLE

In May 2009, NIRS entered into a \$160,000 note payable to finance the construction of a house, to be used as office space, in North Carolina. The terms of the loan call for 36 consecutive interest-only payments at 6.75%, with three annual balloon payments of \$50,000 due on January 15, 2010, 2011 and 2012, respectively. The note matures on May 7, 2012, at which time a final payment of the remaining balance is due. The note is collateralized by the property. The fair value of the note payable approximates carrying value based upon terms and rates NIRS could obtain for obligations of similar nature.

As of January 31, 2011, the outstanding principal of the note payable was \$60,000. Principal payments are due as follows:

| <u>Year Ended January 31,</u> | |
|-------------------------------|-------------------------|
| 2012 | \$ 50,000 |
| 2013 | <u>10,000</u> |
| | <u>\$ 60,000</u> |

For the year ended January 31, 2011, interest paid totaled \$7,599.

7. SUBSEQUENT EVENTS

In preparing these financial statements, NIRS has evaluated events and transactions for potential recognition or disclosure through January 10, 2012, the date the financial statements were issued.