

PARKS & TRAILS NEW YORK, INC.

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

PARKS & TRAILS NEW YORK, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Parks & Trails New York, Inc.
Albany, New York 12207

We have audited the accompanying financial statements of Parks & Trails New York, Inc. (the "Organization") a nonprofit organization which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, cash flows and functional and other expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

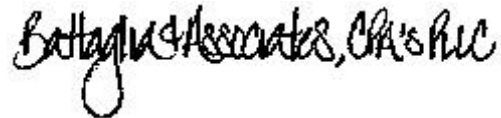
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parks & Trails New York, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Battaglia & Associates, CPA's PLLC". The signature is written in a cursive, flowing style.

BATTAGLIA & ASSOCIATES CPA'S PLLC

Halfmoon, New York
March 12, 2021

PARKS & TRAILS NEW YORK, INC.*STATEMENTS OF FINANCIAL POSITION**JUNE 30, 2020 AND 2019*

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and Cash Equivalents	\$ 521,355	\$ 1,015,979
Restricted Cash	4,138	4,178
Grants and Accounts Receivable	35,196	31,068
Deferred Bike Tour Expenses	35,388	88,242
Prepaid Expenses	10,570	12,603
Total Current Assets	<u>606,647</u>	<u>1,152,070</u>
Property and Equipment		
Furniture and Equipment	129,389	127,090
Less: Accumulated Depreciation	<u>122,573</u>	<u>119,248</u>
Property and Equipment, Net	<u>6,816</u>	<u>7,842</u>
Investments	<u>648,830</u>	<u>616,595</u>
Total Assets	<u><u>\$ 1,262,293</u></u>	<u><u>\$ 1,776,507</u></u>
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts Payable	\$ 3,304	\$ 41,800
Accrued Expenses	4,142	6,522
Fiduciary Funds	4,138	4,178
Compensated Absences	20,479	14,423
Deferred Revenue Bike Tour	105,681	464,653
Other Deferred Revenue	<u>39,350</u>	<u>256,797</u>
Total Current Liabilities	<u>177,094</u>	<u>788,373</u>
Net Assets		
Without Donor Restrictions	842,263	749,668
With Donor Restrictions	<u>242,936</u>	<u>238,466</u>
Total Net Assets	<u>1,085,199</u>	<u>988,134</u>
Total Liabilities and Net Assets	<u><u>\$ 1,262,293</u></u>	<u><u>\$ 1,776,507</u></u>

PARKS & TRAILS NEW YORK, INC.*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020*

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Membership Dues	\$ 52,128	\$ -	\$ 52,128
Individual Contributions	211,892	-	211,892
Grants	439,603	-	439,603
Program Revenue	514,492	-	514,492
Foundation/Corporate Contributions	141,553	4,470	146,023
Investment Income, Net	28,489	-	28,489
Miscellaneous Income	<u>110,200</u>	<u>-</u>	<u>110,200</u>
Total Support, Revenue and Reclassifications	<u>1,498,357</u>	<u>4,470</u>	<u>1,502,827</u>
Expenses			
Program Services			
Conservation, Technical Assistance & Advocacy	897,431	-	897,431
Public Education	318,180	-	318,180
Membership	<u>66,139</u>	<u>-</u>	<u>66,139</u>
Total Program Services	<u>1,281,750</u>	<u>-</u>	<u>1,281,750</u>
Supporting Services			
Management and General	57,873	-	57,873
Fund Raising	<u>66,139</u>	<u>-</u>	<u>66,139</u>
Total Supporting Services	<u>124,012</u>	<u>-</u>	<u>124,012</u>
Total Expenses	<u>1,405,762</u>	<u>-</u>	<u>1,405,762</u>
Increase in Net Assets	92,595	4,470	97,065
Net Assets, Beginning of Year, as Restated	<u>749,668</u>	<u>238,466</u>	<u>988,134</u>
Net Assets, End of Year	<u>\$ 842,263</u>	<u>\$ 242,936</u>	<u>\$ 1,085,199</u>

PARKS & TRAILS NEW YORK, INC.*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019*

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Membership Dues	\$ 57,988	\$ -	\$ 57,988
Individual Contributions	176,105	-	176,105
Grants	1,013,319	-	1,013,319
Program Revenue	571,423	-	571,423
Foundation/Corporate Contributions	217,916	35,842	253,758
Special Events - Gross	45,359	-	45,359
Less: Cost of Direct Benefit	<u>(10,791)</u>	<u>-</u>	<u>(10,791)</u>
Net Special Events	34,568	-	34,568
Investment Income, Net	<u>26,682</u>	<u>-</u>	<u>26,682</u>
Total Support, Revenue and Reclassifications	<u>2,098,001</u>	<u>35,842</u>	<u>2,133,843</u>
Expenses			
Program Services			
Conservation, Technical Assistance & Advocacy	1,394,977	-	1,394,977
Public Education	333,273	-	333,273
Membership	<u>71,504</u>	<u>-</u>	<u>71,504</u>
Total Program Services	<u>1,799,754</u>	<u>-</u>	<u>1,799,754</u>
Supporting Services			
Management and General	62,563	-	62,563
Fund Raising	<u>71,504</u>	<u>-</u>	<u>71,504</u>
Total Supporting Services	<u>134,067</u>	<u>-</u>	<u>134,067</u>
Total Expenses	<u>1,933,821</u>	<u>-</u>	<u>1,933,821</u>
Increase in Net Assets	164,180	35,842	200,022
Net Assets, Beginning of Year, as Restated	<u>585,488</u>	<u>202,624</u>	<u>788,112</u>
Net Assets, End of Year, as Restated	<u>\$ 749,668</u>	<u>\$ 238,466</u>	<u>\$ 988,134</u>

PARKS & TRAILS NEW YORK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Increase in Net Assets	\$ 97,065	\$ 200,022
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	3,325	5,488
Realized Gain on Investments	(1,628)	(930)
Unrealized Gain on Investments	(11,601)	(12,093)
(Increase) Decrease in Assets		
Grants and Accounts Receivable	(4,128)	70,207
Deferred Bike Tour Expenses	47,767	53,840
Prepaid Expenses	7,120	(1,777)
Increase (Decrease) in Liabilities		
Accounts Payable	(38,496)	27,119
Accrued Expenses	(2,380)	1,714
Compensated Absences	6,056	4,894
Deferred Revenue Bike Tour	(358,972)	(36,599)
Other Deferred Revenue	<u>(217,447)</u>	<u>214,655</u>
Net Cash Provided By (Used In) Operating Activities	<u>(473,319)</u>	<u>526,540</u>
Cash Flows Used In Investing Activities		
Purchase of Property and Equipment	(2,299)	(519)
Proceeds from Investments Sold	198,328	339,278
Purchase of Investments	<u>(217,334)</u>	<u>(356,232)</u>
Net Cash Used In Investing Activities	<u>(21,305)</u>	<u>(17,473)</u>
Increase (Decrease) in Cash	(494,624)	509,067
Cash and Cash Equivalents, Beginning of Year	<u>1,015,979</u>	<u>506,912</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 521,355</u></u>	<u><u>\$ 1,015,979</u></u>

PARKS & TRAILS NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Conservation Technical Assistance and Advocacy</u>	<u>Public Education</u>	<u>Membership</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>
	<u>Total Expenses</u>					
Subrecipient Awards	\$ 223,752	\$ -	-	223,752	-	-
Salaries, Taxes and Benefits	391,990	111,064	52,265	555,319	45,733	52,265
Bike Tour Event	167,889	167,890	-	335,779	-	-
Meetings and Conferences	9,745	9,744	-	19,489	-	-
Professional, Outside Services	15,523	4,398	2,070	21,991	1,811	2,070
Occupancy Expense	13,188	3,737	1,758	18,683	1,539	1,758
Printing	9,646	2,733	1,286	13,665	1,126	1,286
Travel	8,381	2,374	1,118	11,873	978	1,118
Telephone	6,340	1,796	845	8,981	740	845
Postage	21,027	5,958	2,804	29,789	2,452	2,804
Depreciation	1,995	565	266	2,826	233	266
Repairs and Maintenance	2,441	692	325	3,458	285	325
Office/Supply Expense	25,514	7,229	3,402	36,145	2,976	3,402
	<u>\$ 897,431</u>	<u>\$ 318,180</u>	<u>\$ 66,139</u>	<u>\$ 1,281,750</u>	<u>\$ 57,873</u>	<u>\$ 66,139</u>
						<u>\$ 1,405,762</u>

See accompanying notes and independent auditor's report.

PARKS & TRAILS NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Conservation Technical Assistance and Advocacy</u>	<u>Public Education</u>	<u>Membership</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>
Subrecipient Awards	\$ 677,375	\$ -	-	677,375	-	-
Salaries, Taxes and Benefits	373,714	105,886	49,829	529,429	43,599	49,829
Bike Tour Event	181,332	181,331	-	362,663	-	-
Professional, Outside Services	40,963	11,606	5,462	58,031	4,778	5,462
Meals and Entertainment	-	-	-	-	-	-
Occupancy Expense	14,669	4,156	1,956	20,781	1,712	1,956
Printing	25,910	7,341	3,455	36,706	3,023	3,455
Travel	5,983	1,695	798	8,476	697	798
Telephone	5,694	1,613	759	8,066	665	759
Postage	21,517	6,096	2,869	30,482	2,510	2,869
Depreciation	3,293	933	439	4,665	384	439
Repairs and Maintenance	1,484	420	198	2,102	173	198
Office/Supply Expense	43,043	12,196	5,739	60,978	5,022	5,739
Total Functional Expenses	1,394,977	333,273	71,504	1,799,754	62,563	71,504
Expenses Included with Revenue on the Statement of Activities						
Cost of Direct Benefits to Donors	-	-	-	-	-	(10,791)
Total Expenses included in the Expense Section on the Statement of Activities	\$ 1,394,977	\$ 333,273	\$ 71,504	\$ 1,799,754	\$ 62,563	\$ 1,933,821

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Parks & Trails New York, Inc. (“the Organization”), is a statewide non-profit corporation whose mission is to expand, protect, and promote a network of parks, trails, and open spaces throughout the state for use and enjoyment by all.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, Not-for-Profit Entities, Presentation of Financial Statements. During 2018, the Council adopted the provisions of Accounting Standards Update (“ASU”) 2016-14: Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities, which improves the current net asset classification and the related information presented in the financial statements and notes about the Organization’s liquidity, financial performance, and cash flows.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make estimates and assumptions that effect 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. Actual results could differ from those estimates.

Cash Equivalents

The Organization considers highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Accounts Receivable

The Organization utilizes the allowance method to determine the allowance for doubtful accounts. At June 30, 2020 and 2019 management determined no allowance was necessary based upon their review of the specific receivables and prior history.

Property and Equipment

Property and equipment are stated at cost. Maintenance and repairs are charged to operations when incurred. Betterments and renewals of \$500 or more are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in the change in net assets. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to seven years.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments consist primarily of assets invested in marketable equity and debt securities, and money-market accounts. The Organization accounts for investments in accordance with FASB standard for investments held by not-for-profit organizations (ASC 958-320 and subsections). This standard requires that investments in equity securities with readily determined fair values and all investments in debt securities be measured at fair value in the Statement of Financial Position. Fair value of marketable equity and debt securities is based on quoted market prices. The realized and unrealized gain or loss on investments is reflected in the Statement of Activities.

Investments are exposed to various risks such as significant world events, interest rates, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Financial Position.

Revenue Recognition

The Organization recognize revenue from sales of advisory and training products and services when the performance obligations of transferring the products and providing the services are met.

Membership dues are comprised of an exchange element based on the benefits received, and are recognized over the membership period. The Organization received membership dues of \$39,350 and \$29,422 that have not been recognized at June 30, 2020 and 2019, respectively.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. The Organization received state contract revenue of \$227,375 that have not been recognized at June 30, 2019, because qualifying expenditures have not yet been incurred.

Contributed Services and Goods

No amounts have been reflected in the financial statements for donated services. The Organization pays for services requiring specific expertise; however many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific program areas, campaign solicitations and fund raising events. The Organization estimates that it receives approximately 4,000 volunteer hours per year.

Functional Allocation of Expense

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Functional and Other Expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Organization providing those services.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are expensed as incurred, if applicable.

Income Taxes

The Organization is a non-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and therefore is exempt from federal and state income taxes. The Organization is subject to federal income tax on any unrelated business taxable income. The Organization evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts. No uncertain tax positions were identified by the Organization as of June 30, 2020 and 2019.

The Organization's policy is to classify income tax penalties and interest as interest expense in its financial statements. During the years ended June 30, 2020 and 2019, respectively, the Organization incurred no penalties and interest. The Organization's Federal Return of Organizations Exempt from Income Tax (Forms 990) are subject to examination by the IRS, generally for the three years after they were filed.

Fair Value Measurement

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in effort to make the measurement of fair value more consistent and comparable. The Organization has adopted this standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e., an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

Level 1: Quoted prices in active markets for identical securities.

Common stock and equity traded funds - Valued at the closing market price on the stock exchange where they are traded.

Bank certificates and money market funds - Composed of bank certificates and money market mutual funds invested in various financial institutions. The money market funds seek to maintain a stable net asset value ("NAV") of \$1. Funds invested in bank certificates are valued based on value of deposited funds and net interest earnings less withdrawals and fees, if any.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)

Community Foundation - The Organization partnered with the Community Foundation to establish an agency reserve fund . This partnership allows the Organization to transfer funds as well as provide options for donors to give donations or legacy gifts. This fund is to be administered by professional managers for the benefit of the Organization and to assist with an investment program. The income available from the fund shall be available to the Organization for the general purposes of promoting and conducting the Organization's program. Investments held by the Community Foundation are valued at fair value based on the closing price for securities listed on a securities exchange, the closing bid or ask price for over-the-counter securities not listed on a securities exchange, or at cost or obtained from an independent pricing service for securities not listed or traded on any exchange or on the over-the-counter market.

Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The Organization currently has no assets or liabilities that are measured using Level 3 inputs.

Reclassifications

Certain reclassifications have been made to the 2019 financial statement to conform to the current year presentation.

Subsequent Events

Management has evaluated subsequent events or transactions occurring through March 12, 2021, the date the financial statements were available to be issued. No such events or transactions were identified.

2. LIQUIDITY AND AVAILABILITY OF FUNDS

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 521,355	\$ 1,015,979
Accounts Receivable	35,196	31,068
Less: Deferred Revenue	648,830	616,595
Total Financial Assets Available to Meet General	<u>(145,031)</u>	<u>(721,450)</u>
Expenditures Within the Next 12 Months	<u><u>\$ 1,060,350</u></u>	<u><u>\$ 942,192</u></u>

To help manage unanticipated liquidity needs, the Organization has a \$50,000 available line of credit, which it could draw upon.

3. CONCENTRATION OF CREDIT RISK

The Organization's cash deposits exceeded the Federal Deposit Insurance Corporation limits at various times during the fiscal year ended June 30, 2020 and 2019. The Organization believes it is not exposed to any significant credit risk on its cash balances.

4. RESTRICTED CASH

The Organization acts as an administrative support agency for certain charities with similar purposes. The cash held in trust for these entities is shown as restricted cash with an offsetting liability on the Statement of Financial Position. Restricted cash balances at June 30, 2020 and 2019 was \$4,138 and \$4,178, respectively.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30,

	<u>2020</u>	<u>2019</u>
Furniture and Equipment	\$ 129,389	\$ 127,090
Less: Accumulated Depreciation	122,573	119,248
Property and Equipment, Net	<u>\$ 6,816</u>	<u>\$ 7,842</u>

Depreciation expense for the years ended June 30, 2020 and 2019 amounted to \$3,325 and \$5,488, respectively.

6. INVESTMENTS

Investments at June 30, 2020 and 2019 are composed of the following:

	<u>2020</u>	<u>2019</u>
Money Market Funds	\$ -	\$ 116,753
Mutual Funds and Exchange Traded Products	608,326	471,593
Community Foundation Fund	40,504	28,250
Total Investments	<u>\$ 648,830</u>	<u>\$ 616,596</u>

The following schedule summarizes the investment return in the Statement of Activities for the year ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest and Dividends	\$ 20,971	\$ 17,975
Realized Gain on Investments	1,628	930
Unrealized Gain on Investments	11,601	12,093
Investment Fees	(5,711)	(4,316)
Total Investment Return, Net	<u>\$ 28,489</u>	<u>\$ 26,682</u>

7. LINE OF CREDIT

The Organization has a \$50,000 line of credit with a local financial institution, of which \$0 was outstanding at June 30, 2020 and 2019. The note requires interest paid at prime plus 1.5% (4.75% at June 30, 2020). The note is collateralized by substantially all the working assets of the Organization.

8. FAIR VALUE MEASUREMENT

The Organization's investments at June 30, 2020 and 2019 that are measured at fair value on a recurring basis are as follows:

	2020					
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u> <u>Fair Value</u>	<u>Total</u> <u>Cost</u>	<u>Unrealized</u> <u>Gain (Loss)</u>
Mutual Funds and						
Equity Traded Funds	\$ 608,326	\$ -	\$ -	\$ 608,326	\$ 580,823	\$ 27,503
Community Foundation Fund	-	40,504	-	40,504	36,721	3,783
Total	<u>\$ 608,326</u>	<u>\$ 40,504</u>	<u>\$ -</u>	<u>\$ 648,830</u>	<u>\$ 617,544</u>	<u>\$ 31,286</u>

	2019					
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u> <u>Fair Value</u>	<u>Total</u> <u>Cost</u>	<u>Unrealized</u> <u>Gain (Loss)</u>
Money Market Funds	\$ 116,752	\$ -	\$ -	\$ 116,752	\$ 116,752	\$ -
Mutual Funds and						
Equity Traded Funds	471,593	-	-	471,593	451,479	20,114
Community Foundation Fund	-	28,250	-	28,250	28,679	(429)
Total	<u>\$ 588,345</u>	<u>\$ 28,250</u>	<u>\$ -</u>	<u>\$ 616,595</u>	<u>\$ 596,910</u>	<u>\$ 19,685</u>

9. ACCRUED COMPENSATION ABSENCES

ASC 710 - Compensation, requires that, under certain circumstances, compensated absences be accrued in the period of the employee's service to the employer. Vacation for the Organization's employees does vest under certain circumstances and, accordingly, the following amounts have been provided for in the compensated absences line item in these financial statements for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Vacation	<u>\$ 20,479</u>	<u>\$ 14,423</u>

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
Time Restricted		
Arthur Savage Internship Program	<u>\$ 242,936</u>	<u>\$ 238,466</u>

10. MISCELLANEOUS REVENUE

On March 13, 2020, President Trump declared a national emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, due to the extraordinary circumstances resulting from the onset of the COVID-19 pandemic. Since that time and as a result of the pandemic, the Organization has been forced to postpone or cancel much of its normal revenue-generating activities. To partially offset the adverse financial impact of the pandemic on the Organization's operations, the Organization applied for and received \$110,200 in May 2020 through a Payroll Protection Program loan through the Small Business Administration (SBA). In January 2021 the Organization was informed that the full amount of the loan was forgiven.

11. PENSION PLAN

The Organization has a Single Employer, 403(B) Pension Plan covering all eligible employees. The plan is a non-contributory money purchase plan that requires the Association to make contributions equal to 5% of each participant's annual compensation. Pension expense for the years ended June 30, 2020 and 2019 was \$12,985 and \$14,841, respectively.

12. LEASE COMMITMENTS

The Organization leases office space under an operating lease through June 2024. Current lease terms include monthly lease payments of \$1,675, Increasing to \$1,801 in July 2022. Lease expense for the years ending June 30, 2020 and 2019 was \$20,094 and \$20,094, respectively

Future minimum annual obligations under the office lease are as follows:

Year Ended June 30:

2021	\$ 20,100
2022	20,100
2023	21,612
2024	22,656
	<u>\$ 84,468</u>

13. CONTINGENCIES

Substantially all grant contractual agreements are subject to financial and compliance audits by the contractor. Disallowances, if any, as a result of these audits may be liabilities of the Organization. Management believes that no material disallowance will result from audits by the contractor.

14. RESTATEMENT

During the fiscal year ended June 30, 2020, the Organization performed an internal revenue of it's revenue recognition due to the current year adoption of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). This review identified and reclassified \$501,252 and \$464,653 of deferred revenue, related to the bike tour, that had been previously reported as temporarily restricted revenue for the years ended June 30, 2018 and 2019, respectively. This correction decreased temporarily net assets at June 30, 2018 and 2019 by \$501,252 and \$464,653, respectively.