

**REVIEWED  
FINANCIAL STATEMENTS**

**NEW YORK ANIMAL AGRICULTURE  
COALITION, INC.**

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**September 30, 2020**

**NEW YORK ANIMAL AGRICULTURE COALITION, INC.  
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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Managers of  
New York Animal Agriculture Coalition, Inc.  
Batavia, New York

We have reviewed the accompanying financial statements of the New York Animal Agriculture Coalition, Inc. (NYAAC), which comprise the statement of financial position as of September 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of NYAAC's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Freed Maxick CPAs, P.C.*

Batavia, New York  
June 23, 2021

**NEW YORK ANIMAL AGRICULTURE COALITION, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 AS OF SEPTEMBER 30,  
 SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 204,626	\$ 202,484
Certificates of deposit	101,728	100,200
Accounts receivable	12,500	25,000
Inventory	17,128	17,128
Property and equipment, net	<u>13,016</u>	<u>17,095</u>
 Total assets	 \$ <u>348,998</u>	 \$ <u>361,907</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 25,729	\$ 23,981
Sales tax payable	35	337
Deferred revenue	<u>100,092</u>	<u>100,092</u>
 Total liabilities	 125,856	 124,410
 <b>NET ASSETS</b>		
Without donor restrictions	223,142	137,497
With donor restrictions	<u>-</u>	<u>100,000</u>
 Total net assets	 <u>223,142</u>	 <u>237,497</u>
 Total liabilities and net assets	 \$ <u>348,998</u>	 \$ <u>361,907</u>

See accompanying notes to the financial statements.

**NEW YORK ANIMAL AGRICULTURE COALITION, INC.  
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED SEPTEMBER 30,  
 SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

	<u>2020</u>	<u>2019</u>
<b>Support and revenues</b>		
Support and dues	\$ 75,000	\$ 75,000
Sales of merchandise	435	7,211
Grants and donations	118,340	184,296
Interest income	1,896	50
Other	<u>1,117</u>	<u>625</u>
Total support and revenue	196,788	267,182
<b>Expenses</b>		
Program services	149,692	138,873
Fundraising	-	13,184
Management and general	<u>61,451</u>	<u>67,883</u>
Total expenses	<u>211,143</u>	<u>219,940</u>
Change in net assets	(14,355)	47,242
<b>Net assets, beginning of year</b>	<u>237,497</u>	<u>190,255</u>
<b>Net assets, end of year</b>	<u>\$ 223,142</u>	<u>\$ 237,497</u>

See accompanying notes to the financial statements.

**NEW YORK ANIMAL AGRICULTURE COALITION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30,  
SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

	2020								Management and General	Total
	Program Services							Total		
	Birth Center	All-Star	Dialogues	Dairy on the Moo-ve	Documenting Dairy	Vision 2000	Other			
Advertising and promotions	\$ (86)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (86)	\$ 630	\$ 544
Bank charges	-	-	-	-	-	-	-	-	15	15
Depreciation	-	-	-	-	-	-	-	-	4,079	4,079
Dues and subscriptions	-	-	-	-	-	-	-	-	99	99
Insurance	-	-	-	-	-	-	-	-	2,958	2,958
Miscellaneous	-	17,445	19,237	16,615	13,672	61,107	650	128,726	106	128,832
Office supplies and printing	220	-	-	-	-	-	632	852	121	973
Payroll	482	4,826	2,895	1,931	482	482	-	11,098	37,160	48,258
Payroll taxes	50	506	303	203	50	50	-	1,162	3,894	5,056
Professional fees	-	-	-	-	-	-	-	-	10,365	10,365
Travel	-	-	-	-	-	-	7,940	7,940	1,046	8,986
Training	-	-	-	-	-	-	-	-	978	978
Total expenses	\$ <u>666</u>	\$ <u>22,777</u>	\$ <u>22,435</u>	\$ <u>18,749</u>	\$ <u>14,204</u>	\$ <u>61,639</u>	\$ <u>9,222</u>	\$ <u>149,692</u>	\$ <u>61,451</u>	\$ <u>211,143</u>

See accompanying notes to the financial statements.

**NEW YORK ANIMAL AGRICULTURE COALITION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30,**  
**SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

2019

	Program Services				Fundraising	Management and General	Total
	Birth Center	All-Star	Dialogues	Other			
Advertising and promotions	\$ 27,238	-	-	11,594	38,832	\$ -	\$ 38,832
Bank charges	-	-	-	-	-	171	171
Contract fees	4,561	-	-	-	4,561	32,599	37,160
Contributions	4,175	-	-	-	4,175	-	4,175
Depreciation	3,862	-	-	-	3,862	855	4,856
Dues and subscriptions	-	-	-	500	500	-	500
Insurance	243	-	-	-	243	2,604	2,847
Merchandise	1,251	-	-	96	1,347	12,329	13,676
Miscellaneous	1,617	-	-	573	2,190	1,094	3,284
Office supplies and printing	3,041	-	-	361	3,402	412	3,814
Payroll	17,672	402	2,008	-	20,082	20,081	40,163
Payroll taxes	1,932	44	220	-	2,196	2,196	4,392
Professional fees	-	-	-	-	-	5,652	5,652
Projects/events	-	-	-	1,357	1,357	-	1,357
Rentals	11,042	-	-	-	11,042	-	11,042
Technology	30,617	-	-	-	30,617	-	30,617
Travel	11,704	-	-	2,763	14,467	1,604	16,071
Training	-	-	-	-	-	1,331	1,331
<b>Total expenses</b>	<b>\$ 118,955</b>	<b>\$ 446</b>	<b>\$ 2,228</b>	<b>\$ 17,244</b>	<b>\$ 138,873</b>	<b>\$ 13,184</b>	<b>\$ 219,940</b>

See accompanying notes to the financial statements.

**NEW YORK ANIMAL AGRICULTURE COALITION, INC.  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEAR ENDED SEPTEMBER 30,  
 SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (14,355)	\$ 47,242
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,079	4,856
(Increase) decrease in:		
Certificate of deposit	(1,528)	-
Accounts receivable	12,500	3,000
Inventory	-	12,329
Increase (decrease) in:		
Accounts payable and accrued expenses	1,748	8,679
Sales tax payable	(302)	(170)
<b>Net cash provided by operating activities</b>	<u>2,142</u>	<u>75,936</u>
<b>Increase in cash</b>	<b>2,142</b>	<b>75,936</b>
Cash - beginning of year	<u>202,484</u>	<u>126,548</u>
Cash - end of year	<u>\$ 204,626</u>	<u>\$ 202,484</u>

See accompanying notes to the financial statements.



**NEW YORK ANIMAL AGRICULTURE COALITION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities:** The New York Animal Agriculture Coalition, Inc. (NYAAC) is a not-for-profit organization incorporated on March 7, 2014 under the New York State Corporation Laws. The mission of NYAAC is to enhance the public's understanding of and appreciation for animal agriculture by fostering a dialogue with consumers, engagement with farmers and cooperation among members of the industry.

**Basis of Accounting:** The NYAAC's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Revenue Recognition:** The accompanying financial statements are presented on the accrual basis of accounting, whereby revenue is recorded when earned and expenses recorded when incurred. Dues revenue is recognized on the first of the year. Revenue from the fundraising activities are recognized when the event takes place. Grant revenue is recognized when the related expenses are incurred.

**Financial Statement Presentation:** The financial statements of NYAAC have been prepared in accordance with U.S. GAAP, which require the NYAAC to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the NYAAC's management and the Board of Directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions the NYAAC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions and grants are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Classification of Transactions:** All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

**Cash and Cash Equivalents:** For the purposes of the statement of cash flows, all highly liquid instruments with an original maturity of three months or less are considered to be cash equivalents. Certificates of deposit consist of certificates of deposit with maturities in excess of three months.

**Accounts Receivable:** Accounts receivable are stated at invoice amount less an allowance for doubtful accounts. On a periodic basis, the NYAAC will evaluate its accounts receivable and establish an allowance for doubtful accounts as needed. U.S. GAAP requires the establishment of an allowance for doubtful accounts, however, no allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

**Inventory:** Inventory, consisting of merchandise, is stated at the lower of cost or net realizable value at the balance sheet date. Cost is determined on the first-in, first-out method.

**Property and Equipment:** All property and equipment is stated at cost. Depreciation is calculated on the 150% declining balance method over the estimated useful lives of the respective assets. Depreciation expense amounted to \$4,079 and \$4,856 for the years ended September 30, 2020 and 2019, respectively.

The cost of normal maintenance and repairs is charged to expense as incurred, whereas expenditures which materially extend property lives are capitalized. When depreciable property is retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in income.

**NEW YORK ANIMAL AGRICULTURE COALITION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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Accounting Standards require that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such events or changes in circumstances are present, a loss is recognized to the extent of carrying value of the assets is in excess of the sum of the undiscounted cash flows expected to result from the use of the asset and its eventual disposition. NYAAC has not recorded any such losses to date.

**Deferred Revenue:** In accordance with the accrual method of accounting, NYAAC recognizes revenue when earned. Deferred revenue resulted from donation revenue in which the purpose of the donation has not been met. These funds have been invested in a certificate of deposit.

**Advertising:** Advertising costs are charged to operations when incurred. Advertising expense for the years ended September 30, 2020 and 2019 amounted to \$544 and \$38,832, respectively.

**Expense Recognition and Allocation:** The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Accordingly, certain costs have been allocated by NYAAC amongst the program and supporting services benefited. Salaries and benefits are allocated on the basis of estimates of time and effort.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of NYAAC.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Expenses were allocated according to specific identification and management estimates.

**Income Taxes:** NYAAC is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been provided for in the financial statements.

**Recently Issued Accounting Standard Updates (ASU):** The following ASUs have been issued recently and are being evaluated by NYAAC for their potential impact in future years.

- ASU 2016-02, 2018-10, 2018-11 *Leases*, which will be effective for the year ending September 30, 2022.
- ASU 2020-07 *Not-for-Profit Entities - Presentation and Disclosure by Not-for-Profit Entities for Contribution of Nonfinancial Assets*, which will be effective for the year ending September 30, 2022.

**Use of Estimates in Preparation of Financial Statements:** 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Concentration of Credit Risk:** Financial instruments that potentially expose the NYAAC to concentrations of risk consist primarily of cash. Although the cash accounts may exceed the federally insured amounts, management does not anticipate nonperformance by the financial institutions.

**Reclassification:** Certain reclassifications have been made to the 2019 financial statements to conform with the current year presentation.

**NEW YORK ANIMAL AGRICULTURE COALITION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of September 30, 2020 and 2019 is:

Financial assets at year end:	<u>2020</u>	<u>2019</u>
Cash	\$ <b>204,626</b>	\$ 202,484
Accounts receivable	<u>12,500</u>	<u>25,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ <b>217,126</b></u>	<u>\$ 227,484</u>

NYAAC's goal is generally to maintain financial assets to meet current liabilities.

**NOTE 3. CONTINGENCIES**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include forced closures for certain types of public places and social distancing protocols. If restrictions are not lifted, in-person fundraising activities and events will be canceled. These activities will be replaced with virtual events to the extent possible to hopefully lessen the negative financial impact restrictions will have on NYAAC. NYAAC is expected to have net assets available to sustain operations through the pandemic.

These financial statements have not been updated for subsequent events occurring after June 23, 2021, which is the date these financial statements were available to be issued.