

**New York-New Jersey Trail Conference, Inc.  
Financial Statements  
June 30, 2025 and 2024  
With Independent Auditor's Report**

**New York-New Jersey Trail Conference, Inc.**  
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**June 30, 2025 and 2024**

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## 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, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, 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, Inc. as of June 30, 2025 and 2024, 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 ("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 were 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 audits 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Withum Smith + Brown, PC*

April 23, 2026

**New York-New Jersey Trail Conference, Inc.**  
**Statements of Financial Position**  
**June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 407,236	\$ 214,865
Investments	4,533,047	4,300,433
Accounts receivable	24,332	84,767
Grants receivable	489,532	591,866
Promises to give, current portion	612,450	626,858
Other receivables	2,282	1,602
Prepaid expenses and other current assets	45,200	41,652
<b>Total current assets</b>	<u>6,114,079</u>	<u>5,862,043</u>
Property and equipment, net	2,970,297	3,087,911
Investments held for the Land Acquisition and Stewardship Fund	804,171	708,864
Promises to give, net of current portion and pledge discount	290,599	588,490
Website, net	-	233
Right-of-use asset, finance lease, net	142,036	166,751
Right-of-use asset, operating lease, net	84,616	103,077
Trail land and easements	1,739,974	1,739,974
Security deposits	1,500	2,500
<b>Total assets</b>	<u>\$ 12,147,272</u>	<u>\$ 12,259,843</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 185,562	\$ 299,772
Finance lease payable, current portion	18,294	17,404
<b>Total current liabilities</b>	<u>203,856</u>	<u>317,176</u>
Finance lease payable, noncurrent portion	93,230	111,525
Tenant improvement payable	103,037	103,037
<b>Total liabilities</b>	<u>400,123</u>	<u>531,738</u>
<b>Net assets</b>		
Net assets without donor restrictions	7,765,436	7,546,192
Net assets with donor restrictions	3,981,713	4,181,913
<b>Total net assets</b>	<u>11,747,149</u>	<u>11,728,105</u>
<b>Total liabilities and net assets</b>	<u>\$ 12,147,272</u>	<u>\$ 12,259,843</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**  
**Years Ended June 30, 2025 and 2024**

	Without Donor Restrictions 2025	With Donor Restrictions 2025	Total 2025	Without Donor Restrictions 2024	With Donor Restrictions 2024	Total 2024
<b>Support and revenues</b>						
Member dues	\$ 175,712	\$ -	\$ 175,712	\$ 205,554	\$ -	\$ 205,554
Individuals and foundations	1,446,418	448,272	1,894,690	1,026,683	575,762	1,602,445
Grants and contracts	-	1,643,354	1,643,354	-	1,542,605	1,542,605
Contributions of nonfinancial assets	46,418	-	46,418	73,347	-	73,347
Sales of maps, books, and other items	96,058	-	96,058	119,175	-	119,175
Other income (loss)	5,943	-	5,943	(2,308)	-	(2,308)
	<u>1,770,549</u>	<u>2,091,626</u>	<u>3,862,175</u>	<u>1,422,451</u>	<u>2,118,367</u>	<u>3,540,818</u>
Net assets released from restrictions	2,387,057	(2,387,057)	-	2,060,521	(2,060,521)	-
	<u>4,157,606</u>	<u>(295,431)</u>	<u>3,862,175</u>	<u>3,482,972</u>	<u>57,846</u>	<u>3,540,818</u>
<b>Expenses</b>						
Program services	3,206,461	-	3,206,461	2,963,419	-	2,963,419
Management and general	392,881	-	392,881	391,513	-	391,513
Fundraising	692,498	-	692,498	763,032	-	763,032
	<u>4,291,840</u>	<u>-</u>	<u>4,291,840</u>	<u>4,117,964</u>	<u>-</u>	<u>4,117,964</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  
Years Ended June 30, 2025 and 2024**

	<b>Without Donor Restrictions 2025</b>	<b>With Donor Restrictions 2025</b>	<b>Total 2025</b>	<b>Without Donor Restrictions 2024</b>	<b>With Donor Restrictions 2024</b>	<b>Total 2024</b>
<b>Change in net assets from operations</b>	\$ (134,234)	\$ (295,431)	\$ (429,665)	\$ (634,992)	\$ 57,846	\$ (577,146)
<b>Nonoperating revenue</b>						
Investment income, net	353,478	95,231	448,709	398,037	91,531	489,568
<b>Changes in net assets</b>	219,244	(200,200)	19,044	(236,955)	149,377	(87,578)
<b>Net assets</b>						
Beginning of year	7,546,192	4,181,913	11,728,105	7,783,147	4,032,536	11,815,683
<b>End of year</b>	<u>\$ 7,765,436</u>	<u>\$ 3,981,713</u>	<u>\$ 11,747,149</u>	<u>\$ 7,546,192</u>	<u>\$ 4,181,913</u>	<u>\$ 11,728,105</u>

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

**New York-New Jersey Trail Conference, Inc.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2025**

	Trail Programs	Publications	Darlington Headquarters	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 1,582,520	\$ 78,321	\$ 2,873	\$ 1,663,714	\$ 283,495	\$ 393,732	\$ 2,340,941
Payroll taxes and fringes	312,142	15,448	567	328,157	55,918	77,661	461,736
Professional services, includes nonfinancial contributions of \$25,102	149,836	2,085	76	151,997	7,546	60,043	219,586
Occupancy	106,530	1,706	1,681	109,917	6,174	8,574	124,665
Office expense	78,928	16,123	41	95,092	5,914	95,085	196,091
Cost of goods sold	-	41,023	-	41,023	-	-	41,023
Insurance	43,167	1,851	68	45,086	6,700	9,306	61,092
Trail development costs	476,798	-	-	476,798	180	-	476,978
Travel	51,631	100	-	51,731	795	2,038	54,564
Dues and fees	4,376	-	-	4,376	3,797	65	8,238
Workshops and meetings	37,278	778	-	38,056	3,747	5,805	47,608
Other expenses, includes nonfinancial contributions of \$28,406	36,003	1,166	-	37,169	2,708	40,189	80,066
Depreciation	-	-	113,573	113,573	15,907	-	129,480
Amortization of right-of-use assets	18,462	-	24,714	43,176	-	-	43,176
Interest on lease liability	-	-	6,596	6,596	-	-	6,596
	<u>\$ 2,897,671</u>	<u>\$ 158,601</u>	<u>\$ 150,189</u>	<u>\$ 3,206,461</u>	<u>\$ 392,881</u>	<u>\$ 692,498</u>	<u>\$ 4,291,840</u>

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

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

	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	-	-	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 Cash Flows**  
**Years Ended June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Operating activities</b>		
Changes in net assets	\$ 19,044	\$ (87,578)
<b>Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities</b>		
Depreciation	129,480	118,960
Unrealized gain on investments	(59,076)	(361,184)
Realized (gain) loss on investments	(179,875)	28,326
Loss on disposal of property and equipment	782	-
Net present value adjustment on promises to give	(890)	(2,613)
Amortization of right-of-use asset	43,176	24,716
<b>Change in operating assets</b>		
Accounts receivable	60,435	(55,659)
Grants receivable	102,335	(43,900)
Promises to give	313,189	106,193
Other receivables	(680)	(422)
Prepaid expenses and other current assets	(3,548)	2,624
Security deposits	1,000	15,637
<b>Change in operating liabilities</b>		
Accounts payable and accrued expenses	(114,211)	74,394
<b>Net cash provided by (used in) operating activities</b>	311,161	(180,506)
<b>Investing activities</b>		
Purchase of property and equipment	(12,415)	(23,191)
Proceeds from sale of investments	2,072,335	1,400,523
Purchase of investments and reinvestments of income	(2,161,305)	(1,582,381)
<b>Net cash used in investing activities</b>	(101,385)	(205,049)
<b>Financing activities</b>		
Principal payments under finance lease obligations	(17,405)	(19,854)
<b>Net cash used in financing activities</b>	(17,405)	(19,854)
<b>Net change in cash and cash equivalents</b>	192,371	(405,409)
<b>Cash and cash equivalents</b>		
Beginning of year	214,865	620,274
<b>End of year</b>	\$ 407,236	\$ 214,865
<b>Supplemental disclosure of cash flow information</b>		
<b>Cash paid during the year for</b>		
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, 2025 and 2024**

**1. Nature of Business 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.

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 restrictions.

**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.

**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, 2025 and 2024. The Trail Conference did not recognize any tax-related interest or penalties during the periods presented in these financial statements.

**New York-New Jersey Trail Conference, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**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 period. Actual results could differ from those estimates.

**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's investments in equity securities are reported at their fair values. Purchases and sales of securities are recorded on a trade-date basis. The Trail Conference classifies interest and dividend income, realized and unrealized gains and losses, and direct internal and external investment expenses as net investment income on the statements of activities and changes in net assets. Net investment income is classified as support without donor restrictions unless stipulated by the donor or state law to be classified as support with donor restrictions.

**g. Fair Value Measurements**

The Trail Conference measures certain financial instruments at fair value on a recurring basis at each reporting period. Certain assets are measured at fair value on a nonrecurring basis annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Fair value is estimated as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value estimates involve uncertainty and significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially when quoted prices are unavailable. Changes in assumptions or market conditions could significantly affect these estimates.

*Fair Value Hierarchy*

Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three "levels" based on the observability of valuation inputs:

*Level 1* - Fair value measurements based on quoted prices (unadjusted) in active markets that the Trail Conference has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Trail Conference does not adjust the quoted price for such instruments.

*Level 2* - Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

*Level 3* - Fair value measurements based on valuation techniques that use significant unobservable inputs. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the Conference must make certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

**New York-New Jersey Trail Conference, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

The Trail Conference maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability and require less judgment in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, liquidity, and general market conditions.

In certain cases, the inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

**h. 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 years ended June 30, 2025 and 2024, there was no allowance for credit losses.

**i. 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, 2025 and 2024.

**j. 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, 2025 and 2024.

**k. 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 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.

**l. Trail Land Easements**

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

**m. Website**

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

**n. 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.

**New York-New Jersey Trail Conference, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**o. 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 rate implicit in the lease or if there is not one, 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.

**p. 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 with remaining available funding under the contracts through 2027 of approximately \$4,216,000. 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 65,648 and 83,586 hours of volunteer services for the years ended June 30, 2025 and 2024, respectively, which did not meet the criteria above.

**New York-New Jersey Trail Conference, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

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

The Trail Conference sells maps, books, and other items and recognizes these sales 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 Accounting Standards Codification 606: (i) identify of the promised goods or services in the contract; (ii) determine of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measure the transaction price, including the constraint on variable consideration; (iv) allocate of the transaction price to the performance obligations based on estimated selling prices; and (v) recognize 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 its publications and events. Accounts receivable as of June 30, 2025, 2024, and 2023 were \$24,332, \$84,767, and \$29,108, respectively.

**q. 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 approximate the benefit derived by each function.

**New York-New Jersey Trail Conference, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

The expenses that are allocated for 2025 and 2024 include the following:

	<u>Method of Allocation</u>
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

**3. Liquidity and Availability of Resources**

As of June 30, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and fulfillment of liabilities, were as follows:

	<u>2025</u>	<u>2024</u>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 407,236	\$ 214,865
Investments	5,337,218	5,009,297
Accounts receivable	24,332	84,767
Grants receivable	489,532	591,866
Promises to give	903,049	1,215,348
Other receivables	2,282	1,602
<b>Total financial assets available</b>	<u>7,163,649</u>	<u>7,117,745</u>
Less:		
Donor-restricted net assets to be paid utilizing financial assets	2,241,739	2,441,939
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<u>\$ 4,921,910</u>	<u>\$ 4,675,806</u>

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 year due to the timing of program operations and the timing of payments and contributions from funding sources, members, and other contributors.

**New York-New Jersey Trail Conference, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**4. Investments**

As of June 30, 2025 and 2024, the following summarizes the market value and cost of investments:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Market (Level 1)</u>	<u>Cost</u>	<u>Market (Level 1)</u>
Money market funds	\$ 186,601	\$ 186,601	\$ 241,320	\$ 241,320
Equity funds	1,858,600	2,314,534	1,356,644	1,424,366
Bond funds	299,972	301,247	526,630	513,457
Exchange-traded funds	2,264,535	2,534,836	2,225,543	2,830,154
	<u>4,609,708</u>	<u>5,337,218</u>	<u>4,350,137</u>	<u>5,009,297</u>
Less: Investments held for the Land Acquisition and Stewardship Fund	(646,574)	(804,171)	(615,492)	(708,864)
<b>Total investments</b>	<u>\$ 3,963,134</u>	<u>\$ 4,533,047</u>	<u>\$ 3,734,645</u>	<u>\$ 4,300,433</u>

Investment income consisted of the following for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 229,758	\$ 176,830
Realized gains (losses)	179,875	(28,326)
Unrealized gains	59,076	361,184
Investment advisory fees	(20,000)	(20,120)
	<u>\$ 448,709</u>	<u>\$ 489,568</u>

**5. Grants Receivable**

As of June 30, 2025 and 2024, grants receivable consist of the following:

	<u>2025</u>	<u>2024</u>
New York State Department of Environmental Conservation	\$ 263,393	\$ 154,448
New York State Office of Parks, Recreation and Historic Preservation	152,436	202,731
New York State Office of Children and Family Services	11,916	214,830
Other	61,787	19,857
	<u>\$ 489,532</u>	<u>\$ 591,866</u>

**New York-New Jersey Trail Conference, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**6. Promises to Give**

Promises to give consist of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<b>Promises to give expected to be collected</b>		
In one year or less	\$ 612,450	\$ 626,858
Between one and five years	300,815	604,405
	<u>913,265</u>	<u>1,231,263</u>
Less: Discount to present value	(10,216)	(15,915)
	<u>\$ 903,049</u>	<u>\$ 1,215,348</u>

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

**7. Property and Equipment**

The historical costs of the Trail Conference's property and equipment and related accumulated depreciation balances at June 30, 2025 and 2024 are as follows:

	<u>Useful Life (Years)</u>	<u>2025</u>	<u>2024</u>
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	137,081	134,975
<b>Property and equipment, gross</b>		<u>4,202,764</u>	<u>4,200,658</u>
Less: Accumulated depreciation and amortization		(1,232,467)	(1,112,747)
<b>Property and equipment, net</b>		<u>\$ 2,970,297</u>	<u>\$ 3,087,911</u>

Depreciation expense related to property and equipment was \$129,247 and \$118,108 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024, are as follows:

	<u>Useful Life (Years)</u>	<u>2025</u>	<u>2024</u>
Website	4	\$ 105,051	\$ 105,051
Accumulated amortization		(105,051)	(104,818)
		<u>\$ -</u>	<u>\$ 233</u>

Amortization expense amounted to \$233 and \$852 for the years ended June 30, 2025 and 2024, respectively.

**New York-New Jersey Trail Conference, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**9. Net Assets Without Donor Restrictions**

Net assets without donor restrictions comprise the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Available for general operations	\$ 388,759	\$ 295,296
Board-designated Legacy Fund	4,232,852	3,963,096
Board-designated funds for the Land Acquisition and Stewardship Fund	161,437	162,027
Investment in property and equipment and ROU asset net of related liability	2,982,388	3,125,773
<b>Total net assets without donor restrictions</b>	<u>\$ 7,765,436</u>	<u>\$ 7,546,192</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, 2025 and 2024. 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 \$38,563 has been spent through June 30, 2025. For the years ended June 30, 2025, and 2024, the table below presents the Land Acquisition and Stewardship Fund with and without donor restrictions.

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
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>162,027</u>	<u>2,258,387</u>	<u>2,420,414</u>
Contributions	-	15,500	15,500
Investment income	-	95,231	95,231
Appropriation for spending	(590)	-	(590)
Balance at June 30, 2025	<u>\$ 161,437</u>	<u>\$ 2,369,118</u>	<u>\$ 2,530,555</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, 2025 and 2024**

The following table represents the changes in net asset composition for the Legacy Fund for the years ended June 30, 2025, and 2024:

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>
Transfers in	293,462
Investment income	344,294
Appropriation for spending	(368,000)
Balance at June 30, 2025	<u><u>\$ 4,232,852</u></u>

*Investment Policies*

The Trail Conference invests its funds in separate accounts and has three baskets of investments, including a short-term pool that 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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<b>Purpose restricted for programmatic use:</b>		
Trail land work and related projects	\$ 1,475,621	\$ 1,724,178
Other	19,380	39,611
Land Acquisition and Stewardship Fund	2,369,195	2,258,387
<b>Total purpose restricted for programmatic use</b>	<u>3,864,196</u>	<u>4,022,176</u>
Restricted based on time restrictions	117,517	159,737
	<u><u>\$ 3,981,713</u></u>	<u><u>\$ 4,181,913</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors for the years ended June 30, 2025 and 2024 as follows:

	<u>2025</u>	<u>2024</u>
Trail land work and related projects	\$ 2,313,848	\$ 1,992,420
Other	25,231	6,516
Land Acquisition and Stewardship Fund	590	12,701
Time restricted	47,388	48,884
<b>Net assets released from restrictions</b>	<u><u>\$ 2,387,057</u></u>	<u><u>\$ 2,060,521</u></u>

**New York-New Jersey Trail Conference, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**11. Contributions of Nonfinancial Assets**

For the years ended June 30, 2025 and 2024, contributions of nonfinancial assets recognized within the statements of activities and changes in net assets are as follows:

	<u>Type of Contribution</u>	<u>Valuation</u>	<u>2025</u>		<u>2024</u>	
Media	Digital advertisements	Standard industry pricing for similar services	\$	25,102	\$	49,568
Donated goods	Auction and other items	Comparable products		21,316		23,779
<b>Total contribution of nonfinancial assets</b>			\$	46,418	\$	73,347

The Trail Conference recognized contributed nonfinancial assets within revenues, 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 for up to 6% of salary after six months of employment. The matching contributions for the years ended June 30, 2025 and 2024, were \$50,101 and \$48,828, 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

**13. Finance 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, 2025 and 2024, the remaining lease term is approximately five and six years, respectively. Amortization of the ROU asset in the amount of \$24,714 for each of the years ended June 30, 2025 and 2024, which is included in the statements of functional expenses. Interest on the lease liability was \$6,596 and \$4,145 for the years ended June 30, 2025 and 2024, respectively.

The finance lease payable as of June 30, 2025 and 2024, consists of the following:

	<u>2025</u>		<u>2024</u>	
Finance lease payable	\$	131,615	\$	154,725
Less: Discount on net present value		(20,091)		(25,796)
Total finance lease payable		111,524		128,929
Less: Current maturities		18,294		17,404
<b>Finance lease payable, net of current portion</b>	\$	93,230	\$	111,525

**New York-New Jersey Trail Conference, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

Future minimum lease payments under the finance lease are as follows at June 30, 2025:

2026	\$ 24,000
2027	24,000
2028	24,000
2029	24,000
2030	24,000
Thereafter	11,615
	<hr/> 131,615
Less: Imputed interest	20,091
	<hr/> <u>\$ 111,524</u>

Operating cash flows from the finance lease totaled \$6,596 and \$7,443 for the years ended June 30, 2025 and 2024, respectively. Financing cash flows from the finance lease totaled \$17,404 and \$16,557 for the years ended June 30, 2025 and 2024, respectively.

**14. Operating Lease**

On March 12, 2019, the Trail Conference entered into a 10-year, 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 lease was \$84,616 and \$103,077 at June 30, 2025 and 2024, respectively. The tenant improvement payable was \$103,037 at June 30, 2025 and 2024.

**15. Related Parties**

The Trail Conference received contributions from board members totaling approximately \$85,000 and \$82,000 for the years ended June 30, 2025 and 2024, 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 that 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 that are mainly composed 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.

**New York-New Jersey Trail Conference, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**c. Revenue and Receivable**

The Trail Conference received approximately 26% and 27% of its revenues from two funding sources for the years ended June 30, 2025 and 2024, respectively.

The Trail Conference has 47% and 65% of promises to give from three funding sources as of June 30, 2025 and 2024, respectively.

**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 it 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, 2025 and 2024, 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 April 23, 2026, 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, 2025**

<b>Grantor/Program Title</b>	<b>Assistance Listing Number</b>	<b>Grant Period</b>	<b>Expenditures</b>
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	\$ 461,795
US Department of Treasury American Rescue Plan Act Passed through County of Rockland Urban Green Spaces Program	21.027	03/20/2024-03/19/2025	8,818
Total federal awards			<u>\$ 470,613</u>

See Independent Auditor's Report.

**New York-New Jersey Trail Conference, Inc.  
Schedule of Expenditures of State Financial Assistance  
June 30, 2025**

<b>Grantor/Program Title</b>	<b>Grant Number</b>	<b>Grant Period</b>	<b>2025 Expenditures</b>	<b>Expenditures - Life of Contract</b>
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	\$ 19,203	\$ 118,030
Back Country Trails	C003491	01/01/2022-01/01/2027	351,216	1,047,717
Department of Environmental Conservation				
Lower Hudson Prism	C012559	01/01/2023-12/31/2027	535,170	1,217,660
Croton Gorge Unique Area	PO0025320	05/01/2024-10/31/2024	20,536	41,885
Forest Stewards	C011760	05/01/2020-12/31/2024	38,202	277,964
Forest Stewards	C013473	02/01/2025-12/31/2029	51,500	51,500
Catskill Regional Smart Growth	C02648	08/01/2024-07/31/2027	11,417	11,417
Detection Response Control	DEC01-C02191GG- 3350000	03/15/2024-03/14/2027	40,515	47,273
Education and Outreach	DEC01-C02191GG- 3350000	03/15/2024-03/14/2027	25,325	28,440
Hudson River Valley Greenway				
Greenway Conservancy for the Hudson River Valley	2023-17-P	03/08/2023-03/07/2025	511	9,099
<b>Total State of New York</b>			<u>\$ 1,093,595</u>	<u>\$ 2,850,985</u>

See Independent Auditor's Report.