

PARKS & TRAILS NEW YORK, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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

Opinion

We have audited the accompanying financial statements of Parks & Trails New York, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Parks & Trails New York, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about Parks & Trails New York, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Parks & Trails New York, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Parks & Trails New York, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



BATTAGLIA & ASSOCIATES CPA'S PLLC

PARKS & TRAILS NEW YORK, INC.*STATEMENTS OF FINANCIAL POSITION**JUNE 30, 2023 AND 2022*

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current Assets		
Cash and Cash Equivalents	\$ 2,703,579	\$ 1,384,782
Restricted Cash	2,674	2,674
Grants and Accounts Receivable	305,316	106,695
Deferred Bike Tour Expenses	321,234	169,648
Prepaid Expenses	61,568	21,066
Total Current Assets	<u>3,394,371</u>	<u>1,684,865</u>
Property and Equipment		
Furniture and Equipment	131,965	130,304
Less: Accumulated Depreciation	<u>126,035</u>	<u>124,741</u>
Property and Equipment, Net	<u>5,930</u>	<u>5,563</u>
Investments	<u>725,483</u>	<u>675,536</u>
Total Assets	<u>\$ 4,125,784</u>	<u>\$ 2,365,964</u>

Liabilities and Net Assets

Current Liabilities		
Accounts Payable	\$ 39,439	\$ 27,292
Accrued Expenses	55,591	11,422
Fiduciary Funds	2,674	2,674
Compensated Absences	30,231	27,383
Deferred Revenue Bike Tour	991,938	652,008
Other Deferred Revenue	<u>1,780,958</u>	<u>624,474</u>
Total Current Liabilities	<u>2,900,831</u>	<u>1,345,253</u>
Net Assets		
Without Donor Restrictions	1,046,524	839,362
With Donor Restrictions	<u>178,429</u>	<u>181,349</u>
Total Net Assets	<u>1,224,953</u>	<u>1,020,711</u>
Total Liabilities and Net Assets	<u>\$ 4,125,784</u>	<u>\$ 2,365,964</u>

PARKS & TRAILS NEW YORK, INC.*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023*

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Membership Dues	\$ 70,387	\$ -	\$ 70,387
Individual Contributions	273,542	15,000	288,542
Gross Special Event Revenue	10,200	-	10,200
Less: Cost of Direct Benefit to Donor	<u>(5,100)</u>	<u>-</u>	<u>(5,100)</u>
Net Special Event Revenue	<u>5,100</u>	<u>-</u>	<u>5,100</u>
Grants	2,246,529	-	2,246,529
Program Revenue	747,519	-	747,519
Foundation/Corporate Contributions	224,175	-	224,175
Investment Income, Net	69,706	-	69,706
Net Assets Released from Restrictions	<u>17,920</u>	<u>(17,920)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	<u>3,654,878</u>	<u>(2,920)</u>	<u>3,651,958</u>
Expenses			
Program Services			
Conservation, Technical Assistance & Advocacy	2,648,126	-	2,648,126
Public Education	483,978	-	483,978
Membership	<u>109,776</u>	<u>-</u>	<u>109,776</u>
Total Program Services	<u>3,241,880</u>	<u>-</u>	<u>3,241,880</u>
Supporting Services			
Management and General	96,060	-	96,060
Fund Raising	<u>109,776</u>	<u>-</u>	<u>109,776</u>
Total Supporting Services	<u>205,836</u>	<u>-</u>	<u>205,836</u>
Total Expenses	<u>3,447,716</u>	<u>-</u>	<u>3,447,716</u>
Increase (Decrease) in Net Assets	207,162	(2,920)	204,242
Net Assets, Beginning of Year	<u>839,362</u>	<u>181,349</u>	<u>1,020,711</u>
Net Assets, End of Year	<u>\$ 1,046,524</u>	<u>\$ 178,429</u>	<u>\$ 1,224,953</u>

PARKS & TRAILS NEW YORK, INC.*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022*

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Membership Dues	\$ 74,003	\$ -	\$ 74,003
Individual Contributions	238,294	-	238,294
Grants	885,481	-	885,481
Program Revenue	472,776	-	472,776
Foundation/Corporate Contributions	290,079	-	290,079
Investment Income, Net	(113,891)	-	(113,891)
Net Assets Released from Restrictions	<u>50,907</u>	<u>(50,907)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	<u>1,897,649</u>	<u>(50,907)</u>	<u>1,846,742</u>
Expenses			
Program Services			
Conservation, Technical Assistance & Advocacy	1,361,679	-	1,361,679
Public Education	336,628	-	336,628
Membership	<u>87,650</u>	<u>-</u>	<u>87,650</u>
Total Program Services	<u>1,785,957</u>	<u>-</u>	<u>1,785,957</u>
Supporting Services			
Management and General	78,701	-	78,701
Fund Raising	<u>87,550</u>	<u>-</u>	<u>87,550</u>
Total Supporting Services	<u>166,251</u>	<u>-</u>	<u>166,251</u>
Total Expenses	<u>1,952,208</u>	<u>-</u>	<u>1,952,208</u>
Decrease in Net Assets	(54,559)	(50,907)	(105,466)
Net Assets, Beginning of Year	<u>893,921</u>	<u>232,256</u>	<u>1,126,177</u>
Net Assets, End of Year,	<u>\$ 839,362</u>	<u>\$ 181,349</u>	<u>\$ 1,020,711</u>

PARKS & TRAILS NEW YORK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ 204,242	\$ (105,466)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	2,114	2,469
Realized (Gain) Loss on Investments	4,528	(14,074)
Unrealized (Gain) Loss on Investments	(35,677)	147,400
Increase in Assets		
Grants and Accounts Receivable	(198,621)	(25,212)
Deferred Bike Tour Expenses	(151,586)	(95,436)
Prepaid Expenses	(40,502)	(1,216)
Increase (Decrease) in Liabilities		
Accounts Payable	12,147	(13,191)
Accrued Expenses	44,169	4,006
Compensated Absences	2,848	(5,476)
Deferred Revenue Bike Tour	339,930	280,821
Other Deferred Revenue	<u>1,156,484</u>	<u>396,921</u>
Net Cash Provided By Operating Activities	<u>1,340,076</u>	<u>571,546</u>
Cash Flows Used In Investing Activities		
Purchase of Property and Equipment	(2,481)	(4,063)
Proceeds from Investments Sold	45,145	71,149
Purchase of Investments	<u>(63,943)</u>	<u>(96,112)</u>
Net Cash Used In Investing Activities	<u>(21,279)</u>	<u>(29,026)</u>
Increase in Cash	1,318,797	542,520
Cash and Cash Equivalents, Beginning of Year	<u>1,384,782</u>	<u>842,262</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,703,579</u></u>	<u><u>\$ 1,384,782</u></u>

PARKS & TRAILS NEW YORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2023

	<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>Cost of Direct Benefits to Donors</u>	<u>Total Expenses</u>
Subrecipient Awards	\$ 1,574,092	\$ -	\$ -	\$ 1,574,092	\$ -	\$ -	\$ -	\$ 1,574,092
Salaries, Taxes and								
Benefits	622,774	176,453	83,036	882,263	72,657	83,036	-	1,037,956
Bike Tour Event	250,700	250,699	-	501,399	-	-	-	501,399
Professional, Outside								
Services	42,737	12,109	5,698	60,544	4,987	5,698	-	71,229
Insurance	2,342	664	312	3,318	274	312	-	3,904
Meals and Entertainment	-	-	-	-	-	-	5,100	5,100
Occupancy Expense	13,592	3,851	1,812	19,255	1,587	1,812	-	22,654
Printing	35,506	10,060	4,734	50,300	4,143	4,734	-	59,177
Travel	11,404	3,231	1,521	16,156	1,330	1,521	-	19,007
Telephone	4,405	1,248	587	6,240	514	587	-	7,341
Postage	23,589	6,684	3,145	33,418	2,752	3,145	-	39,315
Depreciation	1,268	359	169	1,796	149	169	-	2,114
Repairs and Maintenance	888	252	118	1,258	104	118	-	1,480
Office/Supply Expense	63,675	18,041	8,490	90,206	7,429	8,490	-	106,125
Miscellaneous	1,154	327	154	1,635	134	154	-	1,923
	<u>2,648,126</u>	<u>483,978</u>	<u>109,776</u>	<u>3,241,880</u>	<u>96,060</u>	<u>109,776</u>	<u>5,100</u>	<u>3,452,816</u>
Expenses Included with								
Revenue on Statement of								
Activities								
Cost of Direct Benefits								
to Donors	-	-	-	-	-	-	(5,100)	(5,100)
Total Expenses Included								
in the Expense Section								
on the Statement of								
Activities	<u>\$ 2,648,126</u>	<u>\$ 483,978</u>	<u>\$ 109,776</u>	<u>\$ 3,241,880</u>	<u>\$ 96,060</u>	<u>\$ 109,776</u>	<u>\$ -</u>	<u>\$ 3,447,716</u>

PARKS & TRAILS NEW YORK, INC.*STATEMENT OF FUNCTIONAL EXPENSES**FOR THE YEAR ENDED JUNE 30, 2022*

	Program Services				Supporting Services		
	Conservation Technical Assistance and Advocacy	Public Education	Membership	Total Program Services	Management and General	Fund Raising	Total Expenses
Subrecipient Awards	\$ 554,421	\$ -	-	554,421	-	-	554,421
Salaries, Taxes and Benefits	493,760	139,899	65,935	699,594	57,504	65,835	822,933
Bike Tour Event	150,587	150,586	-	301,173	-	-	301,173
Professional, Outside Services	23,350	6,616	3,113	33,079	2,725	3,113	38,917
Insurance	1,349	383	180	1,912	912	180	3,004
Occupancy Expense	12,104	3,430	1,614	17,148	1,412	1,614	20,174
Printing	21,786	6,173	2,905	30,864	2,541	2,905	36,310
Travel	9,507	2,694	1,268	13,469	1,108	1,268	15,845
Telephone	6,950	1,969	927	9,846	810	927	11,583
Postage	22,740	6,443	3,032	32,215	2,653	3,032	37,900
Depreciation	1,481	420	198	2,099	172	198	2,469
Repairs and Maintenance	2,578	730	344	3,652	300	344	4,296
Office/Supply Expense	61,066	17,285	8,134	86,485	7,058	8,134	101,677
Miscellaneous	-	-	-	-	1,506	-	1,506
	<u>\$ 1,361,679</u>	<u>\$ 336,628</u>	<u>\$ 87,650</u>	<u>\$ 1,785,957</u>	<u>\$ 78,701</u>	<u>\$ 87,550</u>	<u>\$ 1,952,208</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, 2023 and 2022 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 \$1,000 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 recognizes 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 two annual program-related bike tours; one from Buffalo to Albany along the historic Erie Canalway Trail, and the other from Albany to Rockland County following the Hudson River section of the Empire State Trail. The performance obligation of these bike tours 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 \$991,938 and \$652,008 that have not been recognized at June 30, 2023 and 2022, 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 \$42,056 and \$41,218 that have not been recognized at June 30, 2023 and 2022, 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 \$1,708,030 and \$548,556 that has not been recognized at June 30, 2023 and 2022, 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 over 20,000 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.

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, 2023 and 2022.

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, 2023 and 2022, 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.

Subsequent Events

Management has evaluated subsequent events or transactions occurring through June 14, 2024, 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>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 2,525,150	\$ 1,203,433
Accounts Receivable	305,316	106,695
Investments	725,483	675,536
Less: Deferred Revenue	<u>(2,772,896)</u>	<u>(1,276,482)</u>
Total Financial Assets Available to Meet General Expenditures Within the Next 12 Months	<u><u>\$ 783,053</u></u>	<u><u>\$ 709,182</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, 2023 and 2022. 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, 2023 and 2022 was \$2,674.

5. PROPERTY AND EQUIPMENT

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

	<u>2023</u>	<u>2022</u>
Furniture and Equipment	\$ 131,965	\$ 130,304
Less: Accumulated Depreciation	126,035	124,741
Property and Equipment, Net	<u>\$ 5,930</u>	<u>\$ 5,563</u>

Depreciation expense for the years ended June 30, 2023 and 2022 amounted to \$2,114 and \$2,469, respectively.

6. INVESTMENTS

Investments at June 30, 2023 and 2022 are composed of the following:

	<u>2023</u>	<u>2022</u>
Mutual Funds and Exchange Traded Products	\$ 677,815	\$ 630,834
Community Foundation Fund	47,668	44,702
Total Investments	<u>\$ 725,483</u>	<u>\$ 675,536</u>

The following schedule summarizes the investment return in the Statement of Activities for the year ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest and Dividends	\$ 44,675	\$ 24,690
Realized Gain on Investments	(4,528)	14,074
Unrealized Gain (Loss) on Investments	35,677	(147,400)
Investment Fees	(6,118)	(5,255)
Total Investment Return, Net	<u>\$ 69,706</u>	<u>\$ (113,891)</u>

PARKS & TRAILS NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023 AND 2022

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, 2023 and 2022. The note requires interest paid at prime plus 1.5% (% at June 30, 2023). The note is collateralized by substantially all the working assets of the Organization.

8. FAIR VALUE MEASUREMENT

The Organization's investments at June 30, 2023 and 2022 that are measured at fair value on a recurring basis are as follows:

	2023					
	<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	\$ 677,815	\$ -	\$ -	\$ 677,815	\$ 648,033	\$ 29,782
Community Foundation Fund	-	47,668	-	47,668	44,715	2,953
Total	<u>\$ 677,815</u>	<u>\$ 47,668</u>	<u>\$ -</u>	<u>\$ 725,483</u>	<u>\$ 692,748</u>	<u>\$ 32,735</u>
	2022					
	<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	\$ 630,834	\$ -	\$ -	\$ 630,834	\$ 634,405	\$ (3,571)
Community Foundation Fund	-	44,702	-	44,702	44,073	629
Total	<u>\$ 630,834</u>	<u>\$ 44,702</u>	<u>\$ -</u>	<u>\$ 675,536</u>	<u>\$ 678,478</u>	<u>\$ (2,942)</u>

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>2023</u>	<u>2022</u>
Vacation	\$ <u>30,231</u>	\$ <u>27,383</u>

10. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Time Restricted		
Arthur Savage Internship Program	\$ 163,429	\$ 181,349
Fall Reception	<u>15,000</u>	<u>-</u>
	<u>\$ 178,429</u>	<u>\$ 181,349</u>

11. NET ASSETS RELEASED FROM RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Time restricted		
Arthur Savage Internship Program	\$ <u>17,920</u>	\$ <u>50,907</u>

12. EMPLOYEE RETENTION CREDIT

The Employee Retention Credit (ERC) is a refundable credit against certain payroll taxes allowed to an eligible employer for qualifying wages, that was established by the CARES Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). The Organization retroactively applied for the ERC for all quarters deemed eligible, and requested a total credit of \$230,505, the Organization received \$206,108 and recognized the revenue in the statement of activities as grant revenue for the year ended June 30, 2023.

Laws and regulations concerning government programs, including the ERC established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Council's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Council.

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 year ended June 30, 2023 and 2022 was \$29,418 and \$21,899, respectively.

14. LEASES

The Organization is a lessee in a non-cancellable operating lease. If the contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right of use assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. Right of use assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on the straight-line basis.

No right of use assets and liabilities have been recognized on the Statement of Financial Position as the operating lease for the Organization's office space expires June 2024. The future minimum obligation for the year ended June 30, 2024 is \$22,656.

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.