

**ENVIRONMENTAL ADVOCATES  
OF NEW YORK, INC.**

**Financial Statements**

**December 31, 2015 and 2014**

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ROMANZO  COMPANY LLC  
Certified Public Accountants  
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Environmental Advocates of New York, Inc.  
Albany, New York

We have audited the accompanying financial statements of Environmental Advocates of New York, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Environmental Advocates of New York, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Romanzo + Company CPAs LLC*

Albany, New York  
June 7, 2016

# ENVIRONMENTAL ADVOCATES OF NEW YORK, INC.

## Statement of Financial Position

December 31,

### ASSETS

	2015	2014
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 245,344	\$ 298,386
Cash – building reserve	83,037	71,438
Cash – Board designated	87,968	129,207
Investments – Board designated	634,366	498,791
Grants receivable	7,150	--
Unconditional promises to give	13,210	18,894
Due from related organization	4,769	8,193
Prepaid expenses	2,071	1,385
Total Current Assets	<u>1,077,915</u>	<u>1,026,294</u>
<b>PROPERTY, PLANT AND EQUIPMENT:</b>		
Land and building	504,980	498,775
Furniture, fixtures and equipment	75,527	75,527
Total	<u>580,507</u>	<u>574,302</u>
Less: accumulated depreciation	349,374	327,264
Net Property, Plant and Equipment	<u>231,133</u>	<u>247,038</u>
	<u>\$ 1,309,048</u>	<u>\$ 1,273,332</u>

### LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 33,982	\$ 37,570
Accrued expenses	85,487	68,492
Deferred revenue	15,000	15,025
Total Current Liabilities	<u>134,469</u>	<u>121,087</u>
<b>NET ASSETS:</b>		
Unrestricted:		
Operating	250,325	232,481
Board designated	722,334	627,998
Building reserve	83,037	71,438
Total Unrestricted Net Assets	<u>1,055,696</u>	<u>931,917</u>
Temporarily restricted	118,883	220,328
Total Net Assets	<u>1,174,579</u>	<u>1,152,245</u>
	<u>\$ 1,309,048</u>	<u>\$ 1,273,332</u>

# ENVIRONMENTAL ADVOCATES OF NEW YORK, INC.

## Statement of Activities

For the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND OTHER SUPPORT:</b>			
Contributions	\$ 486,725	\$ --	\$ 486,725
Grants - foundations	195,150	189,000	384,150
Special event	286,314	--	286,314
Dividend and interest income	24,635	--	24,635
Rental income	10,252	--	10,252
Other revenue	1,150	--	1,150
Net assets released from restrictions	<u>290,445</u>	<u>(290,445)</u>	<u>--</u>
Total Revenues and Other Support	<u>1,294,671</u>	<u>(101,445)</u>	<u>1,193,226</u>
<b>EXPENSES:</b>			
Programs			
Water and Natural Resources Program	180,295	--	180,295
Fiscal Policy Program	77,432	--	77,432
Climate Change Program	373,480	--	373,480
Air and Energy Program	108,488	--	108,488
Environmental Health Program	149,880	--	149,880
Lobbying	33,940	--	33,940
Total Program Expenses	<u>923,515</u>	<u>--</u>	<u>923,515</u>
Support Services			
Administration	80,293	--	80,293
Special events	91,112	--	91,112
Fundraising	46,434	--	46,434
Total Support Service Expenses	<u>217,839</u>	<u>--</u>	<u>217,839</u>
Total Program and Support Expenses	<u>1,141,354</u>	<u>--</u>	<u>1,141,354</u>
Realized and unrealized investment losses	<u>(29,538)</u>	<u>--</u>	<u>(29,538)</u>
<b>CHANGE IN NET ASSETS</b>	123,779	(101,445)	22,334
<b>NET ASSETS, beginning of year</b>	<u>931,917</u>	<u>220,328</u>	<u>1,152,245</u>
<b>NET ASSETS, end of year</b>	<u>\$ 1,055,696</u>	<u>\$ 118,883</u>	<u>\$ 1,174,579</u>

# ENVIRONMENTAL ADVOCATES OF NEW YORK, INC.

## Statement of Activities

For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND OTHER SUPPORT:</b>			
Contributions	\$ 617,143	\$ --	\$ 617,143
Grants - foundations	--	407,500	407,500
Special event	288,660	--	288,660
Dividend and interest income	12,596	--	12,596
Rental income	9,953	--	9,953
Other revenue	2,892	--	2,892
Net assets released from restrictions	<u>286,549</u>	<u>(286,549)</u>	<u>--</u>
<b>Total Revenues and Other Support</b>	<u><b>1,217,793</b></u>	<u><b>120,951</b></u>	<u><b>1,338,744</b></u>
<b>EXPENSES:</b>			
Programs			
Water and Natural Resources Program	281,665	--	281,665
Fiscal Policy Program	167,427	--	167,427
Climate Change Program	164,553	--	164,553
Air and Energy Program	155,902	--	155,902
Environmental Health Program	65,897	--	65,897
Lobbying	<u>31,933</u>	<u>--</u>	<u>31,933</u>
<b>Total Program Expenses</b>	<u><b>867,377</b></u>	<u><b>--</b></u>	<u><b>867,377</b></u>
Support Services			
Administration	82,340	--	82,340
Special events	101,156	--	101,156
Fundraising	<u>44,856</u>	<u>--</u>	<u>44,856</u>
<b>Total Support Service Expenses</b>	<u><b>228,352</b></u>	<u><b>--</b></u>	<u><b>228,352</b></u>
<b>Total Program and Support Expenses</b>	<u><b>1,095,729</b></u>	<u><b>--</b></u>	<u><b>1,095,729</b></u>
Realized and unrealized investment losses	<u>(1,305)</u>	<u>--</u>	<u>(1,305)</u>
<b>CHANGE IN NET ASSETS</b>	<b>120,759</b>	<b>120,951</b>	<b>241,710</b>
<b>NET ASSETS, beginning of year</b>	<u><b>811,158</b></u>	<u><b>99,377</b></u>	<u><b>910,535</b></u>
<b>NET ASSETS, end of year</b>	<u><u><b>\$ 931,917</b></u></u>	<u><u><b>\$ 220,328</b></u></u>	<u><u><b>\$ 1,152,245</b></u></u>

# ENVIRONMENTAL ADVOCATES OF NEW YORK, INC.

## Statement of Cash Flows

For the Years Ended December 31,

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 22,334	\$ 241,710
Adjustments to reconcile change in net assets to net cash provided by operations		
Depreciation	22,110	19,533
Net realized and unrealized losses on investments	29,538	1,305
Changes in:		
Grants receivable	(7,150)	30,000
Unconditional promises to give	5,684	53,120
Prepaid expenses	(686)	71,697
Due from/to related organization	3,424	2,694
Accounts payable	(3,588)	10,158
Accrued expenses	16,995	7,532
Deferred revenue	(25)	(69,975)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>88,636</u>	<u>367,774</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment and building improvements	(6,205)	(12,387)
Investment in securities	(165,113)	(465,942)
Sale of securities	-	10,622
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(171,318)</u>	<u>(467,707)</u>
<b>DECREASE IN CASH</b>	(82,682)	(99,933)
<b>CASH AND CASH EQUIVALENTS, <i>beginning of year</i></b>	<u>499,031</u>	<u>598,964</u>
<b>CASH AND CASH EQUIVALENTS, <i>end of year</i></b>	<u>\$ 416,349</u>	<u>\$ 499,031</u>

# ENVIRONMENTAL ADVOCATES OF NEW YORK, INC.

## Notes to Financial Statements

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Activities of the Organization*

Environmental Advocates of New York, Inc. (the Organization) is a corporation organized under the New York State Not-For-Profit Corporation Law. The Organization's principal activities include researching, analyzing, and raising the public's awareness of environmental issues and New York State's role in addressing those issues. The Organization monitors the development and enforcement of New York's environmental laws and helps ensure that New York enacts and enforces policies that protect our natural resources and safeguard public health. The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### *Financial Statement Presentation*

The Organization reports 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.

#### *Use of Estimates*

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

#### *Cash and Cash Equivalents*

For the purpose of the statement of cash flows, the Organization considers all cash and highly liquid investments with original maturities of three months or less to be cash equivalents.

The management of Environmental Advocates of New York, Inc., has set up a cash reserve to accumulate funding for future building repairs and improvements. Each month \$1,477 is added to the cash reserve account.

#### *Advertising*

The Organization expenses advertising costs as they are incurred. Advertising costs for the years ended December 31, 2015 and 2014 were \$8,140 and \$78,640, respectively.

#### *Property, Plant, Equipment and Depreciation*

Property, plant and equipment are stated at cost when purchased or fair market value at the date of donation. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in income. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets. Depreciation expense for the years ended December 31, 2015, and 2014, was \$22,110 and \$19,533, respectively.

#### *Grants, Contributions and Promises to Give*

Grants and contributions are recognized when the grantor or donor makes a promise to give that is, in substance, unconditional. Grantor or donor restricted grants and contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.



# ENVIRONMENTAL ADVOCATES OF NEW YORK, INC.

## Notes to Financial Statements

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organization uses the allowance method to account for uncollectible grants receivable and unconditional promises to give. The allowance for doubtful accounts is based on management's identification and evaluation of past due receivables, which includes an assessment of the individual factors that have contributed to the delinquency. Based on such evaluation, the Organization considers grants receivable and unconditional promises to give to be fully collectible. Accordingly, no allowance for doubtful accounts is considered necessary.

#### *Donated Services*

Contributions of services are recognized when they are received if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

During 2015 the value of contributed services recognized as revenue in the accompanying Statement of Activities was \$617. This includes \$588 for a license for Microsoft Office Suite for Mac and \$29 for intern gifts.

During 2014, the value of contributed services recognized as revenues in the accompanying Statement of Activities was \$72,625. This includes \$800 for donated Ink Blots Artwork donated by Ralph Steadman, \$200 for camera usage for 8 months, \$100 for photo's taken by Chuck Legere, \$150 for an office chair and laser printer donated by Peter Iwanowicz, \$199 in software donated by Google Earth Maps Engine, \$1,176 for two licenses for Microsoft Office Suite for Mac and \$70,000 Google Ad Word grant donated by Google. The total Google Ad Word grant was worth \$120,000 and benefited the period from August 13, 2013 to July 14, 2014; therefore, consistent with the periods benefited, \$70,000 was recognized as donated services and advertising expense in 2014.

The Organization relies on donated personal services from graduate and undergraduate-level students, many of whom are fulfilling course requirements. The donated services equate to approximately one quarter position. The value of such services is not reported in the financial statements as the services do not meet the specialized skills requirement of accounting principles generally accepted in the United States of America. Nevertheless, the services are vital to the mission of the Organization.

#### *Investments*

Investments in publicly traded marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

### NOTE 2. INVESTMENTS

*Investments as of December 31, 2015, are summarized as follows:*

	Cost	Fair Value	Carrying Value
Unrestricted Board designated:			
Bond Funds	\$ 208,603	\$ 205,354	\$ 205,354
Stock Funds	350,771	326,030	326,030
Stocks	<u>100,655</u>	<u>102,982</u>	<u>102,982</u>
	<u>\$ 660,029</u>	<u>\$ 634,366</u>	<u>\$ 634,366</u>

# ENVIRONMENTAL ADVOCATES OF NEW YORK, INC.

## Notes to Financial Statements

### NOTE 2. INVESTMENTS (continued)

*Investments as of December 31, 2014, are summarized as follows:*

	Cost	Fair Value	Carrying Value
Unrestricted Board designated:			
Bond Funds	\$ 156,532	\$ 157,020	\$ 157,020
Stock Funds	159,016	154,167	154,167
Blended Funds	100,735	106,389	106,389
Stocks	78,181	81,215	81,215
	\$ 494,464	\$ 498,791	\$ 498,791

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31:

	2015 Unrestricted	2014 Unrestricted
Dividend and interest income	\$ 24,635	\$ 12,596
Unrealized (losses) gains	(29,538)	(1,616)
Realized gains	--	311
Total Investment Return	\$ (4,903)	\$ 11,291

### NOTE 3. SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances at two banks. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the balances in these accounts may be in excess of federally insured limits. The Organization has not experienced any loss and believes it is not exposed to any significant credit risk.

### NOTE 4. LINE OF CREDIT

The Organization has a \$100,000 line of credit with a bank with an interest rate of 4.25% at December 31, 2015. The bank requires the line be paid down to at least 50% of its high balance for 30 consecutive days within a 12-month cycle. There were no borrowings on the line at December 31, 2015, and 2014. Borrowings under the line are payable on demand.

### NOTE 5. OPERATING LEASES

The Organization leases a copier with monthly lease payments of \$134. The lease expires in 2019.

Future minimum lease obligations required under the operating lease with initial or remaining terms in excess of one year are as follows:

Year Ending December 31, 2016	\$ 1,608
2017	1,608
2018	1,608
2019	804
	\$ 5,628

The Organization leases office space to another non-profit organization. Rental income under the lease was \$10,252 and \$9,953 in 2015 and 2014 respectively. The lease expires December 31, 2016, and provides for annual rent of \$10,560 in 2016.

# ENVIRONMENTAL ADVOCATES OF NEW YORK, INC.

## Notes to Financial Statements

### NOTE 6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2015	2014
Climate Change Program	\$ 67,670	\$ 170,068
Air and Energy Program	14,271	43,260
Water and Natural Resources Program	16,942	7,000
General support	20,000	--
Temporarily Restricted Net Assets	<u>\$ 118,883</u>	<u>\$ 220,328</u>

Net assets were released from donor restrictions by satisfying the purpose restrictions specified by donors as follows:

Purpose restriction accomplished:	2015	2014
Climate Change Program	\$ 179,398	\$ 117,582
Water and Natural Resources Program	42,058	89,727
General support	20,000	62,500
Air and Energy Program	34,589	16,740
Environmental Health Program	14,400	--
Net Assets Released from Restrictions	<u>\$ 290,445</u>	<u>\$ 286,549</u>

### NOTE 7. RELATED PARTY TRANSACTIONS

The Organization shares management personnel with EPL/Environmental Advocates, Inc. (EPL), a nonprofit corporation which is a non-partisan environmental advocacy organization providing dependable and reliable information to citizens, lawmakers, legislative staff and state agencies regarding the environment. Several Board Members of the Organization are also on the Board of EPL. Environmental Advocates of New York, Inc. charges EPL for salaries, supplies and services throughout the year.

The following is a summary of transactions and outstanding balances for December 31:

Environmental Advocates of New York, Inc., services to EPL:

	2015	2014
Salaries and benefits	\$ 19,906	\$ 32,939
Postage	2,740	528
Credit card charges	884	1,010
Management fee	721	1,681
Printing	395	159
Communications	199	413
Advertising	137	3,125
Fees and tuition	100	300
Office expenses	57	367
List rental	46	626
Travel	--	309
Publications	--	175
Total	<u>\$ 25,185</u>	<u>\$ 41,632</u>

The amount due from EPL/Environmental Advocates, Inc. at December 31, 2015 and 2014 was \$4,769 and \$8,193, respectively.

# ENVIRONMENTAL ADVOCATES OF NEW YORK, INC.

## Notes to Financial Statements

### NOTE 8. RETIREMENT PLAN

The Organization maintains a 403(b) tax-deferred retirement plan for all eligible employees. In addition to salary deferrals, the Organization may make discretionary contributions. The Organization contributed 4% of gross salary for years ending December 31, 2015, and 2014, respectively, and the pension expense was \$26,472 and \$24,193 for the years ended December 31, 2015, and 2014 respectively.

### NOTE 9. INCOME TAXES

As a nonprofit organization under Section 501(c)(3), the Organization is generally exempt from paying income taxes unless it receives unrelated business income which could be subject to income tax. Management believes that all revenue and support relates exclusively to the Organization's tax exempt purpose and is not subject to federal or state income tax. The Organization's tax returns are subject to examination by the applicable taxing authorities. As of December 31, 2015, the Organization's federal and state tax returns generally remain open for examination for the last three years.

### NOTE 10. SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through July 22, 2016 the date the financial statements were available to be issued. Based on such evaluation, there were no subsequent events that require adjustment to or disclosure in the financial statements.

### NOTE 11. EXPENSES

Expenses for year ended December 31, 2015, are as follows:

	<u>Program</u>	<u>Administration</u>	<u>Fundraising and Special Events</u>	<u>Total</u>
Salaries and benefits	\$ 744,010	\$ 55,835	\$ 62,769	\$ 862,614
Advertising	6,626	1,514	--	8,140
Supplies	7,539	206	47,289	55,034
Professional fees	58,132	15,183	4,450	77,765
Occupancy	27,020	2,098	1,974	31,092
Communication	17,014	7	166	17,187
Depreciation	19,605	1,555	950	22,110
Printing	6,523	18	6,209	12,750
Travel	8,995	1,028	831	10,854
Equipment	4,427	--	4,892	9,319
Publications	8,143	--	--	8,143
Telephone	7,906	--	585	8,491
Bank service charges	749	662	3,953	5,364
Postage and mailing	2,510	59	3,235	5,804
Fees and tuition	3,415	563	243	4,221
Insurance	--	1,565	--	1,565
Organizational outreach	300	--	--	300
Miscellaneous	601	--	--	601
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL	\$ <u>923,515</u>	\$ <u>80,293</u>	\$ <u>137,546</u>	\$ <u>1,141,354</u>

# ENVIRONMENTAL ADVOCATES OF NEW YORK, INC.

## Notes to Financial Statements

### NOTE 12. EXPENSES (continued)

Expenses for year ended December 31, 2014, are as follows:

	<u>Program</u>	<u>Administration</u>	<u>Fundraising and Special Events</u>	<u>Total</u>
Salaries and benefits	\$ 666,415	\$ 56,456	\$ 59,419	\$ 782,290
Advertising	77,958	671	11	78,640
Supplies	9,796	202	48,067	58,065
Professional fees	14,255	15,788	9,153	39,196
Occupancy	24,230	2,055	3,281	29,566
Communication	18,688	--	1,207	19,895
Depreciation	17,265	1,537	731	19,533
Printing	5,681	21	10,041	15,743
Travel	9,862	1,669	1,125	12,656
Equipment	3,820	--	4,913	8,733
Publications	8,053	--	135	8,188
Telephone	6,326	34	514	6,874
Bank service charges	299	1,996	3,909	6,204
Postage and mailing	2,364	40	3,467	5,871
Fees and tuition	1,425	275	--	1,700
Insurance	--	1,530	--	1,530
Organizational outreach	650	--	39	689
Miscellaneous	290	66	--	356
	<u>867,377</u>	<u>82,340</u>	<u>146,012</u>	<u>1,095,729</u>
TOTAL	\$ <u>867,377</u>	\$ <u>82,340</u>	\$ <u>146,012</u>	\$ <u>1,095,729</u>