

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2007 calendar year, or tax year beginning **JUL 1, 2007** and ending **JUN 30, 2008**

B Check if applicable:

Address change
 Name change
 Initial return
 Termination
 Amended return
 Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
COUNCIL ON THE ENVIRONMENT, INC.

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
51 CHAMBERS STREET

City or town, state or country, and ZIP + 4
NEW YORK, NY 10007

D Employer identification number
13-2765465

E Telephone number
212-788-7900

F Accounting method: Cash Accrual
 Other (specify) _____

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

Hand I are not applicable to section 527 organizations.

G Website: **WWW.CENYC.ORG**

J Organization type (check only one) 501(c) (03) (Insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates **N/A**

H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number **N/A**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **6,010,384.**

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Contributions to donor advised funds	1a			
	b Direct public support (not included on line 1a)	1b	1,248,045.		
	c Indirect public support (not included on line 1a)	1c			
	d Government contributions (grants) (not included on line 1a)	1d	1,062,647.		
	e Total (add lines 1a through 1d) (cash \$ 2,203,740. noncash \$ 106,952.)	1e			2,310,692.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			2,102,081.
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			1,064.
	5 Dividends and interest from securities	5			33,654.
	6 a Gross rents	6a			
	b Less: rental expenses	6b			
c Net rental income or (loss). Subtract line 6b from line 6a	6c				
7 Other investment income (describe _____)	7				
8 a Gross amount from sales of assets other than inventory	(A) Securities	8a			
	1,545,330.	8a			
	b Less: cost or other basis and sales expenses	8b			
	1,356,597.	8b			
c Gain or (loss) (attach schedule)	8c	188,733.			
d Net gain or (loss). Combine line 8c, columns (A) and (B)	8d			188,733.	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
a Gross revenue (not including \$ 2,627. of contributions reported on line 1b)	9a	1,950.			
b Less: direct expenses other than fundraising expenses	9b	293.			
c Net income or (loss) from special events. Subtract line 9b from line 9a	9c			1,657.	
10 a Gross sales of inventory, less returns and allowances	10a				
b Less: cost of goods sold	10b				
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c				
11 Other revenue (from Part VII, line 103)	11			15,613.	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12			4,653,494.	
Expenses	13 Program services (from line 44, column (B))	13		3,528,883.	
	14 Management and general (from line 44, column (C))	14		338,834.	
	15 Fundraising (from line 44, column (D))	15		249,275.	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses. Add lines 16 and 44, column (A)	17			4,116,992.
18 Excess or (deficit) for the year. Subtract line 17 from line 12	18			536,502.	
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			1,577,331.	
20 Other changes in net assets or fund balances (attach explanation)	20			-266,672.	
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21			1,847,161.	

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0 • noncash \$ 0. If this amount includes foreign grants, check here <input type="checkbox"/> 22a)				
22b Other grants and allocations (attach schedule) (cash \$ 0 • noncash \$ 0. If this amount includes foreign grants, check here <input type="checkbox"/> 22b)				
23 Specific assistance to individuals (attach schedule) 23				
24 Benefits paid to or for members (attach schedule) 24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A 25a	271,333.	219,780.	29,847.	21,706.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B 25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) 25c				
26 Salaries and wages of employees not included on lines 25a, b, and c 26	2,198,104.	1,889,920.	151,749.	156,435.
27 Pension plan contributions not included on lines 25a, b, and c 27	84,426.	70,113.	4,693.	9,620.
28 Employee benefits not included on lines 25a - 27 28	197,482.	163,645.	11,928.	21,909.
29 Payroll taxes 29	248,795.	205,866.	15,824.	27,105.
30 Professional fundraising fees 30				
31 Accounting fees 31	67,546.		67,546.	
32 Legal fees 32				
33 Supplies 33	184,776.	175,020.	4,756.	5,000.
34 Telephone 34	34,875.	33,466.	1,409.	
35 Postage and shipping 35				
36 Occupancy 36	190,547.	190,547.		
37 Equipment rental and maintenance 37	62,675.	54,689.	7,986.	
38 Printing and publications 38	68,600.	58,441.	4,659.	5,500.
39 Travel 39	27,709.	27,347.	362.	
40 Conferences, conventions, and meetings 40	45,394.	40,098.	3,296.	2,000.
41 Interest 41				
42 Depreciation, depletion, etc. (attach schedule) 42	12,945.	9,726.	3,219.	
43 Other expenses not covered above (itemize):				
a CONSULTANTS 43a	205,195.	194,449.	10,746.	
b ADVERTISING 43b	103,073.	103,073.		
c INSURANCE 43c	74,230.	69,861.	4,369.	
d BANK CHARGES 43d	18,807.	6,127.	12,680.	
e MISCELLANEOUS 43e	12,749.	9,079.	3,670.	
f LIBRARY MATERIALS 43f	1,851.	1,756.	95.	
g OUTREACH 43g	5,880.	5,880.		
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15) 44	4,116,992.	3,528,883.	338,834.	249,275.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► SEE STATEMENT 8	Program Service Expenses
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a SEE STATEMENT 4	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	433,272.
b SEE STATEMENT 5	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	315,934.
c SEE STATEMENT 6	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	2,281,604.
d SEE STATEMENT 7	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	498,073.
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	3,528,883.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	3,528,883.

Form 990 (2007)