

**ENVIRONMENTAL ADVOCATES
NY, INC.**

Financial Statements

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Environmental Advocates NY, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021, and the related statements of activities, cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Environmental Advocates NY, Inc. as of December 31, 2021, 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 2020 Financial Statements

The financial statements of Environmental Advocates NY, Inc. as of December 31, 2020, were audited by other accountants and whose report dated November 1, 2021 states that in their opinion, the financial statements present fairly, in all material respects, the financial position of Environmental Advocates NY, Inc. as of December 31, 2020 and the changes 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.

Basis for Opinion

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Environmental Advocates NY, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Environmental Advocates NY, Inc.'s ability to continue as a going concern for the period of one year from the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Environmental Advocates NY, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Environmental Advocates NY, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Romanzo & Company CPAs, LLC

Niskayuna, New York
June 24, 2022

ENVIRONMENTAL ADVOCATES NY, INC.

Statement of Financial Position

December 31,

ASSETS

	2021	2020
CURRENT ASSETS:		
Cash and cash equivalents	\$ 512,806	\$ 220,910
Cash – building reserve	341,825	324,059
Cash – Board designated	199,790	193,360
Investments – Board designated	1,063,129	930,913
Grants receivable	30,000	100,000
Unconditional promises to give	47,395	62,868
Due from related organization	14,584	9,988
Prepaid expenses	19,473	12,403
Security deposits	1,635	2,730
Total Current Assets	<u>2,230,637</u>	<u>1,857,231</u>
PROPERTY, PLANT AND EQUIPMENT:		
Land and building	668,474	546,476
Furniture, fixtures and equipment	<u>107,612</u>	<u>36,769</u>
Total	776,086	583,245
Less: accumulated depreciation	<u>394,002</u>	<u>389,949</u>
Net Property Plant and Equipment	<u>382,084</u>	<u>193,296</u>
	<u>\$ 2,612,721</u>	<u>\$ 2,050,527</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 91,150	\$ 58,305
Accrued expenses	127,890	80,414
Deferred revenue	--	100,000
Total Current Liabilities	<u>219,040</u>	<u>238,719</u>
NET ASSETS:		
Without Donor Restrictions:		
Operating	621,095	99,641
Board designated:		
Investments and cash	1,211,813	1,069,494
Internship program	51,106	54,779
Building reserve	<u>341,825</u>	<u>324,059</u>
Total Without Donor Restrictions	2,225,839	1,547,973
With Donor Restrictions	<u>167,842</u>	<u>263,835</u>
Total Net Assets	<u>2,393,681</u>	<u>1,811,808</u>
	<u>\$ 2,612,721</u>	<u>\$ 2,050,527</u>

ENVIRONMENTAL ADVOCATES NY, INC.

Statement of Activities

For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT:			
Contributions	\$ 586,245	\$ --	\$ 586,245
Special event	376,909	--	376,909
Grants – foundations	957,500	370,000	1,327,500
Dividend and interest income	47,928	--	47,928
Other revenue	25,450	--	25,450
Net assets released from restrictions:			
Purpose restriction satisfied	<u>465,993</u>	<u>(465,993)</u>	<u>--</u>
Total Revenues and Other Support	<u>2,460,025</u>	<u>(95,993)</u>	<u>2,364,032</u>
EXPENSES:			
Programs			
A Safe Climate for All	971,459	--	971,459
Clean Water for All	400,573	--	400,573
Clean and Healthy Communities for All	129,010	--	129,010
Lobbying	<u>193,264</u>	<u>--</u>	<u>193,264</u>
Total Program Expenses	<u>1,694,306</u>	<u>--</u>	<u>1,694,306</u>
Support Services			
Administration	176,370	--	176,370
Special events	131,699	--	131,699
Fundraising	<u>88,514</u>	<u>--</u>	<u>88,514</u>
Total Support Service Expenses	<u>396,583</u>	<u>--</u>	<u>396,583</u>
Total Program and Support Expenses	<u>2,090,889</u>	<u>--</u>	<u>2,090,889</u>
Forgiveness of paycheck protection loan	257,365	--	257,365
Unrealized investment gain	87,028	--	87,028
Loss on disposal of building improvements	<u>(35,663)</u>	<u>--</u>	<u>(35,663)</u>
CHANGE IN NET ASSETS	677,866	(95,993)	581,873
NET ASSETS, beginning of year	<u>1,547,973</u>	<u>263,835</u>	<u>1,811,808</u>
NET ASSETS, end of year	<u>\$ 2,225,839</u>	<u>\$ 167,842</u>	<u>\$ 2,393,681</u>

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	799,343	--	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 ASSETS	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>

ENVIRONMENTAL ADVOCATES NY, INC.

Statement of Cash Flows

For the Years Ended December 31,

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 581,873	\$ 165,083
Adjustments to reconcile change in net assets to net cash used by operations		
Paycheck protection program loan	(257,365)	(246,900)
Depreciation	24,039	20,360
Unrealized investment gains	(87,028)	(57,600)
Loss on disposal of building improvements	35,663	--
Changes in:		
Grants receivable	70,000	(75,000)
Unconditional promises to give	15,473	(46,573)
Prepaid expenses	(7,070)	705
Due from related organization	(4,596)	(7,225)
Security deposits	1,095	--
Accounts payable	32,845	23,127
Accrued expenses	47,476	(43,170)
Deferred revenue	(100,000)	65,000
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>352,405</u>	<u>(202,193)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Equipment purchases and capitalized building cost	(248,490)	(11,930)
Investment in securities	(45,188)	(23,537)
Paycheck protection loan	<u>257,365</u>	<u>246,900</u>
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	<u>(36,313)</u>	<u>211,433</u>
INCREASE IN CASH	316,092	9,240
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	<u>738,329</u>	<u>729,089</u>
CASH AND CASH EQUIVALENTS, <i>end of year</i>	<u>\$ 1,054,421</u>	<u>\$ 738,329</u>

ENVIRONMENTAL ADVOCATES NY, INC.

Notes to Financial Statements

NOTE 1. ORGANIZATION AND NATURE OF ACTIVITIES

General overview

Environmental Advocates NY, Inc. (EANY or the Organization) was founded in 1969 to protect our air, land, water and wildlife and the health of all New Yorkers. EANY engages the public, the media, and policymakers to appreciate New York's role in addressing those issues. EANY monitors the development, implementation, and enforcement of the laws affecting New York's environment and works to ensure that policies protect our natural resources and safeguard public health. EANY is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. An affiliated corporation, Environmental Advocates Action, Inc., is a nonpartisan environmental advocacy organization founded under Section 501(c)(4) and is exempt from federal income tax.

In 2020, the Board of Directors decided to change Environmental Advocates NY, Inc. name from Environmental Advocates of New York, Inc.

Environmental Advocates NY, Inc. currently focuses its programmatic work on three key policy areas:

Clean Water for All So New Yorkers have clean water to drink, we aim to secure billions in funding to fix our water infrastructure, pass mandatory testing of harmful pollutants and prevent pollution of source waters.

A Safe Climate for All Our climate policies must aim to achieve significant pollution reductions by mid-century. Since transportation is the largest source of climate pollution, our primary goals are to reduce the number of fossil fuel powered vehicles on our roads and dramatically scale up mass transit and other non-polluting transit options.

Clean and Healthy Communities for All To help ensure our communities are healthy, we aim to eliminate the use of dangerous pesticides and to eliminate the most harmful toxic chemicals in our food and homes.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

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 EANY, has set up a cash reserve to accumulate funding for building repairs and improvements. Each month \$1,477 plus interest is added to the cash reserve account.

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, 2021 and 2020, were \$40,359 and \$18,269, 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, 2021, and 2020, was \$24,039 and \$20,360, 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 2021, the value of contributed services recognized as revenue in the accompanying Statement of Activities was \$25,200. \$24,200 was for Google Ads, recorded as advertising and \$1,000 was for the Gala Production, recorded as professional fees.

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.

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.

ENVIRONMENTAL ADVOCATES NY, INC.

Notes to Financial Statements

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

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

NOTE 3. INVESTMENTS

Investments as of December 31, 2021, are summarized as follows:

	Cost	Fair Value	Carrying Value
Unrestricted Board designated			
Bond Funds	\$ 252,366	\$ 242,522	\$ 242,522
Stock Funds	466,263	597,019	597,019
Stocks	<u>95,499</u>	<u>223,588</u>	<u>223,588</u>
	<u>\$ 814,128</u>	<u>\$ 1,063,129</u>	<u>\$ 1,063,129</u>

Investments as of December 31, 2020, are summarized as follows:

	Cost	Fair Value	Carrying Value
Unrestricted Board designated			
Bond Funds	\$ 246,457	\$ 242,828	\$ 242,828
Stock Funds	426,975	507,885	507,885
Stocks	<u>95,499</u>	<u>180,200</u>	<u>180,200</u>
	<u>\$ 768,931</u>	<u>\$ 930,913</u>	<u>\$ 930,913</u>

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

	2021	2020
Dividend and interest income	\$ 47,928	\$ 28,085
Unrealized gains	<u>87,028</u>	<u>57,600</u>
Total Investment gains	<u>\$ 134,956</u>	<u>\$ 85,685</u>

Investments are defined as Level 1 assets, which are liquid financial assets, regularly traded on public markets; therefore, they have readily observable, transparent prices which are used to establish fair value.

NOTE 4. 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. At December 31, 2021, uninsured cash in these accounts were \$253,278. The Organization has not experienced any loss and believes it is not exposed to any significant credit risk.

The Organization maintains cash and investments at a brokerage firm. Accounts at the institution are insured by the Securities Investor Protection Corporation up to \$500,000, which includes a \$250,000 limit for cash. Uninsured cash and investments at December 31, 2021, were \$855,577. The Organization has not experienced any loss and believes it is not exposed to any significant credit risk.

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, 2021. 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, 2021, and 2020. 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, 2022	\$	1,916
2023		1,916
2024		<u>1,435</u>
	\$	<u>5,267</u>

EANY leases office space in New York City. The lease term began March 1, 2021 and expires February 2022. The monthly lease payment is \$1,090.

Lease expense in 2021 was \$13,458.

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS

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

	2021	2020
Building Fund	\$ --	\$ 150,000
A Safe Climate for All	123,342	48,694
General support	44,500	34,500
Clean Water for All	--	<u>30,641</u>
Net Assets With Donor Restrictions	<u>\$ 167,842</u>	<u>\$ 263,835</u>

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

Purpose restriction accomplished	2021	2020
A Safe Climate for All	\$ 225,352	\$ 46,428
Clean Water for All	30,641	64,359
Building Fund	150,000	--
Clean and Healthy Communities for All	--	--
General Support	<u>60,000</u>	<u>27,500</u>
Net Assets With Donor Restrictions Released	<u>\$ 465,993</u>	<u>\$ 138,287</u>

ENVIRONMENTAL ADVOCATES NY, INC.

Notes to Financial Statements

NOTE 8. RELATED PARTY TRANSACTIONS

The Organization shares management personnel with Environmental Advocates Action, Inc. (EAA), 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 EAA. EANY charges EAA for salaries, supplies and services throughout the year.

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

Environmental Advocates NY, Inc., services to EAA:

	2021	2020
Salaries and benefits	\$ 14,980	\$ 22,171
Other expenses	<u>1,872</u>	<u>1,854</u>
Total	<u>\$ 16,852</u>	<u>\$ 24,025</u>

The amount due from Environmental Advocates Action, Inc. at December 31, 2021 and 2020, was \$14,584, and \$9,988, respectively.

NOTE 9. 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 5% of gross salary for years ending December 31, 2021, and 2% for the year ending December 31, 2020, and the pension expense was \$60,225, and \$23,984 for the years ended December 31, 2021, and 2020, respectively.

NOTE 10. 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, 2021, the Organization's tax returns generally remain open for examination for the last three years.

ENVIRONMENTAL ADVOCATES NY, INC.

Notes to Financial Statements

NOTE 11. EXPENSES

Expenses for year ended December 31, 2021, are as follows:

	Program	Administration	Fundraising and Special Events	Total
Salaries and benefits	\$ 1,226,127	\$ 145,473	\$ 112,916	\$ 1,484,516
Professional fees	153,722	19,350	11,462	184,534
Re-grants	176,667	--	--	176,667
Supplies	6,132	--	44,932	51,064
Occupancy	27,942	2,523	3,885	34,350
Advertising	34,930	3,478	1,951	40,359
Depreciation	20,594	2,512	933	24,039
Printing	4,761	--	8,158	12,919
Equipment	5,341	--	22,160	27,501
Travel	2,635	103	532	3,270
Communication	9,593	--	147	9,740
Bank service charges	75	204	8,138	8,417
Publications	5,188	--	1,821	7,009
Telephone	9,703	66	187	9,956
Postage and mailing	1,583	21	2,922	4,526
Stipend	3,983	--	--	3,983
Fees and tuition	2,155	1,031	69	3,255
Organization outreach	2,000	--	--	2,000
Insurance	--	1,609	--	1,609
Miscellaneous	1,175	--	--	1,175
Total	\$ 1,694,306	\$ 176,370	\$ 220,213	\$ 2,090,889

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
Re-grants	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
Organization outreach	--	--	--	--
Insurance	--	1,564	--	1,564
Miscellaneous	310	--	--	310
Total	\$ 1,467,398	\$ 138,436	\$ 167,680	\$ 1,773,514

ENVIRONMENTAL ADVOCATES NY, INC.

Notes to Financial Statements

NOTE 12. LIQUIDITY

The Organization maintains liquid assets to meet its current and anticipated financial obligations; including unrestricted cash deposits, and grant receivables without donor restrictions and donor promises to give which, on December 31, 2021 consist of:

Cash Including Board Restricted	
Cash	\$ 512,806
Cash-Building Fund	341,825
Cash Board Restricted	<u>199,790</u>
	1,054,421
Less Cash Restricted by donors	
Restricted to Programs	<u>(123,342)</u>
Unrestricted Cash	931,079
Investments	
Board Restricted	<u>1,063,129</u>
Total Cash and Investments	1,994,208
Grants and Donations Receivable	
Grants Receivable	30,000
Donor Promises to Give	<u>47,395</u>
	<u>77,395</u>
Current Assets Available for Operations	<u>\$ 2,071,603</u>

Generally, grants and donor receivables are collected within 30 days and 60 days. In addition, the Organization has a bank line of credit of \$100,000 which is fully available on December 31, 2021.

There is uncertainty with the level of funding due to the impact of COVID-19 and current economic conditions. In addition, though receivable collection has historically been timely, payors, could for reasons out of the control of management, either slow-down payment or reduce contributions and funding. Thus, the Organization needs to maintain sufficient liquidity to meet its obligations in the event of funding changes or a slow-down in collection of receivables. Management believes liquidity levels are more than adequate to meet obligations as they become due, and sufficient to sustain the Organization if receivable collection times slow or funding is reduced, based on its knowledge of the present funding environment. The Organization has an ongoing budget review process throughout the year to monitor revenue, general expenditures, and receivable collections, which enables it to react to unexpected changes in a timely manner.

NOTE 13. SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through September 1, 2022 the date the financial statements were available to be issued. Based on such evaluation, there were no subsequent events that require adjustment to the financial statements; however, further disclosures of material uncertainty caused by the COVID-19 outbreak is discussed below.

ENVIRONMENTAL ADVOCATES NY, INC.

Notes to Financial Statements

NOTE 13 (CONTINUED)

The COVID-19 outbreak in the United States has caused disruption throughout the country. While this disruption is currently expected to be temporary, there is uncertainty about the duration and long-term impact. The Organization expects it could be negatively impacted because its funding sources, 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 and recorded \$257,365 as revenue 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 received forgiveness January 3, 2022.

The Organization has accounted for the loan forgiveness using the guidance in *FASB ASC 958-605, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This FASB is specific to Not-for Profit Entities. Because the Organization received and used the PPP funds in 2021, in accordance with terms of the SBA program, the actual forgiveness by the SBA is an administrative function, the timing of which is beyond the control of the Organization. The Organization complied with the terms of the program in 2021. Therefore, it recognized the loan forgiveness in 2021, because the conditions for forgiveness of the loan were satisfied in 2021, although the administrative function of formal forgiveness was received January 3, 2022.