

## **FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED DECEMBER 31, 2017  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2016**

# ENVIRONMENTAL INTEGRITY PROJECT

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Environmental Integrity Project  
Washington, D.C.

We have audited the accompanying financial statements of the Environmental Integrity Project (EIP), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and change in net assets, functional expenses and cash flows 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 EIP as of December 31, 2017, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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### **Report on Summarized Comparative Information**

We have previously audited EIP's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 19, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Gelman Rosenberg & Freedman*

September 14, 2018

**ENVIRONMENTAL INTEGRITY PROJECT**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2017**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016**

<b>ASSETS</b>		<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	500,041	\$ 375,530
Grants and contributions receivable		348,666	558,162
Other receivables		1,444	8,591
Prepaid expenses		<u>122,410</u>	<u>52,764</u>
Total current assets		<u>972,561</u>	<u>995,047</u>
<b>FIXED ASSETS</b>			
Machinery and equipment		37,757	37,757
Furniture and fixtures		65,355	65,355
Computer equipment		70,480	65,769
Leasehold improvements		<u>424,060</u>	<u>424,060</u>
		597,652	592,941
Less: Accumulated depreciation and amortization		<u>(317,416)</u>	<u>(259,060)</u>
Net fixed assets		<u>280,236</u>	<u>333,881</u>
<b>OTHER ASSETS</b>			
Deposits		33,260	44,269
Grants and contributions receivable, net of current portion		<u>130,000</u>	<u>120,000</u>
Total other assets		<u>163,260</u>	<u>164,269</u>
<b>TOTAL ASSETS</b>		<u><b>\$ 1,416,057</b></u>	<u><b>\$ 1,493,197</b></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	\$	59,535	\$ 44,179
Accrued salaries and related benefits		132,347	136,933
Deferred leasehold incentive obligation, current portion		40,185	40,185
Deferred rent liability		<u>9,333</u>	<u>3,036</u>
Total current liabilities		<u>241,400</u>	<u>224,333</u>
<b>LONG-TERM LIABILITIES</b>			
Deferred leasehold incentive obligation, net of current portion		217,664	257,848
Deferred rent liability, net of current portion		<u>199,604</u>	<u>208,938</u>
Total long-term liabilities		<u>417,268</u>	<u>466,786</u>
Total liabilities		<u>658,668</u>	<u>691,119</u>
<b>NET ASSETS</b>			
Unrestricted (deficit)		188,494	(61,208)
Temporarily restricted		<u>568,895</u>	<u>863,286</u>
Total net assets		<u>757,389</u>	<u>802,078</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u><b>\$ 1,416,057</b></u>	<u><b>\$ 1,493,197</b></u>

See accompanying notes to financial statements.

## ENVIRONMENTAL INTEGRITY PROJECT

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016**

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
<b>REVENUE AND SUPPORT</b>				
Foundation grants	\$ 382,500	\$ 2,382,500	\$ 2,765,000	\$ 2,637,500
Contributions	222,880	63,383	286,263	187,219
Interest and dividend income	183	-	183	154
Rental income	34,110	-	34,110	43,538
Recoverable expenses income	38,392	-	38,392	44,392
Other	-	-	-	3,255
Net assets released from donor restrictions	<u>2,740,274</u>	<u>(2,740,274)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>3,418,339</u>	<u>(294,391)</u>	<u>3,123,948</u>	<u>2,916,058</u>
<b>EXPENSES</b>				
Program Services:				
Chesapeake Bay Initiative	339,583	-	339,583	452,532
Clean Water Act	100,260	-	100,260	-
Coal/Other Projects	622,391	-	622,391	713,128
EPA Watch	389,223	-	389,223	-
Maryland Healthy Communities Initiative	265,348	-	265,348	244,951
Oil and Gas	1,023,469	-	1,023,469	1,104,889
Concentrated Animal Feeding Operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,355</u>
Total program services	<u>2,740,274</u>	<u>-</u>	<u>2,740,274</u>	<u>2,551,855</u>
Supporting Services:				
Management and General	343,958	-	343,958	289,532
Fundraising	<u>84,405</u>	<u>-</u>	<u>84,405</u>	<u>72,071</u>
Total supporting services	<u>428,363</u>	<u>-</u>	<u>428,363</u>	<u>361,603</u>
Total expenses	<u>3,168,637</u>	<u>-</u>	<u>3,168,637</u>	<u>2,913,458</u>
Change in net assets	249,702	(294,391)	(44,689)	2,600
Net assets at beginning of year	<u>(61,208)</u>	<u>863,286</u>	<u>802,078</u>	<u>799,478</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><b>\$ 188,494</b></u>	<u><b>\$ 568,895</b></u>	<u><b>\$ 757,389</b></u>	<u><b>\$ 802,078</b></u>

**ENVIRONMENTAL INTEGRITY PROJECT**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016**

	2017				
	Program Services				
	Chesapeake Bay Initiative	Clean Water Act	Coal/Other Projects	EPA Watch	Maryland Healthy Communities Initiative
Salaries and payroll taxes	\$ 252,520	\$ 34,312	\$ 367,420	\$280,602	\$ 173,949
Professional and legal fees	-	-	98,437	1,163	38
Public relations	-	-	-	-	58
Subgrant	-	45,000	-	-	21,000
Meeting and transportation	3,175	-	12,378	2,687	2,395
Printing, postage and delivery	3,111	-	566	194	-
Reference material	454	-	3,376	342	467
Court filing fees	202	-	2,647	2,412	442
Testing and project supplies	38	-	-	-	-
Dues and subscriptions	1,042	-	1,428	756	1,189
Rent expense	23,909	2,828	32,081	27,514	15,767
Information technology	-	-	-	-	-
Business insurance	-	-	-	-	-
Other administrative costs	127	-	794	1,867	360
Depreciation and amortization expense	-	-	-	-	-
Subtotal	284,578	82,140	519,127	317,537	215,665
Overhead allocation	55,005	18,120	103,264	71,686	49,683
<b>TOTAL</b>	<b>\$ 339,583</b>	<b>\$100,260</b>	<b>\$ 622,391</b>	<b>\$389,223</b>	<b>\$ 265,348</b>

2016						
Supporting Services						
Oil and Gas	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
\$ 804,438	\$1,913,241	\$ 355,159	\$ 64,710	\$ 419,869	\$2,333,110	\$2,265,950
51,844	151,482	51,013	2,138	53,151	204,633	77,847
1,000	1,058	5,222	793	6,015	7,073	16,486
-	66,000	-	-	-	66,000	26,679
24,155	44,790	22,370	4,985	27,355	72,145	63,780
1,497	5,368	7,841	933	8,774	14,142	14,167
2,864	7,503	28,294	-	28,294	35,797	32,059
3,000	8,703	-	-	-	8,703	3,749
30	68	-	-	-	68	16,531
1,763	6,178	8,709	3,570	12,279	18,457	15,040
73,945	176,044	87,630	5,899	93,529	269,573	272,262
189	189	28,141	11	28,152	28,341	20,331
-	-	13,674	-	13,674	13,674	13,146
991	4,139	33,060	1,366	34,426	38,565	17,733
-	-	58,356	-	58,356	58,356	57,698
965,716	2,384,763	699,469	84,405	783,874	3,168,637	2,913,458
57,753	355,511	(355,511)	-	(355,511)	-	-
<b>\$ 1,023,469</b>	<b>\$2,740,274</b>	<b>\$ 343,958</b>	<b>\$ 84,405</b>	<b>\$ 428,363</b>	<b>\$3,168,637</b>	<b>\$2,913,458</b>



**ENVIRONMENTAL INTEGRITY PROJECT**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (44,689)	\$ 2,600
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	58,356	57,698
Decrease (increase) in:		
Grants and contributions receivable	199,496	144,602
Other receivables	7,147	1,106
Prepaid expenses	(69,646)	(693)
Deposits	11,009	22,019
Increase (decrease) in:		
Accounts payable and accrued expenses	15,356	2,724
Accrued salaries and related benefits	(4,586)	35,630
Deferred leasehold incentive obligation, net of current portion	(40,184)	(40,184)
Deferred rent liability	<u>(3,037)</u>	<u>3,123</u>
Net cash provided by operating activities	<u>129,222</u>	<u>228,625</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>(4,711)</u>	<u>(6,481)</u>
Net cash used by investing activities	<u>(4,711)</u>	<u>(6,481)</u>
Net increase in cash and cash equivalents	124,511	222,144
Cash and cash equivalents at beginning of year	<u>375,530</u>	<u>153,386</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 500,041</u></b>	<b><u>\$ 375,530</u></b>

## ENVIRONMENTAL INTEGRITY PROJECT

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

The Environmental Integrity Project (EIP) is a nonpartisan, non-profit organization, incorporated in November 2003 in Washington, D.C. EIP was founded by Eric Schaeffer, with support from the Rockefeller Family Fund and other Foundations. EIP has the following three objectives:

- To provide an objective analysis of how the failure to enforce or implement environmental laws increase pollution and affects the public's health;
- To hold federal and state agencies, as well as individual corporations, accountable for failing to enforce or comply with environmental law; and
- To help local communities in key states obtain the protection of environmental laws.

EIP's work, which is frequently based on an extensive review of government records, has been cited in Congressional hearings and debates, in reports by the U.S. Government Accountability Office, and in frequent news articles. EIP periodically evaluates the effectiveness of federal and state environmental programs, offering recommendations for improvement while recognizing outstanding performance.

EIP also works closely with grassroots organizations in Iowa, Pennsylvania, Texas and other states to assist communities that are trying to get neighboring polluters to reduce their emissions and comply with environmental laws.

##### 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 EIP's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

##### Cash and cash equivalents -

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

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, EIP maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

##### Grants and contributions receivable -

Grants and contributions receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. Amortization of the discounts is included in grants and contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Other accounts receivable are recorded at their net realizable value, which approximates fair value. All grants, contributions and accounts receivable are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

## ENVIRONMENTAL INTEGRITY PROJECT

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017

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

##### Fixed assets -

Fixed assets in excess of \$500 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2017 totaled \$58,356.

##### Income taxes -

EIP 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. EIP is not a private foundation.

##### Uncertain tax positions -

For the year ended December 31, 2017, EIP has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

##### Due to Environmental Protection Network (EPN) -

EIP received contributions from donors on behalf of the Environmental Protection Network (EPN) and as such acts as an agent on behalf of the donors. These transactions are recorded as agency transactions and are included in accounts payable on the Statement of Financial Position. As of December 31, 2017, amounts held for EPN totaled \$10,000.

##### 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 EIP 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 EIP 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.

##### Contributions and grants -

Unrestricted and temporarily restricted contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants 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. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

## ENVIRONMENTAL INTEGRITY PROJECT

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017

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

##### Contributions and grants (continued) -

Recoverable revenue pertains to certain allowable legal fees that EIP has incurred in the course of representing a case, which may be recovered in a court settlement. These fees may include staff attorney fees, expert costs, and other costs allowed by the court. Recoverable revenue is recognized in the year when the final outcome of legal claims or reimbursements is certain and realized. This occurs after the consent decree has been entered with the relevant jurisdictional court and after all payment conditions identified in the consent decree have been met.

##### 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.

##### New accounting pronouncements (not yet adopted) -

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statement of Activities and Change in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of EIP's financial statements, it is not expected to alter EIP's reported financial position.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. EIP has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

**ENVIRONMENTAL INTEGRITY PROJECT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

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

New accounting pronouncements (not yet adopted) (continued) -

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

EIP plans to adopt the new ASUs at the respective required implementation dates.

Reclassification -

Certain amounts in the prior year's summarized financial information have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

**2. GRANTS RECEIVABLE**

As of December 31, 2017, contributors to EIP have made written promises to give totaling \$478,666.

Grants are due as follows at December 31, 2017:

Less than one year	\$ 348,666
One to five years	<u>130,000</u>
<b>TOTAL GRANTS RECEIVABLE</b>	<b><u>\$ 478,666</u></b>

**3. LINE OF CREDIT**

EIP has a \$100,000, revolving bank line of credit. Amounts borrowed under this agreement bear interest at the bank's prime rate plus 6.75%. As of December 31, 2017, there was no outstanding balance on the line of credit.

**4. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following at December 31, 2017:

Chesapeake Bay Initiative	\$ 104,828
Clean Water Act	34,739
Coal/Other Projects	158,222
EPA Watch	83,723
Maryland Healthy Communities Initiative	127,769
Oil and Gas	<u>59,614</u>
<b>TOTAL TEMPORARILY RESTRICTED NET ASSETS</b>	<b><u>\$ 568,895</u></b>

**ENVIRONMENTAL INTEGRITY PROJECT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**4. TEMPORARILY RESTRICTED NET ASSETS (Continued)**

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:

Chesapeake Bay Initiative	\$ 339,583
Clean Water Act	100,260
Coal/Other Projects	622,391
EPA Watch	389,223
Maryland Healthy Communities Initiative	265,348
Oil and Gas	<u>1,023,469</u>
<b>TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<b><u>\$ 2,740,274</u></b>

**5. LEASE COMMITMENTS**

On March 14, 2013, EIP entered into a 10-year lease with Vermont Avenue SPE LLC, in Washington, D.C., which began on November 1, 2013. The lease provides six months of free rent, followed by six months of reduced rent payments and contains a fixed escalation clause for increases in the annual minimum rent at the rate of 2.25%. Under the terms of the lease, EIP received a leasehold improvement allowance of \$424,060.

EIP also had a lease agreement for office space in Texas, effective for the term May 1, 2015 through August 31, 2017. The lease has been extended through January 2020.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability on the Statement of Financial Position.

The following is a schedule of the future minimum lease payments:

**Year Ending December 31,**

2018	\$ 305,729
2019	315,988
2020	307,457
2021	312,708
2022	319,744
Thereafter	<u>464,422</u>
	<b><u>\$ 2,026,048</u></b>

Rent expense including operating expenses for the year ended December 31, 2017 was \$269,573. As of December 31, 2017, the deferred rent liability was \$208,937 and the deferred leasehold incentive obligation was \$257,849.

EIP subleases a portion of its office space in Washington, D.C., to two unrelated third parties. The first expired March 31, 2017 and continued on a month-to-month basis. The second was on a month-to-month basis for all of 2017.

Rental income for the year ended December 31, 2017 was \$34,110.

## **ENVIRONMENTAL INTEGRITY PROJECT**

### **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017**

#### **6. RETIREMENT PLAN**

EIP provides retirement benefits to its employees through a 401(k) plan, whereby employees may make contributions on a pre-tax and post-tax basis, subject to IRS limitations. Full-time employees are eligible to participate after one year of employment. Employer contributions are discretionary and participants are fully vested in employer contributions after two years of service.

EIP contributes 3% of an eligible participant's salary, regardless of the individual's participation in the Plan and also provides a match of up to 3% of each eligible participant's contribution to the Plan. Contributions to the Plan during the year ended December 31, 2017 totaled \$81,719.

#### **7. SUBSEQUENT EVENTS**

In preparing these financial statements, EIP has evaluated events and transactions for potential recognition or disclosure through September 14, 2018, the date the financial statements were issued.