

**REVIEWED
FINANCIAL STATEMENTS**

NEW YORK ANIMAL AGRICULTURE COALITION, INC.

December 31, 2023

NEW YORK ANIMAL AGRICULTURE COALITION, INC.
TABLE OF CONTENTS

	<u>Page</u>
Independent Accountant's Review Report	1
Financial Statements	
Statements of Financial Position.....	2
Statement of Activities and Changes in Net Assets - 2023	3
Statement of Activities and Changes in Net Assets - 2022	4
Statements of Cash Flows	5
Statement of Functional Expenses - 2023	6
Statement of Functional Expenses - 2022	7
Notes to Financial Statements	8-10

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Managers of
New York Animal Agriculture Coalition, Inc.
Homer, 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 December 31, 2023 and 2022, 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 engagement 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.

We are required to be independent of NYAAC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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
September 18, 2024

NEW YORK ANIMAL AGRICULTURE COALITION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 605,641	\$ 326,169
Certificates of deposit	105,054	104,456
Prepaid expenses	100,000	100,000
Construction work in process	15,000	15,000
Equipment, net	<u>23,865</u>	<u>18,598</u>
 Total assets	 <u><u>\$ 849,560</u></u>	 <u><u>\$ 564,223</u></u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 7,141	\$ 7,650
Deferred revenue	<u>100,092</u>	<u>100,092</u>
 Total liabilities	 107,233	 107,742
 NET ASSETS		
Without donor restrictions	<u>742,327</u>	<u>456,481</u>
 Total net assets	 <u>742,327</u>	 <u>456,481</u>
 Total liabilities and net assets	 <u><u>\$ 849,560</u></u>	 <u><u>\$ 564,223</u></u>

See accompanying notes.

NEW YORK ANIMAL AGRICULTURE COALITION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Sales of merchandise	\$ 9,100	\$ -	\$ 9,100
Grants and donations	436,161	101,800	537,961
Other income	1,084	-	1,084
Membership dues	62,500	-	62,500
Net assets released from restrictions	<u>101,800</u>	<u>(101,800)</u>	<u>-</u>
Total support and revenues	610,645	-	610,645
Expenses			
Program services	157,051	-	157,051
Management and general	146,906	-	146,906
Fundraising	<u>20,842</u>	<u>-</u>	<u>20,842</u>
Total expenses	<u>324,799</u>	<u>-</u>	<u>324,799</u>
Change in net assets	285,846	-	285,846
Net assets, beginning of year	<u>456,481</u>	<u>-</u>	<u>456,481</u>
Net assets, end of year	<u><u>\$ 742,327</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 742,327</u></u>

See accompanying notes.

NEW YORK ANIMAL AGRICULTURE COALITION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Sales of merchandise	\$ 12,164	\$ -	\$ 12,164
Grants and donations	404,289	53,800	458,089
Other income	560	-	560
Membership dues	62,500	-	62,500
Net assets released from restrictions	<u>54,800</u>	<u>(54,800)</u>	<u>-</u>
Total support and revenues	534,313	(1,000)	533,313
Expenses			
Program services	163,618	-	163,618
Management and general	<u>110,132</u>	<u>-</u>	<u>110,132</u>
Total expenses	<u>273,750</u>	<u>-</u>	<u>273,750</u>
Change in net assets	260,563	(1,000)	259,563
Net assets, beginning of year	<u>195,918</u>	<u>1,000</u>	<u>196,918</u>
Net assets, end of year	<u>\$ 456,481</u>	<u>\$ -</u>	<u>\$ 456,481</u>

See accompanying notes.

NEW YORK ANIMAL AGRICULTURE COALITION, INC.
STATEMENTS OF CASH FLOWS
DECEMBER 31,

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 285,846	259,563
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,962	3,130
(Increase) decrease in:		
Certificate of deposit	(598)	(276)
Accounts receivable	-	54,961
Prepaid expenses	-	(100,000)
Decrease (increase) in:		
Accounts payable and accrued expenses	(509)	(22,868)
Net cash provided by operating activities	<u>290,701</u>	<u>194,510</u>
Cash flows from investing activities:		
Purchase of equipment	(11,229)	(12,534)
Increase in construction work in process	-	(15,000)
Net cash used by investing activities	<u>(11,229)</u>	<u>(27,534)</u>
Increase in cash	279,472	166,976
Cash - beginning of year	<u>326,169</u>	<u>159,193</u>
Cash - end of year	\$ <u>605,641</u>	\$ <u>326,169</u>

See accompanying notes.

NEW YORK ANIMAL AGRICULTURE COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2023

	Program Services				Fundraising	Management and General	Total
	Birth Center	Mobile Dairy Trailer	Other	Total			
Advertising and promotions	\$ 18,333	\$ -	2,640	\$ 20,973	\$ -	\$ 3,001	\$ 23,974
Audio visual	12,399	-	-	12,399	-	355	12,754
Bank charges	-	-	-	-	-	135	135
Depreciation	-	-	-	-	-	5,962	5,962
Dues and subscriptions	-	-	-	-	-	2,018	2,018
Insurance	50	-	-	50	-	3,695	3,745
Miscellaneous	280	173	-	453	-	9,935	17,794
Office supplies and printing	27,740	-	1,283	29,023	-	40	29,063
Payroll	21,638	8,331	4,304	34,273	-	90,371	124,644
Payroll taxes	28	19	48	95	-	1,933	2,028
Professional fees	1,461	319	2,326	4,106	20,842	26,711	51,659
Rentals	-	-	13,119	13,119	-	-	13,119
Technology	17,222	-	-	17,222	-	-	17,222
Travel	16,733	570	629	17,932	-	2,630	20,562
Training	-	-	-	-	-	120	120
20 Year Celebration	7,406	-	-	7,406	-	-	7,406
Total expenses	\$ <u>123,290</u>	\$ <u>9,412</u>	\$ <u>24,349</u>	\$ <u>157,051</u>	\$ <u>20,842</u>	\$ <u>146,906</u>	\$ <u>324,799</u>

See accompanying notes.

NEW YORK ANIMAL AGRICULTURE COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2022

	<u>Program Services</u>			<u>Management and General</u>	<u>Total</u>
	<u>Birth Center</u>	<u>Other</u>	<u>Total</u>		
Advertising and promotions	\$ 8,350	\$ 5,960	\$ 14,310	\$ 7,894	\$ 22,204
Audio visual	16,619	-	16,619	-	16,619
Bank charges	-	-	-	200	200
Depreciation	-	-	-	3,130	3,130
Dues and subscriptions	-	-	-	666	666
Insurance	50	-	50	3,324	3,374
Miscellaneous	4,133	4,732	8,865	1,969	10,834
Office supplies and printing	33,413	555	33,968	709	34,677
Payroll	20,396	12,247	32,643	68,820	101,463
Payroll taxes	1,080	984	2,064	6,690	8,754
Professional fees	1,129	2,265	3,394	13,600	16,994
Rentals	10,555	-	10,555	-	10,555
Technology	16,055	-	16,055	-	16,055
Travel	20,538	4,557	25,095	1,605	26,700
Training	-	-	-	1,525	1,525
Total expenses	<u>\$ 132,318</u>	<u>\$ 31,300</u>	<u>\$ 163,618</u>	<u>\$ 110,132</u>	<u>\$ 273,750</u>

See accompanying notes.

NEW YORK ANIMAL AGRICULTURE COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

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 of 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 statement 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 have maturities in excess of three months.

Property and Equipment: All property and equipment is stated at cost. Depreciation is calculated on the straight-line method over the estimated useful lives of the respective assets. Depreciation expense amounted to \$5,962 for the year ended December 31, 2023 (\$3,130 – 2022).

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.

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 the 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.

NEW YORK ANIMAL AGRICULTURE COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 year ended December 31, 2023 was \$23,974 (\$22,204 – 2022).

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.

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.

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.

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 December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash	\$ <u>605,641</u>	\$ <u>326,169</u>
Financial assets available to meet general expenditures over the next 12 months	\$ <u>605,641</u>	\$ <u>326,169</u>

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

NOTE 3. REVENUE CONCENTRATION

NYAAC receives a grant from Dairy Promotion Order (DPO) to support its operations. The grant is recognized as revenue in the year for which the funds are awarded. NYAAC was awarded \$435,000 under the DPO grant for the year ended December 31, 2023 (\$370,036 – 2022), representing approximately 73% (70% - 2022) of the NYAAC's revenue for the year then ended.

NEW YORK ANIMAL AGRICULTURE COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. EQUIPMENT

Equipment as of December 31, is as follows:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 51,624	\$ 40,395
Less: accumulated depreciation	<u>(27,759)</u>	<u>(21,797)</u>
Property and equipment, net	\$ <u>23,865</u>	\$ <u>18,598</u>

NOTE 5. CONSTRUCTION COMMITMENTS

NYAAC has an active construction project related to its Mobile Dairy Trailer project. Outstanding construction commitments amounted to \$834,500 as of December 31, 2023 (\$425,000 – 2022). The Mobile Dairy Trailer was placed into service in August 2024.

NOTE 6. SUBSEQUENT EVENTS

On April 10, 2024, NYAAC signed a final sales agreement for the construction of the Mobile Dairy Trailer, with a final price of \$834,500.

On July 10, 2024, NYAAC signed a loan agreement with Farm Credit East for a \$250,000 revolving line of credit with an interest rate of 8.250%. Farm Credit East is a member organization of NYAAC and a related party.

These financial statements have not been updated for subsequent events occurring after September 18, 2024, which is the date these financial statements were available to be issued.