

PARKS & TRAILS NEW YORK, INC.

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

PARKS & TRAILS NEW YORK, INC.

TABLE OF CONTENTS
JUNE 30, 2021 AND 2020

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Cash Flows	6
Statements of Functional Expenses	7-8
Notes to Financial Statements	9-16

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CERTIFIED PUBLIC ACCOUNTANTS

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, 2021 and 2020, 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, 2021 and 2020, 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
January 6, 2022

PARKS & TRAILS NEW YORK, INC.*STATEMENTS OF FINANCIAL POSITION**JUNE 30, 2021 AND 2020*

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and Cash Equivalents	\$ 842,262	\$ 521,355
Restricted Cash	4,138	4,138
Grants and Accounts Receivable	81,483	35,196
Deferred Bike Tour Expenses	74,212	35,388
Prepaid Expenses	19,850	10,570
Total Current Assets	<u>1,021,945</u>	<u>606,647</u>
Property and Equipment		
Furniture and Equipment	129,924	129,389
Less: Accumulated Depreciation	<u>125,955</u>	<u>122,573</u>
Property and Equipment, Net	<u>3,969</u>	<u>6,816</u>
Investments	<u>783,899</u>	<u>648,830</u>
Total Assets	<u><u>\$ 1,809,813</u></u>	<u><u>\$ 1,262,293</u></u>
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts Payable	\$ 40,483	\$ 3,304
Accrued Expenses	7,416	4,142
Fiduciary Funds	4,138	4,138
Compensated Absences	32,859	20,479
Deferred Revenue Bike Tour	371,187	105,681
Other Deferred Revenue	<u>227,553</u>	<u>39,350</u>
Total Current Liabilities	<u>683,636</u>	<u>177,094</u>
Net Assets		
Without Donor Restrictions	893,921	842,263
With Donor Restrictions	<u>232,256</u>	<u>242,936</u>
Total Net Assets	<u>1,126,177</u>	<u>1,085,199</u>
Total Liabilities and Net Assets	<u><u>\$ 1,809,813</u></u>	<u><u>\$ 1,262,293</u></u>

PARKS & TRAILS NEW YORK, INC.*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021*

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Membership Dues	\$ 61,918	\$ -	\$ 61,918
Individual Contributions	217,943	-	217,943
Grants	1,183,093	-	1,183,093
Program Revenue	78,190	-	78,190
Foundation/Corporate Contributions	142,244	-	142,244
Investment Income, Net	137,066	-	137,066
Net Assets Released from Restrictions	<u>10,680</u>	<u>(10,680)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	<u>1,831,134</u>	<u>(10,680)</u>	<u>1,820,454</u>
Expenses			
Program Services			
Conservation, Technical Assistance & Advocacy	1,385,847	-	1,385,847
Public Education	176,191	-	176,191
Membership	<u>75,447</u>	<u>-</u>	<u>75,447</u>
Total Program Services	<u>1,637,485</u>	<u>-</u>	<u>1,637,485</u>
Supporting Services			
Management and General	66,544	-	66,544
Fund Raising	<u>75,447</u>	<u>-</u>	<u>75,447</u>
Total Supporting Services	<u>141,991</u>	<u>-</u>	<u>141,991</u>
Total Expenses	<u>1,779,476</u>	<u>-</u>	<u>1,779,476</u>
Increase (Decrease) in Net Assets	51,658	(10,680)	40,978
Net Assets, Beginning of Year	<u>842,263</u>	<u>242,936</u>	<u>1,085,199</u>
Net Assets, End of Year	<u>\$ 893,921</u>	<u>\$ 232,256</u>	<u>\$ 1,126,177</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	549,803	-	549,803
Program Revenue	514,492	-	514,492
Foundation/Corporate Contributions	141,553	4,470	146,023
Investment Income, Net	<u>28,489</u>	<u>-</u>	<u>28,489</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	897,588	-	897,588
Public Education	316,220	-	316,220
Membership	<u>66,533</u>	<u>-</u>	<u>66,533</u>
Total Program Services	<u>1,280,341</u>	<u>-</u>	<u>1,280,341</u>
Supporting Services			
Management and General	58,888	-	58,888
Fund Raising	<u>66,533</u>	<u>-</u>	<u>66,533</u>
Total Supporting Services	<u>125,421</u>	<u>-</u>	<u>125,421</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.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Increase in Net Assets	\$ 40,978	\$ 97,065
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	3,382	3,325
Realized Gain on Investments	(13,495)	(1,628)
Unrealized Gain on Investments	(113,172)	(11,601)
(Increase) Decrease in Assets		
Grants and Accounts Receivable	(46,287)	(4,128)
Deferred Bike Tour Expenses	(38,824)	47,767
Prepaid Expenses	(9,280)	7,120
Increase (Decrease) in Liabilities		
Accounts Payable	37,179	(38,496)
Accrued Expenses	3,274	(2,380)
Compensated Absences	12,380	6,056
Deferred Revenue Bike Tour	265,506	(358,972)
Other Deferred Revenue	<u>188,203</u>	<u>(217,447)</u>
Net Cash Provided By (Used In) Operating Activities	<u>329,844</u>	<u>(473,319)</u>
Cash Flows Used In Investing Activities		
Purchase of Property and Equipment	(535)	(2,299)
Proceeds from Investments Sold	91,357	198,328
Purchase of Investments	<u>(99,759)</u>	<u>(217,334)</u>
Net Cash Used In Investing Activities	<u>(8,937)</u>	<u>(21,305)</u>
Increase (Decrease) in Cash	320,907	(494,624)
Cash and Cash Equivalents, Beginning of Year	<u>521,355</u>	<u>1,015,979</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 842,262</u></u>	<u><u>\$ 521,355</u></u>

PARKS & TRAILS NEW YORK, INC.*STATEMENT OF FUNCTIONAL EXPENSES**FOR THE YEAR ENDED JUNE 30, 2021*

	Program Services			Supporting Services			
	Conservation Technical Assistance and Advocacy	Public Education	Membership	Total Program Services	Management and General	Fund Raising	Total Expenses
Subrecipient Awards	\$ 804,132	\$ -	-	804,132	-	-	804,132
Salaries, Taxes and Benefits	443,686	125,711	59,158	628,555	51,763	59,158	739,476
Bike Tour Event	15,870	15,869	-	31,739	-	-	31,739
Professional, Outside Services	15,568	4,411	2,076	22,055	1,815	2,076	25,946
Insurance	2,855	809	381	4,045	863	381	5,289
Occupancy Expense	12,779	3,621	1,704	18,104	1,491	1,704	21,299
Printing	27,753	7,863	3,700	39,316	3,239	3,700	46,255
Travel	3,406	965	454	4,825	397	454	5,676
Telephone	6,950	1,969	927	9,846	811	927	11,584
Postage	22,162	6,279	2,955	31,396	2,585	2,955	36,936
Depreciation	2,029	575	271	2,875	236	271	3,382
Repairs and Maintenance	2,073	587	276	2,936	243	276	3,455
Office/Supply Expense	26,584	7,532	3,545	37,661	3,101	3,545	44,307
	<u>\$ 1,385,847</u>	<u>\$ 176,191</u>	<u>\$ 75,447</u>	<u>\$ 1,637,485</u>	<u>\$ 66,544</u>	<u>\$ 75,447</u>	<u>\$ 1,779,476</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	-	-	223,752
Salaries, Taxes and Benefits	391,990	111,064	52,265	555,319	45,733	52,265	653,317
Bike Tour Event	165,093	165,093	-	330,186	-	-	330,186
Meetings and Conferences	9,745	9,744	-	19,489	-	-	19,489
Professional, Outside Services	15,523	4,398	2,070	21,991	1,811	2,070	25,872
Insurance	2,953	837	394	4,184	1,015	394	5,593
Occupancy Expense	13,188	3,737	1,758	18,683	1,539	1,758	21,980
Printing	9,646	2,733	1,286	13,665	1,126	1,286	16,077
Travel	8,381	2,374	1,118	11,873	978	1,118	13,969
Telephone	6,340	1,796	845	8,981	740	845	10,566
Postage	21,027	5,958	2,804	29,789	2,452	2,804	35,045
Depreciation	1,995	565	266	2,826	233	266	3,325
Repairs and Maintenance	2,441	692	325	3,458	285	325	4,068
Office/Supply Expense	25,514	7,229	3,402	36,145	2,976	3,402	42,523
	<u>\$ 897,588</u>	<u>\$ 316,220</u>	<u>\$ 66,533</u>	<u>\$ 1,280,341</u>	<u>\$ 58,888</u>	<u>\$ 66,533</u>	<u>\$ 1,405,762</u>

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, 2021 and 2020 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.

The Organization holds an annual program-related bike tour from Buffalo to Albany along the historic Erie Canalway Trail where the performance obligation is delivery of the program. Fees for the bike tour are set by the Organization and include; program supplies, meals, lodging and transportation. The Organization received advanced bike tour fees of \$371,187 and \$105,681 that have not been recognized at June 30, 2021 and 2020, respectively.

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 \$44,499 and \$39,350 that have not been recognized at June 30, 2021 and 2020, 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 grant revenue of \$183,054 that have not been recognized at June 30, 2021, 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 3,300 volunteer hours per year.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2021 and 2020.

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, 2021 and 2020, 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.

Mutual funds and equity traded products - 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 2020 financial statement to conform to the current year presentation.

Subsequent Events

Management has evaluated subsequent events or transactions occurring through January 6, 2022, 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>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 842,262	\$ 521,355
Accounts Receivable	81,483	35,196
Investments	783,899	648,830
Less: Deferred Revenue	<u>(598,740)</u>	<u>(145,031)</u>
Total Financial Assets Available to Meet General Expenditures Within the Next 12 Months	<u><u>\$ 1,108,904</u></u>	<u><u>\$ 1,060,350</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, 2021 and 2020. 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, 2021 and 2020 was \$4,138.

5. PROPERTY AND EQUIPMENT

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

	<u>2021</u>	<u>2020</u>
Furniture and Equipment	\$ 129,924	\$ 129,389
Less: Accumulated Depreciation	125,955	122,573
Property and Equipment, Net	<u>\$ 3,969</u>	<u>\$ 6,816</u>

Depreciation expense for the years ended June 30, 2021 and 2020 amounted to \$3,382 and \$3,325, respectively.

6. INVESTMENTS

Investments at June 30, 2021 and 2020 are composed of the following:

	<u>2021</u>	<u>2020</u>
Mutual Funds and Exchange Traded Products	\$ 737,316	\$ 608,326
Community Foundation Fund	46,583	40,504
Total Investments	<u>\$ 783,899</u>	<u>\$ 648,830</u>

The following schedule summarizes the investment return in the Statement of Activities for the year ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest and Dividends	\$ 16,401	\$ 20,971
Realized Gain on Investments	13,495	1,628
Unrealized Gain on Investments	113,172	11,601
Investment Fees	(6,002)	(5,711)
Total Investment Return, Net	<u>\$ 137,066</u>	<u>\$ 28,489</u>

PARKS & TRAILS NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

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, 2021 and 2020. The note requires interest paid at prime plus 1.5% (4.75% at June 30, 2021). The note is collateralized by substantially all the working assets of the Organization.

8. FAIR VALUE MEASUREMENT

The Organization's investments at June 30, 2021 and 2020 that are measured at fair value on a recurring basis are as follows:

	2021					
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>	<u>Total Cost</u>	<u>Unrealized Gain (Loss)</u>
Mutual Funds and						
Equity Traded Funds	\$ 737,316	\$ -	\$ -	\$ 737,316	\$ 601,699	\$ 135,617
Community Foundation Fund	<u>-</u>	<u>46,583</u>	<u>-</u>	<u>46,583</u>	<u>37,742</u>	<u>8,841</u>
Total	<u>\$ 737,316</u>	<u>\$ 46,583</u>	<u>\$ -</u>	<u>\$ 783,899</u>	<u>\$ 639,441</u>	<u>\$ 144,458</u>
	2020					
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>	<u>Total Cost</u>	<u>Unrealized Gain (Loss)</u>
Mutual Funds and						
Equity Traded Funds	\$ 608,326	\$ -	\$ -	\$ 608,326	\$ 580,823	\$ 27,503
Community Foundation Fund	<u>-</u>	<u>40,504</u>	<u>-</u>	<u>40,504</u>	<u>36,721</u>	<u>3,783</u>
Total	<u>\$ 608,326</u>	<u>\$ 40,504</u>	<u>\$ -</u>	<u>\$ 648,830</u>	<u>\$ 617,544</u>	<u>\$ 31,286</u>

PARKS & TRAILS NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

9. ACCRUED COMPENSATED ABSENCES

Employees of the Organization are entitled to paid vacation time, this benefit vests under certain circumstances and, accordingly, the following amounts have been provided for in these financial statements for the year ended June 30:

	<u>2021</u>	<u>2020</u>
Vacation	\$ <u>32,859</u>	\$ <u>20,479</u>

10. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Time Restricted		
Arthur Savage Internship Program	\$ <u>232,256</u>	\$ <u>242,936</u>

11. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during fiscal year 2021 by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by donors as follows:

Time restricted	
Arthur Savage Internship Program	\$ <u>10,680</u>

12. PAYCHECK PROTECTION PROGRAM

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. The Organization applied for and received \$107,480 in February 2021 through the second round of the Paycheck Protection Program, this loan was subsequently forgiven in November 2021. These amounts are classified as grant revenue on the Statement of Activities for the years ended June 30, 2021 and 2020.

13. 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, 2021 and 2020 was \$16,171 and \$12,985, respectively.

14. 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, 2021 and 2020 was \$20,094.

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

Year Ended June 30:

2022	\$ 20,100
2023	21,612
2024	<u>22,656</u>
	<u>\$ 64,368</u>

15. 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.

16. 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.