Page

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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, 2015 and 2014, 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, 2015 and 2014, 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.

Battaglia & Associates, CPA's PLLC

BATTAGLIA & ASSOCIATES CPA'S PLLC

Mechanicville, New York
October 20, 2015

Assets

	2015	2014
Current Assets		
Cash and Cash Equivalents	$ 678,496	$ 914,062
Restricted Cash	8,203	7,379
Grants and Pledges Receivable	100,492	93,197
Prepaid Expenses	80,516	81,507
Total Current Assets	867,707	1,096,145
Property and Equipment		
Furniture and Equipment	109,659	99,500
Less: Accumulated Depreciation	91,175	88,208
Property and Equipment, Net	18,484	11,292
Investments	301,679	-
Total Assets	$ 1,187,870	$ 1,107,437

Liabilities and Net Assets

	2015	2014
Current Liabilities		
Accounts Payable	$ 12,685	$ 7,226
Accrued Expenses	7,422	4,750
Fiduciary Funds	8,203	7,379
Compensated Absences	16,652	13,067
Deferred Revenue	29,745	27,875
Total Current Liabilities	74,707	60,297
Net Assets		
Unrestricted Net Assets	608,514	644,960
Temporarily Restricted	504,649	402,180
Total Net Assets	1,113,163	1,047,140
Total Liabilities and Net Assets	$ 1,187,870	$ 1,107,437

	Unrestricted	Temporarily Restricted	Total
Support, Revenue and Reclassifications			
Membership Dues	$ 56,263	$ -	$ 56,263
Individual Contributions	178,641	-	178,641
Grants	267,519	-	267,519
Fund Raising	36,736	-	36,736
Program Revenue	93,002	420,454	513,456
Foundation/Corporate Contributions	170,500	53,500	224,000
Interest	4,044	-	4,044
Unrealized Gain on Investments	667	-	667
Net Assets Released from Restrictions	371,485	(371,485)	-
Total Support, Revenue and Reclassifications	1,178,857	102,469	1,281,326
Expenses			
Program Services			
Conservation, Technical Assistance & Advocacy	782,895	-	782,895
Public Education	175,300	-	175,300
Membership	81,808	-	81,808
Total Program Services	1,040,003	-	1,040,003
Supporting Services			
Management and General	105,179	-	105,179
Fund Raising	70,121	-	70,121
Total Supporting Services	175,300	-	175,300
Total Expenses	1,215,303	-	1,215,303
Increase (Decrease) in Net Assets	(36,446)	102,469	66,023
Net Assets, Beginning of Year	644,960	402,180	1,047,140
Net Assets, End of Year	$ 608,514	$ 504,649	$ 1,113,163

Parks & Trails New York, Inc.

Statement of Activities

For the Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Total
Support, Revenue and Reclassifications			
Membership Dues	$ 57,400	$ -	$ 57,400
Individual Contributions	192,424	-	192,424
Grants	328,833	-	328,833
Fund Raising	53,125	-	53,125
Program Revenue	117,495	343,302	460,797
Foundation/Corporate Contributions	93,327	58,878	152,205
Interest	2,409	-	2,409
Net Assets Released from Restrictions	397,199	(397,199)	-
Total Support, Revenue and Reclassifications	1,242,212	4,981	1,247,193
Expenses			
Program Services			
Conservation, Technical Assistance & Advocacy	781,960	-	781,960
Public Education	137,683	-	137,683
Membership	126,209	-	126,209
Total Program Services	1,045,852	-	1,045,852
Supporting Services			
Management and General	80,313	-	80,313
Fund Raising	91,789	-	91,789
Total Supporting Services	172,102	-	172,102
Total Expenses	1,217,954	-	1,217,954
Increase in Net Assets	24,258	4,981	29,239
Net Assets, Beginning of Year, as restated	620,702	397,199	1,017,901
Net Assets, End of Year	$ 644,960	$ 402,180	$ 1,047,140

	2015	2014
Cash Flows From Operating Activities		
Increase in Net Assets	$ 66,023	$ 29,239
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	4,149	3,693
Loss on Disposal of Fixed Assets	1,178	-
(Increase) Decrease in Assets		
Grants and Accounts Receivable	(7,295)	3,557
Prepaid Expenses	991	18,415
Increase (Decrease) in Liabilities		
Accounts Payable	5,459	(1,770)
Accrued Expenses	2,672	2,774
Compensated Absences	3,585	2,581
Deferred Revenue	1,870	(2,915)
Net Cash Provided By Operating Activities	78,632	55,574
Cash Flows Used In Investing Activities		
Purchase of Property and Equipment	(12,519)	(4,596)
Purchase of Investments	(301,679)	-
Net Cash Used In Investing Activities	(314,198)	(4,596)
Increase (Decrease) in Cash	(235,566)	50,978
Cash and Cash Equivalents, Beginning of Year	914,062	863,084
Cash and Cash Equivalents, End of Year	$ 678,496	$ 914,062

Parks & Trails New York, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2015

	Program Services				Supporting Services			
	Conservation Technical Assistance and Advocacy	Public Education	Membership	Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total Expenses
Subrecipient Awards	$ 46,632	$ -	$ -	$ 46,632	$ -	$ -	$ -	$ 46,632
Salaries, Taxes and Benefits	365,724	87,077	40,636	493,437	52,246	34,831	87,077	580,514
Special Events	190,149	45,274	21,128	256,551	27,164	18,109	45,273	301,824
Professional, Outside Services	47,994	11,427	5,333	64,754	6,856	4,571	11,427	76,181
Occupancy Expense	15,226	3,625	1,692	20,543	2,175	1,451	3,626	24,169
Printing	19,337	4,604	2,149	26,090	2,762	1,841	4,603	30,693
Travel	15,703	3,739	1,745	21,187	2,243	1,496	3,739	24,926
Telephone	10,568	2,516	1,174	14,258	1,510	1,006	2,516	16,774
Postage	21,928	5,221	2,436	29,585	3,133	2,088	5,221	34,806
Depreciation	2,614	622	290	3,526	373	250	623	4,149
Repairs and Maintenance	1,105	263	123	1,491	158	105	263	1,754
Office/Supply Expense	45,915	10,932	5,102	61,949	6,559	4,373	10,932	72,881
	$ 782,895	$ 175,300	$ 81,808	$ 1,040,003	$ 105,179	$ 70,121	$ 175,300	$ 1,215,303

See accompanying notes and independent auditor's report.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

	Program Services				Supporting Services			
	Conservation Technical Assistance and Advocacy	Public Education	Membership	Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total Expenses
Subrecipient Awards	$ 70,599	$ -	$ -	$ 70,599	$ -	$ -	$ -	$ 70,599
Salaries, Taxes and Benefits	362,217	70,107	64,264	496,588	40,895	46,738	87,633	584,221
Special Events	195,632	37,864	34,709	268,205	22,087	25,243	47,330	315,535
Professional, Outside Services	29,330	5,677	5,204	40,211	3,311	3,784	7,095	47,306
Occupancy Expense	13,542	2,621	2,403	18,566	1,529	1,747	3,276	21,842
Printing	17,832	3,451	3,164	24,447	2,013	2,302	4,315	28,762
Travel	11,251	2,178	1,996	15,425	1,270	1,452	2,722	18,147
Telephone	3,181	616	564	4,361	359	410	769	5,130
Postage	30,433	5,890	5,399	41,722	3,436	3,928	7,364	49,086
Depreciation	2,290	443	406	3,139	259	295	554	3,693
Repairs and Maintenance	1,923	372	341	2,636	217	248	465	3,101
Office/Supply Expense	43,730	8,464	7,759	59,953	4,937	5,642	10,579	70,532
	$ 781,960	$ 137,683	$ 126,209	$ 1,045,852	$ 80,313	$ 91,789	$ 172,102	$ 1,217,954

See accompanying notes and independent auditor's report.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

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.

Significant Accounting Policies

Reporting

The financial statements of the Organization follow the recommendations of Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets, based on the existence of any externally (donor) imposed restrictions.

The net assets of the Organization are classified and reported as follows:

- Unrestricted net assets - Net assets not subject to donor or grantor imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor or grantor stipulations that may or will be met by actions of the Organization and/or the passage of time.

There are no permanently restricted net assets as of June 30, 2015 and 2014.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished) temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

Cash Equivalents

The Organization considers highly liquid debt instruments with original maturities of three months or less to be cash equivalents. Cash equivalents consist of money market mutual funds.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

The Organization utilizes the allowance method to determine the allowance for doubtful accounts. At June 30, 2015 and 2014 management determined no allowance was necessary based upon their review of the specific receivables and prior history.

Property and Equipment

Property and equipment are recorded at acquisition cost and depreciated on a straight line basis over their estimated useful lives, ranging from five to seven years.

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.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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 3,000 volunteer hours per year.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 accounts - 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.

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

The Organization currently has no assets or liabilities that are measured using Level 2 inputs.

Level 3: Significant unobservable inputs (including the Council'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.

Accounting for Uncertainty in Income Taxes

In June 2006, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109, Accounting for Income Taxes ("FIN 48").* FIN 48, now referred to as FASB ASC 740-10, requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. The Organization implemented this policy in 2008 and its current accounting policy for evaluating uncertain tax positions is in accordance with generally accepted accounting principles. The Organization has not recognized any benefits from uncertain tax positions in 2015 or 2014 and believes it has no uncertain tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the balance sheet date of June 30, 2015.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting for Uncertainty in Income Taxes (Continued)

Generally, federal, state and local authorities may examine the Organization's tax returns for three years from the date of filing; consequently, income tax returns for years prior to 2012 are no longer subject to examination by tax authorities.

Subsequent Events

Management has evaluated subsequent events or transactions occurring through October 20, 2015, the date the financial statements were available to be issued. No such events or transactions were identified.

2. 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, 2015 and 2014. The Organization believes it is not exposed to any significant credit risk on its cash balances.

3. 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, 2015 and 2014 was $14,307 and $15,517, respectively.

4. PREPAID EXPENSES

Prepaid expenses consist primarily of expenses that relate to two annual bike tours which take place shortly after the Organization's fiscal year-end.

Prepaid expenses consist of the following at June 30:

	2015	2014
Bike Tours		
Consultants	$ 15,000	$ 15,210
Printing Expense	-	1,209
Postage Expense	7,355	5,275
Travel	1,921	4,276
Cyclist Direct Expenses	43,090	55,537
Rent	1,440	-
Website	11,000	-
Insurance	590	-
Consultant	120	-
Total	$ 80,516	$ 81,507

5. 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, 2015. The note requires interest at prime plus 1.5% (4.75% at June 30, 2015). The note is collateralized by substantially all the working assets of the Organization.

6. Functional Allocation of Expenses

The cost of providing programs and supporting services has been summarized on a functional basis in the statement of activities for the years ended June 30, 2015 and 2014. Accordingly, certain costs have been allocated among the programs and supporting services benefitted from these expenditures, based on an employee time study updated annually.

7. Lease Commitments

The Organization leases office space under an operating lease through August, 2018. Current lease terms include monthly lease payments of $1,440 plus escalation clauses for operating expenses and utilities.

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

Year Ended June 30:

2016	$ 17,280
2017	17,570
2018	17,838
2019	2,980

8. Income Tax Status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been designated as a publicly supported organization which is not a private foundation under Code Section 509(a).

9. Temporarily Restricted Net Assets

Temporarily restricted net assets primarily relate to participant revenue received from the annual bike tours held shortly after the end of the Organization's fiscal year ended June 30, 2015 and 2014. When the event is completed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as assets released from restrictions.

10. 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, 2015 and 2014 were $8,203 and $7,379, respectively.

11. 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:

	2015	2014
Vacation	$ 16,652	$ 13,067

12. 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.