

PARKS & TRAILS NEW YORK, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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 statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the six months 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 December 31, 2023, and the changes in its net assets and its cash flows for the six months 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

Halfmoon, New York
April 25, 2025

Assets

Current Assets	
Cash and Cash Equivalents	\$ 1,695,862
Restricted Cash	2,674
Grants and Accounts Receivable	269,856
Deferred Bike Tour Expenses	14,235
Prepaid Expenses	21,553
Total Current Assets	<u>2,004,180</u>
Property and Equipment	
Furniture and Equipment	136,670
Less: Accumulated Depreciation	<u>127,371</u>
Property and Equipment, Net	<u>9,299</u>
Investments	<u>771,402</u>
Total Assets	<u>\$ 2,784,881</u>

Liabilities and Net Assets

Current Liabilities	
Accounts Payable	\$ 39,809
Accrued Expenses	40,443
Fiduciary Funds	2,674
Compensated Absences	43,586
Deferred Revenue Bike Tour	222,297
Other Deferred Revenue	<u>1,168,575</u>
Total Current Liabilities	<u>1,517,384</u>
Net Assets	
Without Donor Restrictions	1,117,159
With Donor Restrictions	<u>150,338</u>
Total Net Assets	<u>1,267,497</u>
Total Liabilities and Net Assets	<u>\$ 2,784,881</u>

TRAKS & TRAILS NEW YORK, INC.

STATEMENT OF ACTIVITIES

FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Membership Dues	\$ 34,783	\$ -	\$ 34,783
Individual Contributions	124,106	-	124,106
Gross Special Event Revenue	53,258	-	53,258
Less: Cost of Direct Benefit to Donor	<u>(35,330)</u>	<u>-</u>	<u>(35,330)</u>
Net Special Event Revenue	<u>17,928</u>	<u>-</u>	<u>17,928</u>
Grants	886,475	-	886,475
Program Revenue	986,110	-	986,110
Foundation/Corporate Contributions	127,354	-	127,354
Investment Income, Net	35,959	-	35,959
Net Assets Released from Restrictions	<u>28,091</u>	<u>(28,091)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	<u>2,240,806</u>	<u>(28,091)</u>	<u>2,212,715</u>
Expenses			
Program Services			
Conservation, Technical Assistance & Advocacy	1,441,604	-	1,441,604
Public Education	562,600	-	562,600
Membership	<u>57,728</u>	<u>-</u>	<u>57,728</u>
Total Program Services	<u>2,061,932</u>	<u>-</u>	<u>2,061,932</u>
Supporting Services			
Management and General	50,511	-	50,511
Fund Raising	<u>57,728</u>	<u>-</u>	<u>57,728</u>
Total Supporting Services	<u>108,239</u>	<u>-</u>	<u>108,239</u>
Total Expenses	<u>2,170,171</u>	<u>-</u>	<u>2,170,171</u>
Increase (Decrease) in Net Assets	70,635	(28,091)	42,544
Net Assets, Beginning of Period	<u>1,046,524</u>	<u>178,429</u>	<u>1,224,953</u>
Net Assets, End of Period	<u>\$ 1,117,159</u>	<u>\$ 150,338</u>	<u>\$ 1,267,497</u>

PARKS & TRAILS NEW YORK, INC.
STATEMENT OF CASH FLOWS
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

Cash Flows From Operating Activities	
Increase in Net Assets	\$ 42,544
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	1,336
Realized Gain on Investments	(618)
Unrealized Gain on Investments	(23,990)
Decrease in Assets	
Grants and Accounts Receivable	35,460
Deferred Bike Tour Expenses	306,999
Prepaid Expenses	40,015
Increase (Decrease) in Liabilities	
Accounts Payable	370
Accrued Expenses	(15,148)
Compensated Absences	13,355
Deferred Revenue Bike Tour	(769,641)
Other Deferred Revenue	<u>(612,383)</u>
Net Cash Used In Operating Activities	<u>(981,701)</u>
Cash Flows Used In Investing Activities	
Purchase of Property and Equipment	(4,705)
Proceeds from Investments Sold	17,497
Purchase of Investments	<u>(38,808)</u>
Net Cash Used In Investing Activities	<u>(26,016)</u>
Decrease in Cash	(1,007,717)
Cash and Cash Equivalents, Beginning of Period	<u>2,703,579</u>
Cash and Cash Equivalents, End of Period	<u>\$ 1,695,862</u>

PARKS & TRAILS NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

	<u>Program Services</u>			<u>Supporting Services</u>			<u>Cost of Direct Benefits to Donors</u>	<u>Total Expenses</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	\$ 568,713	\$ -	\$ -	\$ 568,713	\$ -	\$ -	\$ -	\$ 568,713
Salaries, Taxes and Benefits	352,318	99,824	46,975	499,117	41,104	46,975	-	587,196
Bike Tour Event	439,930	439,929	-	879,859	-	-	-	879,859
Professional, Outside Services	23,481	6,653	3,131	33,265	2,739	3,131	-	39,135
Insurance	2,056	582	274	2,912	240	274	-	3,426
Meals and Entertainment	-	-	-	-	-	-	35,330	35,330
Occupancy Expense	8,018	2,272	1,069	11,359	935	1,069	-	13,363
Printing	5,615	1,591	749	7,955	655	749	-	9,359
Travel	6,635	1,879	885	9,399	774	885	-	11,058
Telephone	5,313	1,506	708	7,527	620	708	-	8,855
Postage	6,664	1,887	889	9,440	777	889	-	11,106
Depreciation	803	227	106	1,136	94	106	-	1,336
Repairs and Maintenance	59	17	8	84	7	8	-	99
Office/Supply Expense	19,229	5,449	2,564	27,242	2,243	2,564	-	32,049
Bank and Credit Card Fees	2,691	762	359	3,812	314	359	-	4,485
Miscellaneous	79	22	11	112	9	11	-	132
	<u>1,441,604</u>	<u>562,600</u>	<u>57,728</u>	<u>2,061,932</u>	<u>50,511</u>	<u>57,728</u>	<u>35,330</u>	<u>2,205,501</u>
Expenses Included with Revenue on Statement of Activities								
Cost of Direct Benefits to Donors	-	-	-	-	-	-	(35,330)	(35,330)
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$ 1,441,604</u>	<u>\$ 562,600</u>	<u>\$ 57,728</u>	<u>\$ 2,061,932</u>	<u>\$ 50,511</u>	<u>\$ 57,728</u>	<u>\$ -</u>	<u>\$ 2,170,171</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 December 31, 2023 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.

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.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*Investments (Continued)*

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 \$222,297 that have not been recognized at December 31, 2023.

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 \$30,410 that have not been recognized at December 31, 2023.

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 \$1,103,165 that has not been recognized at December 31, 2023, 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.

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.

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 December 31, 2023.

The Organization's policy is to classify income tax penalties and interest as interest expense in its financial statements. During the six months ended December 31, 2023, 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.

Leases

If a 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.

The Organization has not recognized any right of use assets and liabilities as of December 31, 2023.

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.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

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

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.

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 April 25, 2025, 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:

Cash and Cash Equivalents	\$ 1,545,524
Accounts Receivable	269,856
Investments	771,402
Less: Deferred Revenue	<u>(1,390,872)</u>
Total Financial Assets Available to Meet General Expenditures Within the Next 12 Months	<u>\$ 1,195,910</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 six months ended December 31, 2023. 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 December 31, 2023 was \$2,674.

5. PROPERTY AND EQUIPMENT

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

Furniture and Equipment	\$ 136,670
Less: Accumulated Depreciation	<u>127,371</u>
Property and Equipment, Net	<u>\$ 9,299</u>

Depreciation expense for the six months ended December 31, 2023 amounted to \$1,336.

6. INVESTMENTS

Investments at December 31, 2023 are composed of the following:

Mutual Funds and Exchange Traded Products	\$ 710,750
Community Foundation Fund	<u>60,652</u>
Total Investments	<u>\$ 771,402</u>

The following schedule summarizes the investment return in the Statement of Activities for the six months ended December 31, 2023:

Interest and Dividends	\$ 14,633
Realized Gain on Investments	618
Unrealized Gain on Investments	23,990
Investment Fees	<u>(3,282)</u>
Total Investment Return, Net	<u>\$ 35,959</u>

PARKS & TRAILS NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

7. LINE OF CREDIT

The Organization has a \$50,000 line of credit with a local financial institution, of which \$0 was outstanding at December 31, 2023. The note requires interest paid at prime plus 1.5% (10% at December 31, 2023). The note is collateralized by substantially all the working assets of the Organization.

8. FAIR VALUE MEASUREMENT

The Organization's investments at December 31, 2023 that are measured at fair value on a recurring basis are as follows:

	<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	\$ 710,750	\$ -	\$ -	\$ 710,750	\$ 658,496	\$ 52,254
Community Foundation Fund	<u>-</u>	<u>60,652</u>	<u>-</u>	<u>60,652</u>	<u>56,181</u>	<u>4,471</u>
Total	<u>\$ 710,750</u>	<u>\$ 60,652</u>	<u>\$ -</u>	<u>\$ 771,402</u>	<u>\$ 714,677</u>	<u>\$ 56,725</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 six months ended December 31, 2023:

Vacation	\$ <u>43,586</u>
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10. NET ASSETS WITH DONOR RESTRICTIONS

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

Time Restricted	
Arthur Savage Internship Program	\$ <u>150,338</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:

Time restricted	
Arthur Savage Internship Program	\$ 13,091
Fall Reception	<u>15,000</u>
	<u>\$ 28,091</u>

12. 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 six months ended December 31, 2023 was \$11,899.

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.