

**ENVIRONMENTAL ADVOCATES
NY, INC.**

Financial Statements

December 31, 2020 and 2019

GABRIELE BOTTINI & ASSOCIATES, LLP
Certified Public Accountants

"more than just the numbers..."

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Environmental Advocates NY, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and 2019, 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 NY, Inc. as of December 31, 2020 and 2019, 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.

Gabriele Bottini & Associates, LLP
Latham, New York
November 1, 2021

43 British American Blvd.
Latham, NY 12110

ENVIRONMENTAL ADVOCATES NY, INC.

Statement of Activities

For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT:			
Contributions	\$ 482,005	\$ --	\$ 482,005
Special event	401,708	--	401,708
Grants – foundations	577,500	142,000	719,500
Dividend and interest income	28,085	--	28,085
Other revenue	2,799	--	2,799
Net assets released from restrictions:			
Purpose restriction satisfied	<u>138,287</u>	<u>(138,287)</u>	<u>--</u>
Total Revenues and Other Support	<u>1,630,384</u>	<u>3,713</u>	<u>1,634,097</u>
EXPENSES:			
Programs			
A Safe Climate for All	779,343	--	779,343
Clean Water for All	554,530	--	554,530
Clean and Healthy Communities for All	97,562	--	97,562
Lobbying	<u>35,963</u>	<u>--</u>	<u>35,963</u>
Total Program Expenses	<u>1,467,398</u>	<u>--</u>	<u>1,467,398</u>
Support Services			
Administration	138,436	--	138,436
Special events	78,957	--	78,957
Fundraising	<u>88,723</u>	<u>--</u>	<u>88,723</u>
Total Support Service Expenses	<u>306,116</u>	<u>--</u>	<u>306,116</u>
Total Program and Support Expenses	<u>1,773,514</u>	<u>--</u>	<u>1,773,514</u>
Forgiveness of paycheck protection loan	246,900		246,900
Unrealized Investment Gain	<u>57,600</u>	<u>--</u>	<u>57,600</u>
CHANGE IN NET ASSET	161,370	3,713	165,083
NET ASSETS, beginning of year	<u>1,386,603</u>	<u>260,122</u>	<u>1,646,725</u>
NET ASSETS, end of year	<u>\$ 1,547,973</u>	<u>\$ 263,835</u>	<u>\$ 1,811,808</u>

See Independent Auditor's Report and Notes to Financial Statements

ENVIRONMENTAL ADVOCATES NY, INC.

Statement of Cash Flows

For the Years Ended December 31,

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 165,083	\$ (79,628)
Adjustments to reconcile change in net assets to net cash used by operations		
Paycheck protection program loan	(246,900)	--
Depreciation	20,360	20,665
Unrealized investment gains	(57,600)	(112,420)
Changes in:		
Grants receivable	(75,000)	(15,000)
Unconditional promises to give	(46,573)	12,782
Prepaid expenses	705	(9,492)
Due from related organization	(7,225)	(1,456)
Security deposits	--	(2,730)
Accounts payable	23,127	(18,802)
Accrued expenses	(43,170)	30,349
Deferred revenue	65,000	25,000
NET CASH USED BY OPERATING ACTIVITIES	(202,193)	(150,732)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Equipment purchases and capitalized building cost	(11,930)	(18,854)
Investment in securities	(23,537)	(24,829)
Paycheck protection loan	246,900	--
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	211,433	(43,683)
INCREASE (DECREASE) IN CASH	9,240	(194,415)
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	729,089	923,504
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 738,329	\$ 729,089

ENVIRONMENTAL ADVOCATES NY, INC.

Notes to Financial Statements

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

The Organization expenses advertising costs as they are incurred. Advertising costs for the years ended December 31, 2020 and 2019, were \$18,269 and \$18,436, 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, 2020, and 2019, was \$20,360 and \$20,665, 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 assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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.

Functional Allocation of Expenses and Allocation of Supporting Service Expenditures

The costs of providing the 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.

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.

In 2020, the value of contributed services recognized as revenue in the accompanying Statement of Activities was \$2,783 for Google Ads recorded as advertising.

There were no contributed services in 2019.

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.

ENVIRONMENTAL ADVOCATES NY, INC.

Notes to Financial Statements

NOTE 5. 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, 2020. The bank requires the line be paid down to no more than 50% of its high balance for 30 consecutive days within a 12-month cycle. There were no borrowings on the line at December 31, 2020, and 2019. Borrowings under the line are payable on demand.

NOTE 6. OPERATING LEASES

The Organization leases a copier with monthly lease payments of \$160. The lease expires in 2024.

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, 2021	\$ 1,916
2022	1,916
2023	1,916
2024	1,435
	<u>\$ 7,183</u>

EANY leases office space in New York City. The lease term began March 1, 2020 and expires February 2021. The monthly lease payment is \$1,602.

Lease expense in 2020 was \$19,114.

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	2020	2019
Building Fund	\$ 150,000	\$ 150,000
A Safe Climate for All	48,694	35,122
General support	34,500	30,000
Clean Water for All	30,641	45,000
Net Assets With Donor Restrictions	<u>\$ 263,835</u>	<u>\$ 260,122</u>

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

Purpose restriction accomplished	2020	2019
A Safe Climate for All	\$ 46,428	\$ 55,880
Clean Water for All	64,359	21,714
Clean and Healthy Communities for All	--	15,323
General Support	27,500	47,500
Net Assets With Donor Restrictions Released	<u>\$ 138,287</u>	<u>\$ 140,417</u>

ENVIRONMENTAL ADVOCATES NY, INC.

Notes to Financial Statements

NOTE 11. EXPENSES

Expenses for year ended December 31, 2020, are as follows:

	Program	Administration	Fundraising and Special Events	Total
Salaries and benefits	\$ 1,155,052	\$ 111,665	\$ 122,024	\$ 1,388,741
Professional fees	27,502	20,510	18,380	66,392
Regrants	175,000	—	—	175,000
Supplies	3,760	73	1,178	5,011
Occupancy	31,289	1,665	5,059	38,013
Advertising	18,029	180	60	18,269
Depreciation	17,676	1,779	905	20,360
Printing	3,152	7	5,011	8,170
Equipment	5,966	—	2,612	8,578
Travel	2,170	249	253	2,672
Communication	7,756	—	195	7,951
Bank Service charges	—	—	6,226	6,226
Publications	4,478	—	1,534	6,012
Telephone	9,167	—	339	9,506
Postage and mailing	145	229	3,805	4,179
Stipend	3,627	—	—	3,627
Fees and tuition	2,319	515	99	2,933
Insurance	—	1,564	—	1,564
Miscellaneous	310	—	—	310
Total	<u>\$ 1,467,398</u>	<u>\$ 138,436</u>	<u>\$ 167,680</u>	<u>\$ 1,773,514</u>

Expenses for year ended December 31, 2019, are as follows:

	Program	Administration	Fundraising and Special Events	Total
Salaries and benefits	\$ 1,089,238	\$ 108,628	\$ 122,197	\$ 1,320,063
Professional fees	37,367	19,280	11,666	68,313
Regrants	190,000	—	—	190,000
Supplies	7,489	660	72,539	80,688
Occupancy	35,782	2,089	5,371	43,242
Advertising	17,087	909	440	18,436
Depreciation	17,607	1,840	1,218	20,665
Printing	5,183	81	7,863	13,127
Equipment	6,951	—	8,902	15,853
Travel	14,339	1,511	2,047	17,897
Communication	9,099	—	185	9,284
Bank Service charges	13	538	7,464	8,015
Publications	8,631	—	1,050	9,681
Telephone	9,027	55	420	9,502
Postage and mailing	1,570	90	2,810	4,470
Stipend	5,334	—	—	5,334
Fees and tuition	2,379	425	441	3,245
Organization outreach	500	—	—	500
Insurance	—	1,548	52	1,600
Miscellaneous	228	—	—	228
Total	<u>\$ 1,457,824</u>	<u>\$ 137,654</u>	<u>\$ 244,665</u>	<u>\$ 1,840,143</u>

ENVIRONMENTAL ADVOCATES NY, INC.

Notes to Financial Statements

NOTE 13 (CONTINUED)

primarily foundation grants, donations from the public and investment income, could be reduced in the future because of changing economic circumstances. The size, if any, of such impact is not determinable at this time. To help mitigate the financial impact, the Organization applied for and received \$ 246,900 loan on April 21, 2020, under the Paycheck Protection Program (PPP) administered by the SBA. This loan is forgivable if used for certain eligible expenses such as payroll, retirement plan contributions, health insurance, rent and utilities and if certain employee retention criteria is met. The Organization has used the loan proceeds for eligible expenses and received forgiveness October 22, 2020.

The Organization applied for the second round of Paycheck Protection Program (PPP) administered by the SBA and received \$257,365 in February 2021. This loan is forgivable if used for certain eligible expenses such as payroll, retirement plan contributions, health insurance, rent and utilities and if certain employee retention criteria is met. The Organization has used the loan proceeds for eligible expenses and expects the loan will be forgiven.