
ASIAN PACIFIC ENVIRONMENTAL NETWORK

FINANCIAL STATEMENTS

December 31, 2015

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2014)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

ASIAN PACIFIC ENVIRONMENTAL NETWORK

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Asian Pacific Environmental Network
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of Asian Pacific Environmental Network, which comprise the statement of financial position 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.

Auditor's 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 Asian Pacific Environmental Network 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 the Asian Pacific Environmental Network's December 31, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 26, 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 6, 2016

ASIAN PACIFIC ENVIRONMENTAL NETWORK

Statement of Financial Position

December 31, 2015

(With Comparative Totals as of December 31, 2014)

| | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 1,432,822 | \$ 1,047,959 |
| Accounts receivable | 30,681 | 48,269 |
| Pledges receivable | 10,177 | 31,401 |
| Grants receivable - current (Note 9) | 1,246,076 | 665,000 |
| Prepaid expenses | 32,702 | 22,455 |
| Total Current Assets | <u>2,752,458</u> | <u>1,815,084</u> |
| Grants receivable - noncurrent (Note 9) | 1,599,241 | - |
| Property and equipment (Note 3) | 7,192 | 2,742 |
| Deposits | 45,537 | 35,494 |
| Total Assets | <u>\$ 4,404,428</u> | <u>\$ 1,853,320</u> |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable | \$ 33,516 | \$ 36,348 |
| Accrued vacation | 32,674 | 33,041 |
| Deferred revenue | 36,250 | - |
| Deferred lease obligation | 84,028 | 44,103 |
| Total Liabilities | <u>186,468</u> | <u>113,492</u> |
| Commitments and Contingencies (Notes 4 and 5) | | |
| Net Assets | | |
| Unrestricted | 263,420 | 470,156 |
| Temporarily restricted (Note 6) | 3,954,540 | 1,269,672 |
| Total Net Assets | <u>4,217,960</u> | <u>1,739,828</u> |
| Total Liabilities and Net Assets | <u>\$ 4,404,428</u> | <u>\$ 1,853,320</u> |

See Notes to the Financial Statements

ASIAN PACIFIC ENVIRONMENTAL NETWORK

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

| | Unrestricted | Temporarily Restricted | Total | |
|---|-------------------|---------------------------|---------------------|---------------------|
| | | | 2015 | 2014 |
| Support and Revenue | | | | |
| Support | | | | |
| Individual contributions | \$ 163,859 | \$ 200 | \$ 164,059 | \$ 104,470 |
| Foundation and corporate grants | 61,569 | 4,306,087 | 4,367,656 | 1,755,087 |
| In-kind contributions | | | - | 97 |
| Total Support | <u>225,428</u> | <u>4,306,287</u> | <u>4,531,715</u> | <u>1,859,654</u> |
| Revenue | | | | |
| Fee for service | 55,750 | | 55,750 | 5,000 |
| Interest and dividends | 2,554 | | 2,554 | 2,163 |
| Other | 4,447 | | 4,447 | 2,341 |
| Total Revenue | <u>62,751</u> | <u>-</u> | <u>62,751</u> | <u>9,504</u> |
| Net assets released from restrictions (Note 6) | <u>1,621,419</u> | <u>(1,621,419)</u> | <u>-</u> | <u>-</u> |
| Total Support and Revenue | <u>1,909,598</u> | <u>2,684,868</u> | <u>4,594,466</u> | <u>1,869,158</u> |
| Expenses | | | | |
| Program | 1,655,943 | | 1,655,943 | 1,373,065 |
| Management and general | 248,572 | | 248,572 | 227,903 |
| Fundraising | 211,819 | | 211,819 | 148,772 |
| Total Expenses | <u>2,116,334</u> | <u>-</u> | <u>2,116,334</u> | <u>1,749,740</u> |
| Change in Net Assets | (206,736) | 2,684,868 | 2,478,132 | 119,418 |
| Net Assets, beginning of year | <u>470,156</u> | <u>1,269,672</u> | <u>1,739,828</u> | <u>1,620,410</u> |
| Net Assets, end of year | <u>\$ 263,420</u> | <u>\$ 3,954,540</u> | <u>\$ 4,217,960</u> | <u>\$ 1,739,828</u> |

See Notes to the Financial Statements

ASIAN PACIFIC ENVIRONMENTAL NETWORK

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

| | 2015 | 2014 |
|--|--------------|--------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 2,478,132 | \$ 119,418 |
| Adjustments to reconcile change in net assets to cash provided (used) by operating activities: | | |
| Depreciation | 2,065 | 7,900 |
| Change in assets and liabilities: | | |
| Accounts receivable | 17,588 | (45,899) |
| Pledges receivable | 21,224 | (23,275) |
| Grants receivable | (2,180,317) | (152,400) |
| Prepaid expenses | (10,247) | (5,513) |
| Deposits | (10,043) | (30,334) |
| Accounts payable | (2,832) | 25,900 |
| Accrued vacation | (367) | 3,769 |
| Deferred revenue | 36,250 | - |
| Deferred lease obligation | 39,925 | 44,103 |
| Net cash provided (used) by operating activities | 391,378 | (56,331) |
| Cash flows from investing activities | | |
| Purchase of fixed assets | (6,515) | (2,501) |
| Net cash provided (used) by investing activities | (6,515) | (2,501) |
| Net change in cash and cash equivalents | 384,863 | (58,832) |
| Cash and cash equivalents, beginning of year | 1,047,959 | 1,106,791 |
| Cash and cash equivalents, end of year | \$ 1,432,822 | \$ 1,047,959 |

See Notes to the Financial Statements

ASIAN PACIFIC ENVIRONMENTAL NETWORK

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

| | Program | | | | | | Total Program | Management and General | Fundraising | Total | |
|------------------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------------|-------------------|---------------------|---------------------|
| | Civic Engagement | Communications | Richmond | Network | Oakland | State | | | | 2015 | 2014 |
| Salaries | \$ 133,025 | \$ 106,483 | \$ 160,118 | \$ 42,967 | \$ 172,893 | \$ 195,116 | \$ 810,602 | \$ 104,998 | \$ 132,276 | \$ 1,047,876 | \$ 947,486 |
| Pension contributions | 5,602 | 5,801 | 8,787 | 1,575 | 8,995 | 8,138 | 38,898 | 6,410 | 5,172 | 50,480 | 45,314 |
| Other employee benefits | 16,839 | 17,434 | 26,468 | 4,726 | 27,169 | 24,382 | 117,018 | 19,308 | 15,600 | 151,926 | 136,362 |
| Payroll taxes | 9,758 | 10,150 | 15,282 | 2,736 | 15,400 | 14,450 | 67,776 | 11,267 | 8,993 | 88,036 | 81,836 |
| Total Personnel | <u>165,224</u> | <u>139,868</u> | <u>210,655</u> | <u>52,004</u> | <u>224,457</u> | <u>242,086</u> | <u>1,034,294</u> | <u>141,983</u> | <u>162,041</u> | <u>1,338,318</u> | <u>1,210,998</u> |
| Accounting | | | | | | | - | 25,213 | - | 25,213 | 23,725 |
| Legal | | | | | | | - | 2,883 | - | 2,883 | 12,787 |
| Other professional services | 23,625 | 1,822 | 53,417 | 60,454 | 33,925 | 150,039 | 323,282 | 25,744 | 2,566 | 351,592 | 180,185 |
| Supplies | 3,751 | 3,790 | 7,176 | 1,026 | 6,571 | 5,398 | 27,712 | 4,767 | 4,145 | 36,624 | 32,089 |
| Postage | 195 | 211 | 376 | 53 | 574 | 334 | 1,743 | 364 | 886 | 2,993 | 3,097 |
| Telephone | 1,672 | 1,723 | 2,628 | 472 | 2,731 | 2,360 | 11,586 | 1,896 | 1,548 | 15,030 | 8,934 |
| Equipment rental and maintenance | 1,635 | 1,690 | 2,734 | 459 | 2,773 | 2,320 | 11,611 | 1,871 | 1,515 | 14,997 | 15,707 |
| Bank and payroll fees | | | | | | | - | 809 | - | 809 | 705 |
| Printing and publication | 174 | 177 | 2,902 | 49 | 2,594 | 335 | 6,231 | 376 | 2,757 | 9,364 | 10,157 |
| Information technology | 691 | 709 | 1,083 | 210 | 1,122 | 994 | 4,809 | 770 | 639 | 6,218 | 7,385 |
| Occupancy | 21,245 | 21,968 | 33,537 | 5,978 | 34,270 | 30,692 | 147,690 | 24,463 | 19,615 | 191,768 | 99,780 |
| Travel and meals | 8,067 | 1,399 | 17,084 | 8,206 | 11,075 | 14,366 | 60,197 | 4,498 | 3,921 | 68,616 | 96,022 |
| Conferences, conventions, meetings | 1,169 | 713 | 5,302 | 200 | 2,895 | 1,621 | 11,900 | 7,653 | 4,759 | 24,312 | 20,028 |
| Depreciation | 227 | 227 | 372 | 62 | 413 | 289 | 1,590 | 248 | 227 | 2,065 | 7,900 |
| Insurance | 450 | 462 | 707 | 127 | 746 | 630 | 3,122 | 3,077 | 416 | 6,615 | 6,520 |
| Dues, licenses, service fees | 1,129 | 1,124 | 1,158 | 231 | 1,139 | 1,222 | 6,003 | 1,255 | 6,683 | 13,941 | 8,533 |
| Contributions | 250 | | 50 | 1,755 | 200 | 1,150 | 3,405 | - | - | 3,405 | 3,622 |
| Miscellaneous | 111 | 121 | 172 | 30 | 141 | 193 | 768 | 702 | 101 | 1,571 | 1,566 |
| Total Expenses | <u>\$ 229,615</u> | <u>\$ 176,004</u> | <u>\$ 339,353</u> | <u>\$ 131,316</u> | <u>\$ 325,626</u> | <u>\$ 454,029</u> | <u>\$ 1,655,943</u> | <u>\$ 248,572</u> | <u>\$ 211,819</u> | <u>\$ 2,116,334</u> | <u>\$ 1,749,740</u> |

See Notes to the Financial Statements

ASIAN PACIFIC ENVIRONMENTAL NETWORK

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

NOTE 1: NATURE OF ACTIVITIES

The Asian Pacific Environmental Network (The Organization) is a California nonprofit public benefit corporation established to unify and empower people – particularly Asian American and Pacific Islander communities – to learn about issues of environmental health and justice, sustainable development, civil rights, occupational safety and health, and other community issues.

The Organization's offices are located in Oakland and Richmond, California. Its activities are primarily supported by private grants and contributions from individuals and allied organizations.

The Organization's programs include:

Local Organizing: The program's work is focused on building and expanding a membership base of low income Asian Pacific Islander immigrant and refugee communities. Members and leaders guide aspects of the Organization's campaign and movement building work.

Statewide Policy and Civic Engagement: The Organization leads select campaigns, around policies of importance to its members and their communities. The Organization's civic engagement program educates and mobilizes Asian immigrant and refugee voters on non-partisan ballot issues.

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.

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 whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the

ASIAN PACIFIC ENVIRONMENTAL NETWORK

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

income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. 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, Pledges, and Grants Receivable

The Organization considers all accounts, pledges, and grants 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.

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.

ASIAN PACIFIC ENVIRONMENTAL NETWORK

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

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.

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.

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.

The Organization had no assets or liabilities recorded at fair value on December 31, 2015.

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 \$1,000; 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

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

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

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.

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 6, 2016 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

| | | |
|-------------------------------|-----------------|-----------------|
| | <u>2015</u> | <u>2014</u> |
| Furniture and equipment | \$ 20,321 | \$ 21,441 |
| Leasehold improvements | 6,515 | - |
| Less accumulated depreciation | <u>(19,644)</u> | <u>(18,699)</u> |
| Total | <u>\$ 7,192</u> | <u>\$ 2,742</u> |

NOTE 4: COMMITMENTS

Operating Leases

The Organization is party to leases for its Oakland offices, a copier and postage meter which expire during various periods through November, 2019. Future minimum lease payments are as follows for the years ended December 31:

| | |
|------|------------|
| 2016 | \$ 228,632 |
| 2017 | 228,400 |
| 2018 | 197,470 |
| 2019 | 183,913 |

ASIAN PACIFIC ENVIRONMENTAL NETWORK

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

| | |
|-------|-------------------|
| 2020 | <u>17,817</u> |
| Total | <u>\$ 856,232</u> |

Rent for the years ended December 31, 2015 and 2014 was \$186,521 and \$92,970, respectively.

NOTE 5: CONTINGENCIES

Grant awards require the fulfillment of certain conditions as set forth in the provisions of the grants. 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 6: TEMPORARILY RESTRICTED NET ASSETS

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

| | <u>2015</u> | <u>2014</u> |
|---------------------|---------------------|---------------------|
| Oakland organizing | \$ 220,915 | \$ 41,748 |
| Richmond organizing | 220,200 | 50,000 |
| State | 384,472 | 121,833 |
| Civic Engagement | 5,000 | 30,000 |
| Capacity building | 20,000 | 26,389 |
| Network | 82,778 | - |
| Future periods | <u>3,021,175</u> | <u>999,702</u> |
| Total | <u>\$ 3,954,540</u> | <u>\$ 1,269,672</u> |

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows during the years ended December 31:

| | <u>2015</u> | <u>2014</u> |
|--------------------------------|---------------------|---------------------|
| Oakland organizing | \$ 64,833 | \$ 40,833 |
| Richmond organizing | 72,500 | 65,000 |
| State | 358,131 | 151,667 |
| Civic Engagement | 25,000 | 32,500 |
| Capacity building | 26,389 | 24,061 |
| Network | 72,222 | - |
| Expiration of time restriction | <u>1,002,344</u> | <u>1,170,750</u> |
| Total | <u>\$ 1,621,419</u> | <u>\$ 1,484,811</u> |

NOTE 7: PENSION

The Organization has a defined contribution plan as established under Internal Revenue Code Section 401(k) (the Plan). All regular full-time and regular part-time employees are eligible for participation and are immediately vested in the Plan. For each Plan year, the

ASIAN PACIFIC ENVIRONMENTAL NETWORK

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

Organization contributes 5% of each eligible employee's salary. Contributions made by the Organization for 2015 and 2014 totaled \$50,480 and \$45,314, respectively.

NOTE 8: RELATED PARTY TRANSACTIONS

The Organization has a shared cost allocation agreement (the agreement) with a related 501(c)(4) organization, Asian Pacific Environmental Network Action. Under the agreement, the Organization shares personnel services and various overhead expenses with the related organization. The Organization is reimbursed for the portion of these expenses attributed to related party activities based on the agreement. The Executive Director of the Organization is a member and officer of the related organization's board of directors.

As of December 31, 2015 and 2014, there was an outstanding receivable balance of \$18,516 and \$33,422, respectively, due from Asian Pacific Environmental Network Action.

NOTE 9: GRANTS RECEIVABLE

Grants receivable are recorded at their net realizable value and consist of the following at December 31, 2015:

| | |
|---------------------------------------|---------------------|
| Gross grants receivable | \$ 2,966,076 |
| Less: Discount to present value at 2% | <u>(120,759)</u> |
| Total | <u>\$ 2,845,317</u> |

Grants receivable at December 31, 2015 are expected to be realized in the following periods:

| | |
|--------------------|---------------------|
| Less than one year | \$ 1,246,076 |
| One to seven years | <u>1,599,241</u> |
| Total | <u>\$ 2,845,317</u> |