

ENVIRONMENTAL ADVOCATES NY, INC.
(A Nonprofit Organization)

ALBANY, NEW YORK

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

CONTENTS

	<u>PAGES</u>
Financial statements:	
Independent auditors' report	1 - 2
Statements of financial position	3
Statements of activities and net assets	4 - 5
Statements of functional expenses	6 - 7
Statements of cash flows	8
Notes to financial statements	9 - 17



INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2022, and the related statement of activities, functional expenses and 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, 2022, 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 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 relating 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 within one year after the date that 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 generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment 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 judgment, 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.

Report on 2021 Financial Statements

The financial statements of Environmental Advocates NY, Inc. as of December 31, 2021, were audited by other accountants whose report dated June 24, 2022, stated 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, 2021, and all 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.

Raf, Selig & Zeronda, CPAs, C.C.P.

Latham, New York
September 12, 2023



ENVIRONMENTAL ADVOCATES NY, INC.
(A Nonprofit Organization)

STATEMENTS OF FINANCIAL POSITION
YEARS ENDED DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
CURRENT ASSETS:		
Cash and cash equivalents (Note 1)	\$ 745,246	\$ 512,806
Cash - building reserve (Notes 1)	149,820	341,825
Cash - board designated (Notes 1)	195,665	199,790
Investments - board designated (Note 1 and 2)	945,599	1,063,129
Grants receivable (Notes 1)	20,000	30,000
Contributions receivable (Note 1)	17,719	47,395
Due from related organization (Note 7)	22,364	14,584
Prepaid expenses	21,549	19,473
Total current assets	\$ 2,117,962	\$ 2,229,002
 PROPERTY AND EQUIPMENT, NET (Notes 1 and 3)	 357,916	 382,084
 SECURITY DEPOSITS	 -	 1,635
 TOTAL ASSETS	 \$ 2,475,878	 \$ 2,612,721

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 56,005	\$ 91,150
Deferred revenue	35,000	-
Accrued payroll and fringes	86,740	127,890
Total current liabilities	\$ 177,745	\$ 219,040
 NET ASSETS:		
Without donor restrictions (Note 1)		
Undesignated	\$ 747,872	\$ 621,095
Board designated:		
Investments and cash	1,101,616	1,211,813
Internship program	39,648	51,106
Building reserve	149,820	341,825
Total without donor restrictions	\$ 2,038,956	\$ 2,225,839
With donor restrictions (Notes 1 and 8)	259,177	167,842
Total net assets	\$ 2,298,133	\$ 2,393,681
 TOTAL LIABILITIES AND NET ASSETS	 \$ 2,475,878	 \$ 2,612,721

See notes to financial statements.

ENVIRONMENTAL ADVOCATES NY, INC.

(A Nonprofit Organization)

STATEMENTS OF ACTIVITIES AND NET ASSETS
YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Totals</u>
REVENUE AND SUPPORT:			
Grants - foundations	\$ 323,500	\$ 585,000	\$ 908,500
Contributions	513,853	-	513,853
Special events, net	314,563	-	314,563
Unrealized loss on investments	(141,716)	-	(141,716)
Dividend and interest income	34,363	-	34,363
Other revenue	3,001	-	3,001
Net assets released from restrictions:			
Restriction satisfied by donor authorization	493,665	(493,665)	-
Total revenue and support	<u>\$ 1,541,229</u>	<u>\$ 91,335</u>	<u>\$ 1,632,564</u>
EXPENSES:			
Program services:			
A Safe Climate for All	\$ 901,701	\$ -	\$ 901,701
Clean Water for All	409,770	-	409,770
Clean and Healthy Communities for All	87,045	-	87,045
Lobbying	47,683	-	47,683
Total program services	<u>\$ 1,446,199</u>	<u>\$ -</u>	<u>\$ 1,446,199</u>
Support services:			
Administration	\$ 191,521	\$ -	\$ 191,521
Fundraising	90,392	-	90,392
Total support services	<u>\$ 281,913</u>	<u>\$ -</u>	<u>\$ 281,913</u>
Total expenses	<u>\$ 1,728,112</u>	<u>\$ -</u>	<u>\$ 1,728,112</u>
INCREASE (DECREASE) IN NET ASSETS	\$ (186,883)	\$ 91,335	\$ (95,548)
NET ASSETS - BEGINNING	<u>2,225,839</u>	<u>167,842</u>	<u>2,393,681</u>
NET ASSETS - END	<u>\$ 2,038,956</u>	<u>\$ 259,177</u>	<u>\$ 2,298,133</u>

See notes to financial statements.

ENVIRONMENTAL ADVOCATES NY, INC.
(A Nonprofit Organization)

STATEMENTS OF ACTIVITIES AND NET ASSETS
YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
REVENUE AND SUPPORT:			
Grants - foundations	\$ 957,500	\$ 370,000	\$ 1,327,500
Contributions	586,245	-	586,245
Special events, net	245,210	-	245,210
Paycheck Protection Program grant income	257,365	-	257,365
Unrealized gain on investments	87,028	-	87,028
Dividend and interest income	47,928	-	47,928
Other revenue	25,450	-	25,450
Loss on disposal of building improvements	(35,663)	-	(35,663)
Net assets released from restrictions:			
Restriction satisfied by donor authorization	465,993	(465,993)	-
Total revenue and support	<u>\$ 2,637,056</u>	<u>\$ (95,993)</u>	<u>\$ 2,541,063</u>
EXPENSES:			
Program services:			
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	193,264	-	193,264
Total program services	<u>\$ 1,694,306</u>	<u>\$ -</u>	<u>\$ 1,694,306</u>
Support services:			
Administration	\$ 176,370	\$ -	\$ 176,370
Fundraising	88,514	-	88,514
Total support services	<u>\$ 264,884</u>	<u>\$ -</u>	<u>\$ 264,884</u>
Total expenses	<u>\$ 1,959,190</u>	<u>\$ -</u>	<u>\$ 1,959,190</u>
INCREASE (DECREASE) IN NET ASSETS	\$ 677,866	\$ (95,993)	\$ 581,873
NET ASSETS - BEGINNING	<u>1,547,973</u>	<u>263,835</u>	<u>1,811,808</u>
NET ASSETS - END	<u>\$ 2,225,839</u>	<u>\$ 167,842</u>	<u>\$ 2,393,681</u>

See notes to financial statements.

ENVIRONMENTAL ADVOCATES NY, INC.

(A Nonprofit Organization)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	<u>A Safe</u>	<u>Clean Water for</u>	<u>Clean and Healthy</u>		<u>Total Program</u>		<u>Fundraising and</u>	
	<u>Climate for all</u>	<u>All</u>	<u>Communities for All</u>	<u>Lobbying</u>	<u>Expenses</u>	<u>Administration</u>	<u>Special Events</u>	<u>Total</u>
Functional expenses:								
Compensation:								
Salaries & wages	\$ 503,767	\$ 286,457	\$ 63,157	\$ 33,007	\$ 886,388	\$ 94,756	\$ 69,868	\$ 1,051,012
Payroll taxes	44,193	24,843	5,281	2,704	77,021	7,857	5,710	90,588
Fringe benefits	71,027	41,578	7,445	5,505	125,555	12,340	8,702	146,597
Total compensation	<u>\$ 618,987</u>	<u>\$ 352,878</u>	<u>\$ 75,883</u>	<u>\$ 41,216</u>	<u>\$ 1,088,964</u>	<u>\$ 114,953</u>	<u>\$ 84,280</u>	<u>\$ 1,288,197</u>
Other expenses:								
Professional fees	\$ 28,265	\$ 15,436	\$ 3,074	\$ -	\$ 46,775	\$ 62,681	\$ 26,249	\$ 135,705
Regrants	176,726	-	-	-	176,726	-	-	176,726
Supplies	4,055	2,390	483	-	6,928	180	64,164	71,272
Occupancy	18,313	9,380	2,075	-	29,768	3,297	2,044	35,109
Advertising	8,163	5,536	1,001	-	14,700	3,324	12	18,036
Depreciation	17,738	9,716	2,102	-	29,556	3,308	1,225	34,089
Printing	2,637	1,738	309	41	4,725	9	7,315	12,049
Equipment	4,190	2,737	605	-	7,532	-	7,977	15,509
Travel	5,631	2,249	183	165	8,228	1,082	756	10,066
Communication	2,308	1,357	210	6,247	10,122	-	283	10,405
Bank charges	41	10	2	-	53	47	8,935	9,035
Publications	2,445	1,382	287	-	4,114	-	1,821	5,935
Telephone	3,678	2,031	479	-	6,188	138	189	6,515
Postage and mailing	745	400	96	-	1,241	51	3,337	4,629
Stipends	4,842	845	23	-	5,710	-	-	5,710
Fees and tuition	2,270	1,341	160	14	3,785	667	89	4,541
Insurance	-	-	-	-	-	1,687	-	1,687
Miscellaneous	667	344	73	-	1,084	97	-	1,181
Total other expenses	<u>\$ 282,714</u>	<u>\$ 56,892</u>	<u>\$ 11,162</u>	<u>\$ 6,467</u>	<u>\$ 357,235</u>	<u>\$ 76,568</u>	<u>\$ 124,396</u>	<u>\$ 558,199</u>
Totals	<u>\$ 901,701</u>	<u>\$ 409,770</u>	<u>\$ 87,045</u>	<u>\$ 47,683</u>	<u>\$ 1,446,199</u>	<u>\$ 191,521</u>	<u>\$ 208,676</u>	<u>\$ 1,846,396</u>
Less special events expenditures included on the statement of activities	-	-	-	-	-	-	(118,284)	(118,284)
TOTAL EXPENSES	<u>\$ 901,701</u>	<u>\$ 409,770</u>	<u>\$ 87,045</u>	<u>\$ 47,683</u>	<u>\$ 1,446,199</u>	<u>\$ 191,521</u>	<u>\$ 90,392</u>	<u>\$ 1,728,112</u>

See notes to financial statements.

ENVIRONMENTAL ADVOCATES NY, INC.

(A Nonprofit Organization)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	<u>A Safe</u>	<u>Clean Water for</u>	<u>Clean and Healthy</u>		<u>Total Program</u>		<u>Fundraising and</u>	
	<u>Climate for all</u>	<u>All</u>	<u>Communities for All</u>	<u>Lobbying</u>	<u>Expenses</u>	<u>Administration</u>	<u>Special Events</u>	<u>Total</u>
Functional expenses:								
Compensation:								
Salaries & wages	\$ 575,337	\$ 290,281	\$ 94,507	\$ 41,138	\$ 1,001,263	\$ 120,071	\$ 94,765	\$ 1,216,099
Payroll taxes	51,413	25,564	8,333	3,376	88,686	9,087	7,446	105,219
Fringe benefits	78,805	38,990	11,694	6,689	136,178	16,315	10,705	163,198
Total compensation	<u>\$ 705,555</u>	<u>\$ 354,835</u>	<u>\$ 114,534</u>	<u>\$ 51,203</u>	<u>\$ 1,226,127</u>	<u>\$ 145,473</u>	<u>\$ 112,916</u>	<u>\$ 1,484,516</u>
Other expenses:								
Professional fees	\$ 14,294	\$ 5,531	\$ 1,868	\$ 132,029	\$ 153,722	\$ 19,350	\$ 11,462	\$ 184,534
Regrants	176,667	-	-	-	176,667	-	-	176,667
Supplies	3,417	2,305	410	-	6,132	-	44,932	51,064
Occupancy	15,653	9,351	2,938	-	27,942	2,523	3,885	34,350
Advertising	21,662	9,709	3,559	-	34,930	3,478	1,951	40,359
Depreciation	12,144	6,372	2,078	-	20,594	2,512	933	24,039
Printing	408	61	13	4,279	4,761	-	8,158	12,919
Equipment	2,474	1,929	689	249	5,341	-	22,160	27,501
Travel	1,160	1,326	110	39	2,635	103	532	3,270
Communication	2,716	1,590	465	4,822	9,593	-	147	9,740
Bank charges	39	21	15	-	75	204	8,138	8,417
Publications	3,106	1,605	477	-	5,188	-	1,821	7,009
Telephone	5,718	2,995	990	-	9,703	66	187	9,956
Postage and mailing	650	293	75	565	1,583	21	2,922	4,526
Stipends	2,372	1,264	314	33	3,983	-	-	3,983
Fees and tuition	1,663	350	97	45	2,155	1,031	69	3,255
Organization outreach	1,078	702	220	-	2,000	-	-	2,000
Insurance	-	-	-	-	-	1,609	-	1,609
Miscellaneous	683	334	158	-	1,175	-	-	1,175
Total other expenses	<u>\$ 265,904</u>	<u>\$ 45,738</u>	<u>\$ 14,476</u>	<u>\$ 142,061</u>	<u>\$ 468,179</u>	<u>\$ 30,897</u>	<u>\$ 107,297</u>	<u>\$ 606,373</u>
Totals	<u>\$ 971,459</u>	<u>\$ 400,573</u>	<u>\$ 129,010</u>	<u>\$ 193,264</u>	<u>\$ 1,694,306</u>	<u>\$ 176,370</u>	<u>\$ 220,213</u>	<u>\$ 2,090,889</u>
Less special events expenditures included on the statement of activities	-	-	-	-	-	-	(131,699)	(131,699)
TOTAL EXPENSES	<u>\$ 971,459</u>	<u>\$ 400,573</u>	<u>\$ 129,010</u>	<u>\$ 193,264</u>	<u>\$ 1,694,306</u>	<u>\$ 176,370</u>	<u>\$ 88,514</u>	<u>\$ 1,959,190</u>

See notes to financial statements.

ENVIRONMENTAL ADVOCATES NY, INC.
(A Nonprofit Organization)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (95,548)	\$ 581,873
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (applied to) operating activities:		
Paycheck Protection Program loan forgiveness	-	(257,365)
Depreciation and amortization	34,089	24,039
Unrealized (gain) loss on investment	141,716	(87,028)
Loss on disposal of building improvements	-	35,663
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Grants receivable	10,000	70,000
Unconditional promises to give	29,676	15,473
Due from related organization	(7,780)	(4,596)
Prepaid expenses	(2,076)	(7,070)
Security deposits	1,635	1,095
Increase (decrease) in:		
Accounts payable	(35,145)	32,845
Deferred revenue	35,000	(100,000)
Accrued payroll and fringes	(41,150)	47,476
Net cash provided by operating activities	\$ 70,417	\$ 352,405
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (9,921)	\$ (248,490)
Purchase of investments	(24,186)	(45,188)
Net cash applied to investing activities	\$ (34,107)	\$ (293,678)
CASH FLOWS FROM FINANCING ACTIVITY:		
Proceeds from Paycheck Protection Program loan	\$ -	\$ 257,365
Net cash provided by financing activity	\$ -	\$ 257,365
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 36,310	\$ 316,092
CASH AND CASH EQUIVALENTS - BEGINNING	1,054,421	738,329
CASH AND CASH EQUIVALENTS - END	\$ 1,090,731	\$ 1,054,421

See notes to financial statements.

ENVIRONMENTAL ADVOCATES NY, INC.

(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Environmental Advocates NY, Inc. (EANY or the Organization), is presented to assist in understanding EANY's financial statements. The financial statements and notes are representation of EANY's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

a) Nature of Operations

Environmental Advocates NY, Inc. is a not-for-profit corporation founded in 1969 to protect our air, land, water and wildlife and 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.

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

- ***Clean Water for All:*** The aim is to secure significant funding to fix water infrastructure, pass mandatory testing of harmful pollutants and prevent pollution of source waters so New Yorkers have clean water to drink.
- ***A Safe Climate for All:*** Our climate policies 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, our aim is to eliminate the use of dangerous pesticides and to eliminate the most harmful toxic chemicals in our food and homes.

b) Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting in accordance with ASU 2016-14, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements for Not-for-Profit Entities*.

c) Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor or Board Restrictions – Net assets available for use in general operations and not subject to donor or board-imposed restrictions. These net assets may be used at the discretion of EANY's management and the board of directors.

ENVIRONMENTAL ADVOCATES NY, INC.
(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Basis of Presentation (Cont.)

Net Assets with Donor or Board Restrictions – Net assets subject to donor or board-imposed restrictions. Certain donor or board-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor or board-imposed restrictions are perpetual in nature, where the donor or board stipulates those resources be maintained in perpetuity. We report contributions restricted by donors or the board as increases in net assets with donor restrictions if they are received with donor or board stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor or board restrictions are reclassified to net assets without donor or board restrictions and reported in the statements of activities as net assets released from restrictions. EANY donor restricted net assets were \$259,177 and \$167,842 at December 31, 2022 and 2021.

d) Management’s Use of Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Due to the prospective nature, actual results could differ from those estimates.

e) Cash and Cash Equivalents

The Organization maintained its cash at two financial institutions which, at times, exceeded the federally insured limits. At December 31, 2022, the Organization believes it is not exposed to any significant credit risk related to its cash. The Organization also maintains cash and investments at a brokerage firm. Accounts at the institution are insured by the Securities and Investor Protection Corporation up to \$500,000, including the \$250,000 limit for cash. The Organization has not experienced any loss and believes it is not exposed to any significant credit risk.

For purposes of the statement of cash flows, EANY considers all cash and other highly liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2022 and 2021, cash equivalents consist of bank deposits and money market funds.

The management of EANY has set up a cash reserve to accumulate funding for building repairs and improvements. For the years ended December 31, 2022 and 2021, the balance was \$149,820 and \$349,190.

f) Investments

Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is presented in the statement of activities in accordance with donor restrictions as investment return, net. Investment income is presented net of investment fees. The average cost method is primarily used to determine the basis for computing realized gains and losses.

ENVIRONMENTAL ADVOCATES NY, INC.

(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

g) Grants and Contributions Receivable

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. Grant and contributions receivable amounts are stated net of an allowance for uncollectible amounts.

h) Allowance for Doubtful Accounts

EANY uses the allowance method to account for uncollectible grants and contributions. 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 delinquency. Based on such an evaluation, EANY considers grants and contributions to be fully collectible. Accordingly, no allowance for doubtful accounts is considered necessary.

i) Property and Equipment

Purchased property and equipment is carried at cost. Donated assets are carried at fair value as of the date of donation. Expenditures for additions, renewals and betterments that extend the useful lives of property are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives vary from 3 to 30 years.

j) Revenue Recognition

Contributions are recognized when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

ENVIRONMENTAL ADVOCATES NY, INC.

(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

k) Contributed Goods and Services

EANY receives donated services from unpaid volunteers, including directors, who assist in the advancement of EANY's programs. EANY recognizes contributions of services received if such services: (a) create or enhance nonfinancial assets, (b) require specialized skills, (c) are provided by individuals possessing those skills, and (d) would typically need to be purchased if not contributed. For the years ended December 31, 2022 and 2021, the value of contributed service recognized as revenue in the accompanying Statement of Activities was \$1,729 was for food donations recorded as food service. In 2021 \$24,200, was for Google Ads, recorded as advertising and \$1,000 was for the Gala Production, recorded as professional fees.

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.

l) Income Taxes

EANY is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code; therefore, no provision is made for the current or deferred tax expense. EANY uses the same accounting methods for income tax and financial reporting.

Accounting standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return. These standards also provide guidance on de-recognition of tax benefits, classification on the statement of financial position, interest and penalties, accounting in interim periods, disclosure, and transition.

EANY has evaluated any uncertain tax positions, related to income tax contingencies, and determined uncertain positions, if any, are not material to the financial statements. Penalties and interest assessed by income tax authorities are included in operating expense, if incurred. EANY is no longer subject to examination by federal and state taxing authorities for years prior to December 31, 2019.

ENVIRONMENTAL ADVOCATES NY, INC.

(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

m) Advertising

The Organization expenses advertising costs as they are incurred. Advertising costs for the years ended December 31, 2022 and 2021, were \$18,036 and \$40,359, respectively.

n) Functional Allocation of Expenses and Allocation of Supporting Service Expenditures

The costs of providing programs and other activities have been presented on a functional basis on the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Costs in the amount of \$24,150 were recognized in 2022 related to search firm expenditures incurred for a new executive director position, which are reported as a component of administration expenses in the statement of functional expenses at December 31, 2022.

o) Reclassification

Certain amounts from the prior year have been reclassified to conform to the current year's presentation.

p) Subsequent Events

EANY has evaluated subsequent events through September 12, 2023, which is the date the financial statements were available to be issued and has determined that there are no subsequent events that require recognition or disclosure.

ENVIRONMENTAL ADVOCATES NY, INC.
(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

(2) FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurements, established a framework for measuring fair value. That framework provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.

Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3- Unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Organization's own data.

Fair values of assets measured on a recurring basis at December 31, 2022 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Bond Funds	\$ 213,025	\$ -	\$ -	\$ 213,025
Stock Funds	555,342	-	-	555,342
Stocks	<u>177,232</u>	<u>-</u>	<u>-</u>	<u>177,232</u>
Total Assets at Fair Value	<u>\$ 945,599</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 945,599</u>

Fair values of assets measured on a recurring basis at December 31, 2021 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Bond Funds	\$ 242,522	\$ -	\$ -	\$ 242,522
Stock Funds	597,019	-	-	597,019
Stocks	<u>223,588</u>	<u>-</u>	<u>-</u>	<u>223,588</u>
Total Assets at Fair Value	<u>\$ 1,063,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,063,129</u>

ENVIRONMENTAL ADVOCATES NY, INC.

(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

(3) PROPERTY AND EQUIPMENT

A schedule of property and equipment is as follows:

	<u>2022</u>	<u>2021</u>
Land and building	\$ 668,474	\$ 668,474
Furniture and equipment	<u>99,730</u>	<u>107,612</u>
	\$ 768,204	\$ 776,086
Less: accumulated depreciation	<u>(410,288)</u>	<u>(394,002)</u>
Total property and equipment, net	<u><u>\$ 357,916</u></u>	<u><u>\$ 382,084</u></u>

Depreciation expense was \$34,089 and \$24,039 for the years ended December 31, 2022 and 2021.

(4) LINE OF CREDIT

The Organization has a \$100,000 line of credit agreement with a bank with interest subject to change from time to time at a rate of 0.50 percentage points over the Wall Street Journal Prime Rate amounting to 8.0% at December 31, 2022. The bank requires the line to be paid down to no more than 50% of its high balance for 30 consecutive days within a 12-month cycle. Borrowings under the line are payable on demand. The maturity date of the line of credit is August 2024. The line was fully available at December 31, 2022 and 2021.

(5) CONCENTRATION OF CREDIT RISK

The Organization maintains deposits consisting of cash and cash equivalents in excess of federally insured limits. ASC section 825, *Financial Instruments*, identifies these items as a concentration of credit risk requiring disclosure, regardless of degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions. Management believes EANY is not exposed to any significant credit risk related to cash and cash equivalents.

(6) OPERATING LEASES

Equipment operating lease expense for each of the years ended December 31, 2022 and 2021 was \$1,916. Future lease payments are \$1,916 for 2023; and \$1,435 for 2024.

The Organization was obligated under an operating lease for its New York City office that was terminated November 2022. Lease expense for the year ended December 31, 2022 and 2021 was \$4,400 and \$13,458.

ENVIRONMENTAL ADVOCATES NY, INC.

(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

(7) 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 the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Salaries and benefits	\$ 18,382	\$ 14,980
Other expenses	2,024	1,872
Total	<u>\$ 20,406</u>	<u>\$ 16,852</u>

The amount due from Environmental Advocates Action, Inc. at December 31, 2022 and 2021, was \$22,364 and \$14,584, respectively.

(8) NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
A Safe Climate for All	\$ 259,177	\$ 123,342
General Support	-	44,500
	<u>\$ 259,177</u>	<u>\$ 167,842</u>

Net assets were released from restrictions by fulfilling the stipulations specified by donors as follows:

	<u>2022</u>	<u>2021</u>
A Safe Climate for All	\$ 449,165	\$ 225,352
Clean Water for All	-	30,641
Building Fund	-	150,000
General Support	44,500	60,000
	<u>\$ 493,665</u>	<u>\$ 465,993</u>

(9) PENSION PLAN

EANY 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 the year ending December 31, 2022 and 5% for the year ending December 31, 2021. For the years ended December 31, 2022 and 2021, pension expense was \$40,887 and \$60,225, respectively.

ENVIRONMENTAL ADVOCATES NY, INC.

(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

(10) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditures, that, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Unrestricted cash and cash equivalents	\$ 745,246	\$ 512,806
Cash - Building Funds	149,820	341,825
Cash - Board Designated	195,665	199,790
Investments - Board Designated	945,599	1,063,129
Grants receivable	20,000	30,000
Donor Promises to Give	17,719	47,395
Total financial assets at year end	<u>\$ 2,074,049</u>	<u>\$ 2,194,945</u>
Less amounts unavailable for general expenditure within one year:		
Restricted by donors with purpose restrictions	<u>(259,177)</u>	<u>(123,342)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,814,872</u>	<u>\$ 2,071,603</u>

Management believes liquidity levels are 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. Generally, grants and donor receivables are collected within 30 to 60 days, In addition, the Organization has a bank line of credit of \$100,000 which is fully available on December 31, 2022.