

New York-New Jersey Trail Conference, Inc.
Financial Statements
June 30, 2024 and 2023
With Independent Auditor's Report

New York-New Jersey Trail Conference, Inc.
Table of Contents
June 30, 2024 and 2023

Independent Auditor's Report	1
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8
Schedule of Expenditures of Federal Awards	22
Schedule of Expenditures of State Financial Assistance	23

Independent Auditor's Report

To the Board of Directors of
New York-New Jersey Trail Conference, Inc.:

Opinion

We have audited the financial statements of New York-New Jersey Trail Conference, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year ended June 30, 2024 and the period from January 1, 2023 to June 30, 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of New York-New Jersey Trail Conference as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the year and period 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 ("GAAS"). 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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 the Organization's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment 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 the Organization'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink that reads 'Withum Smith & Brown, PC'.

January 23, 2025

New York-New Jersey Trail Conference, Inc.
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 214,865	\$ 620,274
Investments	4,300,433	3,877,249
Accounts receivable	84,767	29,108
Grants receivable	591,866	547,967
Promises to give, current portion	626,858	609,961
Other receivables	1,602	1,180
Prepaid expenses and other current assets	41,652	44,276
Total current assets	<u>5,862,043</u>	<u>5,730,015</u>
Property, and equipment, net	3,087,911	3,182,828
Investments held for the Land Acquisition and Stewardship Fund	708,864	617,332
Promises to give, net of current portion and pledge discount	588,490	708,967
Website, net	233	1,085
Right-of-use assets, finance leases, net	166,751	173,005
Right-of-use assets, operating leases, net	103,077	121,538
Other assets		
Trail land and easements	1,739,974	1,739,974
Security deposits	2,500	18,137
Total assets	<u><u>\$ 12,259,843</u></u>	<u><u>\$ 12,292,881</u></u>
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 299,772	\$ 225,378
Financing lease payable, current portion	17,404	19,855
Total current liabilities	<u>317,176</u>	<u>245,233</u>
Financing lease payable, noncurrent portion	111,525	128,928
Tenant improvement payable	103,037	103,037
Total liabilities	<u>531,738</u>	<u>477,198</u>
Net assets		
Net assets without donor restrictions	7,546,192	7,783,147
Net assets with donor restrictions	4,181,913	4,032,536
Total net assets	<u>11,728,105</u>	<u>11,815,683</u>
Total liabilities and net assets	<u><u>\$ 12,259,843</u></u>	<u><u>\$ 12,292,881</u></u>

The Notes to Financial Statements are an integral part of these statements.

New York-New Jersey Trail Conference, Inc.
Statements of Activities and Changes in Net Assets
Year Ended June 30, 2024 and Six Month Period from January 1, 2023 to June 30, 2023

Description	Without Donor Restriction 2024	With Donor Restriction 2024	Total 2024	Without Donor Restriction 2023	With Donor Restriction 2023	Total 2023
Support and revenues						
Member dues	\$ 205,554	\$ -	\$ 205,554	\$ 104,218	\$ -	\$ 104,218
Individuals and foundations	1,026,683	575,762	1,602,445	362,133	183,894	546,027
Grants and contracts	-	1,542,605	1,542,605	-	596,196	596,196
Contributions of nonfinancial assets	73,347	-	73,347	74,657	-	74,657
Sales of maps, books, and other items	119,175	-	119,175	77,184	-	77,184
Other loss	(2,308)	-	(2,308)	(457)	-	(457)
	1,422,451	2,118,367	3,540,818	617,735	780,090	1,397,825
Net assets released from restrictions	2,060,521	(2,060,521)	-	846,699	(846,699)	-
Total	3,482,972	57,846	3,540,818	1,464,434	(66,609)	1,397,825
Expenses						
Program services	2,963,419	-	2,963,419	1,367,452	-	1,367,452
Management and general	391,513	-	391,513	199,911	-	199,911
Fundraising	763,032	-	763,032	361,059	-	361,059
Total	4,117,964	-	4,117,964	1,928,422	-	1,928,422
Change in net assets from operations	(634,992)	57,846	(577,146)	(463,988)	(66,609)	(530,597)
Investment income (loss), net	398,037	91,531	489,568	280,043	48,375	328,418
	398,037	91,531	489,568	280,043	48,375	328,418
Changes in net assets	(236,955)	149,377	(87,578)	(183,945)	(18,234)	(202,179)
Beginning of period	7,783,147	4,032,536	11,815,683	7,967,092	4,050,770	12,017,862
End of period	\$ 7,546,192	\$ 4,181,913	\$ 11,728,105	\$ 7,783,147	\$ 4,032,536	\$ 11,815,683

The Notes to Financial Statements are an integral part of these statements.

New York-New Jersey Trail Conference, Inc.
Statements of Functional Expenses
Year Ended June 30, 2024

Description	Trail Programs	Publications	Darlington Headquarters	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 1,457,949	\$ 71,926	\$ -	\$ 1,529,875	\$ 293,390	\$ 433,107	\$ 2,256,372
Payroll taxes and fringes	256,234	12,641	-	268,875	51,563	76,118	396,556
Professional services, includes nonfinancial contributions of \$49,568	275,631	1,767	-	277,398	7,208	121,081	405,687
Occupancy	73,923	1,491	-	75,414	6,080	8,976	90,470
Office expense	89,363	15,505	-	104,868	4,450	87,220	196,538
Cost of goods sold	-	33,941	-	33,941	-	-	33,941
Insurance	41,901	1,655	-	43,556	6,751	9,966	60,273
Trail development costs	353,607	-	-	353,607	-	-	353,607
Travel	48,709	223	-	48,932	906	2,223	52,061
Dues and fees	5,082	-	-	5,082	3,887	938	9,907
Workshops and meetings	38,006	599	-	38,605	2,097	2,961	43,663
Other expenses, includes nonfinancial contributions of \$30,869	38,641	11,114	-	49,755	872	20,442	71,069
Depreciation and amortization	-	-	104,651	104,651	14,309	-	118,960
Amortization of right-of- use assets	-	-	24,715	24,715	-	-	24,715
Interest on lease liability	-	-	4,145	4,145	-	-	4,145
	<u>\$ 2,679,046</u>	<u>\$ 150,862</u>	<u>\$ 133,511</u>	<u>\$ 2,963,419</u>	<u>\$ 391,513</u>	<u>\$ 763,032</u>	<u>\$ 4,117,964</u>

The Notes to Financial Statements are an integral part of this statement.

New York-New Jersey Trail Conference, Inc.
Statements of Functional Expenses
For the Six Month Period from January 1, 2023 to June 30, 2023

Description	Trail Programs	Publications	Darlington Headquarters	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 661,932	\$ 25,203	\$ -	\$ 687,135	\$ 149,064	\$ 237,631	\$ 1,073,830
Payroll taxes and fringes	110,229	4,197	-	114,426	24,823	39,572	178,821
Professional services, includes nonfinancial contributions of \$51,296	136,940	854	-	137,794	5,054	29,529	172,377
Occupancy	26,442	339	-	26,781	2,008	3,201	31,990
Office expense	27,219	9,885	-	37,104	2,347	25,977	65,428
Cost of goods sold	-	24,449	-	24,449	-	-	24,449
Insurance	21,349	610	-	21,959	3,606	5,748	31,313
Trail development costs	152,902	-	-	152,902	1,668	-	154,570
Travel	21,303	454	-	21,757	80	1,510	23,347
Dues and fees	4,342	185	-	4,527	1,244	286	6,057
Workshops and meetings	22,323	-	-	22,323	414	60	22,797
Other expenses, includes nonfinancial contributions of \$26,906	26,213	7,567	-	33,780	10	17,545	51,335
Depreciation and amortization	835	-	56,786	57,621	9,593	-	67,214
Amortization of right-of- use assets	9,231	-	12,357	21,588	-	-	21,588
Interest on lease liability	-	-	3,306	3,306	-	-	3,306
	<u>\$ 1,221,260</u>	<u>\$ 73,743</u>	<u>\$ 72,449</u>	<u>\$ 1,367,452</u>	<u>\$ 199,911</u>	<u>\$ 361,059</u>	<u>\$ 1,928,422</u>

The Notes to Financial Statements are an integral part of this statement.

New York-New Jersey Trail Conference, Inc.
Statements of Cash Flows
Year Ended June 30, 2024 and Period from January 1, 2023 to June 30, 2023

	<u>2024</u>	<u>2023</u>
Operating activities		
Net loss	\$ (87,578)	\$ (202,179)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	118,960	67,214
Unrealized gain on investments	(361,184)	(264,925)
Realized (gain) loss on investments	28,326	(15,764)
Net present value adjustment on promises to give	(2,613)	(35,894)
Amortization of right-of-use assets	24,716	21,588
Interest expense	-	3,298
Change in operating assets		
Accounts receivable	(55,659)	(9,967)
Grants receivable	(43,900)	167,521
Promises to give	106,193	(3,259)
Other receivables	(422)	43,964
Prepaid expenses and other current assets	2,624	(29,670)
Security deposits	15,637	(17,637)
Change in operating liabilities		
Accounts payable and accrued expenses	74,394	(16,758)
Deferred income	-	(5,000)
Tenant improvement payable	-	(5,383)
Net cash used in operating activities	<u>(180,506)</u>	<u>(302,851)</u>
Investing activities		
Purchase of property, plant, and equipment	(23,191)	(11,738)
Proceeds from sale of investments	1,400,523	642,136
Purchase of investments and reinvestments of income	(1,582,381)	(762,442)
Net cash used in investing activities	<u>(205,049)</u>	<u>(132,044)</u>
Financing activity		
Principal payments under finance lease obligations	(19,854)	-
Net change in cash and cash equivalents	<u>(405,409)</u>	<u>(434,895)</u>
Beginning of period	620,274	1,055,169
End of period	<u>\$ 214,865</u>	<u>\$ 620,274</u>
Supplemental disclosure of cash flow information		
Cash paid during the period for		
Interest	\$ -	\$ -
Income taxes	-	-

The Notes to Financial Statements are an integral part of these statements.

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

1. The Trail Conference and Purpose

New York - New Jersey Trail Conference, Inc. (the "Trail Conference") is a not-for-profit organization incorporated in 1958 in the state of New York. The volunteer-powered Trail Conference is committed to developing, building, and maintaining trails, protecting trails and trail lands through support and advocacy, and educating the public in the responsible use of trails and the natural environment. This is accomplished in part via trail guides, books, and maps published by the Trail Conference. The primary sources of funding are contract income, membership dues, grants, contributions, publications, and land sales.

The Trail Conference maintains its office at the historic Darlington Schoolhouse in Mahwah, New Jersey.

2. Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to donor-imposed restrictions.

The net assets of the Trail Conference are reported as follows:

Net assets without donor restrictions: Net assets that are not restricted by donor-imposed stipulations and are available for the general operations of the Trail Conference. Net assets without donor restrictions may be designated for specific purposes by the Trail Conference or may be limited by contractual agreements with outside parties. In addition, net assets without donor restrictions include board-designated endowment funds.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions that will be met either by the actions of the Trail Conference or through the passage of time. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from donor restrictions.

The Trail Conference changed its fiscal year end from December 31 to June 30 in 2023. Therefore, these financial statements present the activity for the full year ended June 30, 2024, and for the period from January 1, 2023 to June 30, 2023.

b. Intermediate Measure of Operations

The accompanying statements of activities and changes in net assets distinguish between operating and nonoperating activities. Operating activities principally include all revenues and expenses that are an integral part of the Trail Conference's programs and supporting activities. Nonoperating activities principally include investment income and activities that are considered to be of a nonrecurring nature and items that are generally not an integral part to the Trail Conference's programs and supporting activities.

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

c. Income Taxes

The Trail Conference is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code and exempt from state income taxes under state law, and no provision for such income tax has been reflected in the accompanying financial statements. The Trail Conference has evaluated uncertain tax positions with respect to its operations and concluded there are no such positions at June 30, 2024 and 2023. The Trail Conference did not recognize any tax-related interest or penalties during the periods presented in these financial statements.

d. Use of 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 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 periods. Actual results could differ from those estimates. Significant estimates include contributions of nonfinancial assets (see Note 11) and useful lives assigned to property and equipment and the calculation of depreciation and amortization expense (see Note 7).

e. Cash and Cash Equivalents

Cash and cash equivalents are short-term, highly liquid investments with original maturity dates of three months or less on the date of acquisition.

f. Investments

The Trail Conference is invested in equity securities. Investments in equity securities are stated at fair value. The Trail Conference values such assets using quoted market prices in active markets for identical assets to the extent possible (Level 1). To the extent that such market prices are not available, the Trail Conference values such assets using observable measurement criteria, including quoted market prices of similar prices of similar assets in active markets and other observable measurement criteria are not available, the Trail Conference develops measurement criteria based on the best information available (Level 3). Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

g. Accounts Receivable

Accounts receivable represent unsecured, non-interest-bearing obligations due from customers. The carrying amount of accounts receivable is adjusted by a valuation allowance that reflects management's best estimate of the amount that will not be collected. Any allowance for doubtful accounts is estimated based on the Trail Conference's historical losses, the existing economic conditions in the industry, and the financial stability of its customers. For the periods ended June 30, 2024 and 2023, there was no allowance for credit losses.

h. Grants Receivable

Grants receivable consist mainly of governmental grants. Management monitors the collectability of these receivables and has determined that no allowance for credit losses was necessary at June 30, 2024 and 2023.

i. Promises to Give

Promises to give are recorded at fair value upon notification of the promise to give. Management monitors the collectability of these receivables and has determined that no allowance for credit losses was necessary at June 30, 2024 and 2023.

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

j. Property and Equipment

Property and equipment are recorded at cost, except for donated items which are recorded at the fair value on the date of donation. Expenditures for additions, improvements, and other enhancements to property, plant, and equipment are capitalized, and minor replacements, maintenance, and repairs that do not extend asset life or add value are charged to expense as incurred. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

k. Trail Land Easements

Trail land and easements are recorded at cost or fair value if donated.

l. Website

Website development costs are recorded at cost and are amortized over their estimated useful life of four years.

m. Valuation of Long-Lived Assets

The Trail Conference reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no assessment was required for the periods presented in these financial statements.

n. Leases

The Trail Conference categorizes leases with contractual terms longer than 12 months as either operating or finance. Finance leases are generally those leases that allow the Trail Conference to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the statements of financial position.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. The services are accounted for separately, and the Trail Conference allocates payments to the lease and other services components based on estimated stand-alone prices.

Lease liabilities are recognized at the present value of the fixed lease payments using a discount rate based on the risk-free rate. Right-of-use ("ROU") assets are recognized based on the initial present value of the fixed lease payments, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the leased assets are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term. The interest component of a finance lease is included in interest expense and recognized using the effective interest method over the lease term.

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

o. Revenue Recognition

Contributions

The Trail Conference recognizes contributions, including memberships dues, as revenue when they are received or unconditionally promised to give and records these revenues as with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified and reported in the statements of activities and changes in net assets as net assets released from restrictions. Promises to give, which are expected to be paid in greater than one year, are discounted to net present value annually.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized in revenue until the conditions on which they depend have been substantially met. Revenue from government and private grant and contract agreements, which are generally considered nonexchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met. Grant funds received in advance of the expenditures incurred are recorded as grant advances payable. Grant funds expended in advance of reimbursement from the funding source are classified as grants receivable in the statements of financial position. The Trail Conference's grant contracts span multiple years and provide for cost reimbursement of approximately \$9,148,000 with remaining available funding under the contracts through 2027 of approximately \$6,064,000. This funding is conditioned upon the Trail Conference incurring qualified expenses and complying with matching requirements and certain deliverables.

Contributed services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people possessing those skills, and would otherwise be purchased by the Trail Conference if not donated. The Trail Conference received 83,586 and 32,217 hours of volunteer services for the year ended June 30, 2024 and the period from January 1, 2023 to June 30, 2023, respectively, which did not meet the criteria above.

Revenues from Contracts with Customers - Sale of Maps, Books, and Other Items

The Trail Conference sells maps, books and other items and recognizes it as revenue from contracts with customers. The Trail Conference accounts for revenue from contracts with customers as exchange transactions in the statements of activities and changes in net assets. Revenue from contracts with customers is treated as revenue without donor restrictions.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Trail Conference performs the following steps in accordance with Topic 606: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Trail Conference satisfies each performance obligation.

These revenues are recognized on the date of sale in an amount that reflects the consideration the Trail Conference expects to be entitled to in exchange for ownership of the maps, books, and other items. The Trail Conference does not have any significant financing components as payment is received at the point of sale. These revenues are used to offset program expenses as well as management and general and fundraising expenses. Additionally, the Trail Conference sells sponsorship opportunities for their publications and events. Accounts receivable as of June 30, 2024, June 30, 2023 and December 31, 2022, were \$84,767, \$29,108, and \$19,141, respectively.

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

p. Functional Allocation of Expenses

The expenses of the Trail Conference are presented in the statements of activities and changes in net assets under the following classifications which describe the Trail Conference's program activities:

Trail Programs - Founded in 1920 to help connect people with nature, the Trail Conference has been known as a builder and maintainer of trails. The Trail Conference's volunteer-powered organization is now also recognized as an innovative leader in protecting native habitats by combating invasive species. The Trail Conference engages in volunteers and educated people on the simple steps they can take to help care for trails and save the planet's ecosystems. The Trail Conference believes everyone has the power to protect the land they love.

Publications - Since the original publication of *The New York Walk Book* in 1923, the Trail Conference has provided trail users with the most accurate, up-to-date information on local trails. When people decide to get outdoors, the Trail Conference provides the information needed to experience and successfully navigate the way there and back. The Trail Conference's trusted trip-planning and wayfinding expertise is a service that it offers through maps, guidebooks, and its website.

Darlington Headquarters - For 40 years, the Darlington Schoolhouse, built in 1891, sat empty. The Trail Conference completed restoration of the building as its award-winning headquarters in 2015.

All expenses that were not directly associated with the above service categories are categorized as management and general expenses or fundraising expense. Costs are generally charged to programs, management and general, and fundraising based on direct costs incurred attributable to each function. Certain costs are allocated among program and supporting services based on salary percentages estimated from time records which approximates the benefit derived by each function.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Time and effort
Payroll taxes and fringe	Salaries
Insurance	Salaries
Occupancy	Salaries
Office expense	Salaries
Professional services	Salaries
Depreciation and amortization	Square footage and salaries

q. Reclassifications

Certain accounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications have no effect on the change in net assets previously reported.

3. Liquidity and Availability of Resources

As of June 30, 2024 and 2023 financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and fulfillment of liabilities, were as follows:

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

	2024	2023
Financial assets		
Cash and cash equivalents	\$ 214,865	\$ 620,274
Investments	5,009,297	4,494,581
Accounts receivable	84,767	29,108
Grants receivable	591,866	547,967
Promises to give	1,215,348	1,318,928
Other receivables	1,602	1,180
Total financial assets available	7,117,745	7,012,038
Less:		
Donor-restricted net assets to be paid utilizing financial assets	2,441,939	2,292,562
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,675,806	\$ 4,719,476

The Trail Conference manages its financial assets so they are available to fund anticipated operating expenses and to meet liabilities and other obligations as they become due. The Trail Conference's cash flows fluctuate during the period and year due to the timing of program operations and the timing of payments and contributions from funding sources, members, and other contributors.

4. Investments

As of June 30, 2024 and 2023, the following summarizes the market value and cost of investments:

Description	Cost 2024	Market (Level 1) 2024	Cost 2023	Market (Level 1) 2023
Money market funds	\$ 241,320	\$ 241,320	\$ 91,772	\$ 91,772
Equity funds	1,356,644	1,424,366	2,444,009	2,721,527
Bond funds	526,630	513,457	747,187	738,615
Exchange-traded funds	2,225,543	2,830,154	907,852	942,667
Total investments	4,350,137	5,009,297	4,190,820	4,494,581
Less: Investments held for the Land Acquisition and Stewardship Fund	(615,492)	(708,864)	(590,887)	(617,332)
Total investments	\$ 3,734,645	\$ 4,300,433	\$ 3,599,933	\$ 3,877,249

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

Investment income consisted of the following for the year ended June 30, 2024 and period from January 1, 2023 to June 30, 2023:

Description	2024	2023
Interest and dividends	\$ 176,830	\$ 57,729
Realized gains (losses)	(28,326)	15,764
Unrealized gains	361,184	264,925
Investment advisory fees	(20,120)	(10,000)
	<u>\$ 489,568</u>	<u>\$ 328,418</u>

5. Grants Receivable

As of June 30, 2024 and 2023, grants receivable consist of the following:

Description	2024	2023
New York State Department of Agriculture and Markets	\$ -	\$ 64,705
New York State Department of Environmental Conservation	154,448	147,143
New York State Office of Parks, Recreation and Historic Preservation	202,731	230,602
New York State Office of Children and Family Services	214,830	105,517
Other	19,857	-
	<u>\$ 591,866</u>	<u>\$ 547,967</u>

6. Promises to Give

Promises to give consist of the following as of June 30, 2024 and 2023:

Promises to give expected to be collected	2024	2023
In one year or less	\$ 626,858	\$ 609,961
Between one and five years	604,405	698,950
More than five years	-	28,545
	<u>1,231,263</u>	<u>1,337,456</u>
Less: Discount to present value	<u>(15,915)</u>	<u>(18,528)</u>
	<u>\$ 1,215,348</u>	<u>\$ 1,318,928</u>

The estimated present value of the future cash flows was determined using a discount rate ranging from 1% to 3.88%.

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

7. Property and Equipment

The historical costs of the Trail Conference's property, plant, and equipment and related accumulated depreciation balances at June 30 were as follows:

	Useful Life (Years)	2024	2023
Land	N/A	\$ 221,340	\$ 221,340
Buildings and improvements	15-40	3,665,900	3,665,900
Furniture and fixtures	10	178,443	178,443
Equipment	3-10	134,975	143,438
Livestock	5	-	8,342
Property and equipment, gross		4,200,658	4,217,463
Less: Accumulated depreciation and amortization		(1,112,747)	(1,034,635)
Property and equipment, net		\$ 3,087,911	\$ 3,182,828

Depreciation expense related to property, plant, and equipment was \$118,108 and \$66,594 for the year ended June 30, 2024 and period from January 1, 2023 to June 30, 2023, respectively.

8. Website

The Trail Conference re-developed its website which added significant new functionality, including database management for volunteers, donors, trail management, and more. The cost and accumulated amortization on the website as of June 30, 2024 and 2023, were as follows:

Description	Useful Life (Years)	2024	2023
Website	4	\$ 105,051	\$ 210,101
Accumulated amortization		(104,818)	(209,016)
		\$ 233	\$ 1,085

Amortization expense amounted to \$852 and \$620 for the year ended June 30, 2024 and the period from January 1, 2023 to June 30, 2023, respectively. Future amortization is as follows: 2025 - \$233.

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

9. Net Assets Without Donor Restrictions

Net assets without donor restrictions comprise the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Available for general operations	\$ 295,296	\$ 552,207
Board designated Legacy Fund	3,963,096	3,830,661
Board designated funds for the Land Acquisition and Stewardship Fund	162,027	174,728
Investment in property and equipment and ROU assets	3,125,773	3,225,551
Total net assets without donor restrictions	<u><u>\$ 7,546,192</u></u>	<u><u>\$ 7,783,147</u></u>

Land Acquisition and Stewardship Fund

The Trail Conference maintains a Land Acquisition and Stewardship Fund which is used from time to time to purchase privately owned land as part of its trail planning and protection program. Such land is temporarily held for conservation purposes, but the Trail Conference's ultimate intention is, if possible, to sell these lands to governmental or nonprofit entities that will preserve the properties as trail lands open for public use. The value of land is \$1,739,974 as of June 30, 2024 and 2023. The proceeds from such sales are used to replenish the Land Acquisition and Stewardship Fund. The Land Acquisition and Stewardship Fund contained \$200,000 of board-designated funds, of which \$37,973 has been spent through June 30, 2024. The table below presents the Land Acquisition and Stewardship Fund with and without donor restrictions.

Description	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Balance at December 31, 2022	\$ 183,713	\$ 2,113,481	\$ 2,297,194
Investment income	-	48,375	48,375
Appropriation for spending	(8,985)	-	(8,985)
Balance at June 30, 2023	174,728	2,161,856	2,336,584
Contributions	-	5,000	5,000
Investment income	-	91,531	91,531
Appropriation for spending	(12,701)	-	(12,701)
Balance at June 30, 2024	<u><u>\$ 162,027</u></u>	<u><u>\$ 2,258,387</u></u>	<u><u>\$ 2,420,414</u></u>

Legacy Fund

The board created a quasi-endowment fund, where the board may allocate the fund's principal and earnings for any board-designated purpose. The Legacy Fund is classified as without donor restrictions.

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

The following table represents the changes in net asset composition for the Legacy Fund:

Balance at December 31, 2022	\$ 3,894,796
Investment income	253,865
Appropriation for spending	(318,000)
Balance at June 30, 2023	3,830,661
Investment income	392,925
Appropriation for spending	(260,490)
Balance at June 30, 2024	<u>\$ 3,963,096</u>

Investment Policies

The Trail Conference invests its funds in separate accounts and has three baskets of investments, including a short-term pool which is invested in checking and money market assets to meet short-term liquidity needs, an intermediate-term liquidity pool to fund projects more than six months out and those invested in money market and short-term bond funds, and a long-term investment portfolio designed to achieve a combination of income and growth objectives.

Spending Policies

Investment earnings accumulate within the investment accounts where the funds are held. The Trail Conference withdraws operating funds on an annual basis based on the current need and the approved budget.

10. Net Assets With Donor Restrictions

Net assets with donor restrictions are composed of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Purpose restricted for programmatic use as follows:		
Trail land work and related projects	\$ 1,724,178	\$ 1,651,912
Other	39,611	35,127
Land Acquisition and Stewardship Fund	2,258,387	2,161,856
Total purpose restricted for programmatic use	<u>4,022,176</u>	<u>3,848,895</u>
Restricted based on time restrictions	159,737	183,641
	<u>\$ 4,181,913</u>	<u>\$ 4,032,536</u>

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors for the year ended June 30, 2024 and the period from January 1, 2023 to June 30, 2023 as follows:

	<u>2024</u>	<u>2023</u>
Trail land work and related projects	\$ 1,992,420	\$ 837,714
Other	6,516	-
Land Acquisition and Stewardship Fund	12,701	8,985
Time restricted	48,884	-
Net assets released from restrictions	<u><u>\$ 2,060,521</u></u>	<u><u>\$ 846,699</u></u>

11. Contributions of Nonfinancial Assets

For the year ended June 30, 2024 and the period from January 1, 2023 to June 30, 2023, contributions of nonfinancial assets recognized within the statements of activities and changes in net assets are as follows:

**Nonfinancial
Contributions**

Category	Type of Contribution	Valuation	<u>2024</u>	<u>2023</u>
Media	Digital advertisements	Standard industry pricing for similar services	\$ 49,568	\$ 51,296
Donated rent	Usage of space	Fair market value based on square footage and location	-	1,700
Donated goods	Auction and other items	Comparable products	23,779	21,661
Total contribution of nonfinancial assets			<u><u>\$ 73,347</u></u>	<u><u>\$ 74,657</u></u>

The Trail Conference recognized contributed nonfinancial assets within revenue, including professional services, use of a rental property, auction items, and tools. Contributed nonfinancial assets do not have donor-imposed restrictions, except for the rental property which has a time restriction.

12. Employee Retirement Plan

The Trail Conference established a retirement savings plan pursuant to Section 403(b) of the Internal Revenue Code. All full-time employees over 21 years of age are eligible to enroll in the plan. The Trail Conference matches 50% of the employee's contribution up to 6% of salary after six months of employment. The matching contributions for the year ended June 30, 2024 and period from January 1, 2023 to June 30, 2023, were \$48,828 and \$21,597, respectively, and are included in payroll taxes and fringes in the statements of functional expenses. Vesting of the employer match is as follows:

- 1/3 at the beginning of the 13th month of employment
- 2/3 at the beginning of the 25th month of employment
- 100% at the beginning of the 37th month of employment

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

13. Financing Lease

The Trail Conference entered into a lease agreement for geothermal equipment which was installed in the Darlington Schoolhouse in 2014. The lease will be repaid over 15 years with annual payments of approximately \$24,000. The Trail Conference utilizes the rate implicit in the lease of 5% as the discount rate. As of June 30, 2024, the remaining lease term is approximately six years. Amortization of the ROU asset in the amount of \$24,715 and \$12,357 for the year ended June 30, 2024 and period from January 1, 2023 to June 30, 2023, respectively is included in the statements of functional expenses. Interest on the lease liability was \$4,145 and \$3,306 for the year ended June 30, 2024 and period from January 1, 2023 to June 30, 2023, respectively.

The financing lease payable as of June 30, 2024 and 2023, consists of the following:

Description	2024	2023
Financing lease payable	\$ 154,725	\$ 182,023
Less: Discount on net present value	(25,796)	(33,240)
Total financing lease payable	128,929	148,783
Less: Current maturities	17,404	19,855
Financing lease payable, net of current portion	\$ 111,525	\$ 128,928

Future minimum lease payments under capital leases are as follows at June 30, 2024:

2025	\$ 24,000
2026	24,000
2027	24,000
2028	24,000
2029	24,000
Thereafter	34,725
	154,725
Less: Imputed interest	25,796
	\$ 128,929

Operating cash flows from the financing lease totaled \$7,443 and \$0 for the year ended June 30, 2024 and the period from January 1, 2023 to June 30, 2023, respectively. Financing cash flows from the financing lease totaled \$16,557 and \$0 for the year ended June 30, 2024 and the period from January 1, 2023 to June 30, 2023, respectively.

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

14. Operating Lease

On March 12, 2019, the Trail Conference entered into a 10-year at no cost lease with Palisades Interstate Park Commission for the purpose of housing facilities for the Trail Conference education and training program. In consideration for this lease, the Trail Conference is required to expend at least \$200,000 in capital renovation improvements during the first five years of the agreement. The Trail Conference anticipates receiving funding to cover the costs of the program investment required. The \$200,000 was deemed to be consideration of the lease; therefore, the Trail Conference recorded a ROU asset - operating and tenant improvement payable of \$200,000 at inception of the lease. There is no lease liability since there is no fixed payment term. The payments against the tenant improvement payable represent the improvements required under the contract and occur at various points over time. The ROU asset - operating was \$103,077 and \$121,538 at June 30, 2024 and 2023, respectively. The tenant improvement payable was \$103,037 at June 30, 2024 and 2023.

15. Related Parties

The Trail Conference received contributions from board members totaling approximately \$82,000 and \$30,000 for the year ended June 30, 2024 and the period from January 1, 2023 to June 30, 2023, respectively.

16. Concentrations

Credit Risk

Financial instruments that potentially subject the Trail Conference to concentrations of credit risk are cash and cash equivalents and investments.

a. Cash and Cash Equivalents

The Trail Conference has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Trail Conference's financial condition, results of operations, and cash flows.

b. Investments

The Trail Conference invests in conservative instruments which are mainly comprised of publicly traded stocks and funds. The Trail Conference's investments are exposed to various risks, such as fluctuations in market value and interest rate and credit risks. Thus, it is at least reasonably possible that changes in the near term could materially affect investment balances and the amounts reported in the financial statements. The Trail Conference mitigates risk by diversifying its portfolio among many instruments across a wide range of high-quality securities and industries.

c. Revenue and Receivable

The Trail Conference received approximately 27% and 25% of its revenues from two funding sources for the year ended June 30, 2024 and the period from January 1, 2023 to June 30, 2023, respectively.

The Trail Conference has 65% and 72% of promises to give from three and two funding sources as of June 30, 2024 and June 30, 2023, respectively.

New York-New Jersey Trail Conference, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

17. Commitments and Contingencies

a. Easements

As a condition of the donation of certain lands to the Sterling Forest New York State Park (the "Park") by the Duke Foundation, the Trail Conference was granted a "conservation" easement for the sole purpose of prohibiting hunting on these lands. The Trail Conference is responsible for monitoring these lands and reporting any observations of hunting to Park authorities.

These are certain rights and responsibilities granted to and from the Trail Conference via easements and agreements that are related to the acquisition of the Darlington Schoolhouse property. These agreements have been recorded with the Bergen County, New Jersey, clerk's office as part of the deed and other closing documents.

These agreements include the following:

Parking Access Easement - The County of Bergen and the Northwest Bergen County Utilities Authority granted an easement that allows the Trail Conference to access its land for construction, parking and geothermal wells.

Encroachment Access Easement - The Township of Mahwah granted the Trail Conference the use of township property that is located immediately in front of the existing building.

Tenants in Common Agreement - This is not an easement, but it does establish certain rights and responsibilities with regard to the shared property.

Conservation and Historic Easement - This is an easement that the Tenants in Common (Trail Conference and Township of Mahwah) have granted to the County of Bergen. It stipulates various historic and conservation measures as a condition of ownership, with enforcement responsibility vested in the County of Bergen.

Gifford Trail Easement - An individual granted an easement in Schenectady County, New York, for hiking and other passive recreational use by the general public.

b. Land Agreement

The Trail Conference entered into a grant agreement with Open Space Institute Land Trust, Inc. ("OSI") in which they received \$90,000 to reimburse the Trail Conference for a portion of the purchase price of approximately 167.5 acres of unimproved land. As part of this agreement, any proceeds from any future sale of the property by the Trail Conference shall be returned to OSI in proportion to the grant's share of the median of the appraised range of values for the property. The Trail Conference will be entitled to 52.5% of any such proceeds, and OSI will be entitled to 47.5%. As of June 30, 2024 and 2023, the remaining cost of the land is \$167,554, which represents the portion that the Trail Conference expects to realize in a future sale.

18. Subsequent Events

The Trail Conference has evaluated subsequent events occurring after the statement of financial position date through the date of January 23, 2025, the date the financial statements were available for release. Based upon this evaluation, the Trail Conference has not identified any subsequent event requiring adjustment to or disclosure in these financial statements.

Supplementary Information

**New York-New Jersey Trail Conference, Inc.
Schedule of Expenditures of Federal Awards
June 30, 2024**

Grantor/Program Title	Assistance Listing Number	Grant Period	Expenditures
U.S Department of Transportation Department of Environmental Protection Recreational Trails Program Harriman-Bear Mountain Trails Improvement Project	20.219	01/07/2019-01/06/2024	\$ 24,879
U.S. Department of Agriculture Animal and Plant Health Inspection Service	10.025	09/01/2023-08/31/2024	5,103
Corporation for National and Community Service Passed through State of New York Office of Children and Family Services NY-NJ Trail Conference Conservation Corps	94.006	11/01/2022-01/31/2026	449,899
Total federal awards			\$ 479,881

See Independent Auditor's Report.

New York-New Jersey Trail Conference, Inc.
Schedule of Expenditure of State Financial Assistance
June 30, 2024

Grantor/Program Title	Grant Number	Grant Period	2024 Expenditures	Expenditures - Life of Contract
State of New York				
Office of Parks, Recreation and Historic Preservation				
Welch Trail Education Center Improvement Project	PRK01-C83787GG-1290000	12/18/2018-12/31/2024	\$ 29,265	\$ 102,605
EPF Harriman Trail Plan	PRK01-T10889GG-1290000	12/1/2021-12/13/2026	13,695	13,695
Department of Environmental Conservation				
Lower Hudson Prism	C003491	01/02/2022-01/01/2027	330,956	696,500
Lower Hudson Prism	C012559	01/01/2023-12/31/2027	502,880	682,490
Croton Gorge Unique Area	2023-0023705	05/01/2023-10/31/2023	21,349	85,000
Cottontail	PRK01-C83787GG-1290000	07/01/2023-02/28/2024	8,302	8,302
Forest Stewards	C011760	05/01/2020-12/31/2024	62,052	239,763
Detection Response Control	DEC01-C02191GG-3350000	03/15/2024-03/14/2027	6,758	6,758
Trail-less Peaks Consulting	0024594	08/16/2023-03/15/2024	49,955	49,955
Education and Outreach	DEC01-C02191GG-3350000	03/15/2024-03/14/2027	3,115	3,115
Hudson River Valley Greenway				
Greenway Conservancy for the Hudson River Valley	2023-17-P	03/08/2023-03/07/2025	8,588	8,588
Total State of New York			\$ 1,036,915	\$ 1,896,771

See Independent Auditor's Report.