

THE PALISADES PARKS CONSERVANCY, INC.

**Financial Statements
For the Years Ended
March 31, 2020
and
March 31, 2019**

Independent Auditor's Report

To the Board of Directors of
The Palisades Parks Conservancy, Inc.

We have audited the accompanying financial statements of The Palisades Parks Conservancy, Inc. (the "Conservancy"), which comprise the statement of financial position as of March 31, 2020 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph on the previous page present fairly, in all material respects, the financial position of The Palisades Parks Conservancy, Inc. as of March 31, 2020 and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the Conservancy as of March 31, 2019 were audited by other auditors whose report dated February 14, 2020, expressed an unmodified opinion on those statements.

Carver DiLeara McCreary & Donnelly LLP

THE PALISADES PARKS CONSERVANCY, INC.

Statement of Financial Position

Assets

	March 31	
	2020	2019
Current assets		
Cash and cash equivalents	\$ 95,394	\$ 103,174
Contributions receivable	66,748	506
Accrued interest receivable	1,546	2,310
Total current assets	163,688	105,990
Investments, at fair value	398,625	461,346
Total assets	\$ 562,313	\$ 567,336

Liabilities and Net Assets

Current liabilities		
Accounts payable	\$ 3,219	\$ 3,638
Accrued expenses	65,850	2,700
Deferred revenue	-	1,697
Total current liabilities	69,069	8,035
Net assets		
Without donor restrictions	266,471	64,995
With donor restrictions	226,773	494,306
Total net assets	493,244	559,301
Total liabilities and net assets	\$ 562,313	\$ 567,336

See notes to financial statements.

THE PALISADES PARKS CONSERVANCY, INC.

Statement of Activities
Year Ended March 31, 2020
(with summarized comparative information for 2019)

	2020		Total	2019 Total
	Without Donor Restrictions	With Donor Restrictions		
Public support and revenue				
Contributions	\$ 86,415	\$ 32,800	\$ 119,215	\$ 81,978
Grants	103,475	-	103,475	156,276
Special events, net of direct costs of \$69,135 in 2020 and \$66,623 in 2019	105,685	-	105,685	69,098
Investment return, net	8,716	-	8,716	11,654
In-kind contributions	40,000	-	40,000	31,650
Unrealized gain (loss) on investments	15,377	-	15,377	(4,330)
Other	1,309	-	1,309	1,200
Net assets released from restrictions	300,333	(300,333)	-	-
Total public support and revenue	661,310	(267,533)	393,777	347,526
Expenses				
Program services	268,810	-	268,810	270,748
Supporting activities				
Management and general	127,662	-	127,662	177,958
Fundraising	63,362	-	63,362	62,523
Total expenses	459,834	-	459,834	511,229
Increase (decrease) in net assets	201,476	(267,533)	(66,057)	(163,703)
Net assets, beginning of year	64,995	494,306	559,301	723,004
Net assets, end of year	\$ 266,471	\$ 226,773	\$ 493,244	\$ 559,301

See notes to financial statements.

THE PALISADES PARKS CONSERVANCY, INC.

**Statement of Activities
Year Ended March 31, 2019**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Public support and revenue			
Contributions	\$ 81,978	\$ -	\$ 81,978
Grants	8,849	147,427	156,276
Special events, net of direct costs of \$66,623	69,098	-	69,098
Investment return, net	11,654	-	11,654
In-kind contributions	31,650	-	31,650
Unrealized (loss) on investments	(4,330)	-	(4,330)
Other	1,200	-	1,200
Net assets released from restrictions	<u>71,218</u>	<u>(71,218)</u>	<u>-</u>
Total public support and revenue	<u>271,317</u>	<u>76,209</u>	<u>347,526</u>
Expenses			
Program services	270,748	-	270,748
Supporting activities			
Management and general	177,958	-	177,958
Fundraising	<u>62,523</u>	<u>-</u>	<u>62,523</u>
Total expenses	<u>511,229</u>	<u>-</u>	<u>511,229</u>
Increase (decrease) in net assets	(239,912)	76,209	(163,703)
Net assets, beginning of year	<u>304,907</u>	<u>418,097</u>	<u>723,004</u>
Net assets, end of year	<u>\$ 64,995</u>	<u>\$ 494,306</u>	<u>\$ 559,301</u>

See notes to financial statements.

THE PALISADES PARKS CONSERVANCY, INC.

**Statement of Functional Expenses
Year Ended March 31, 2020
(with summarized comparative totals information for 2019)**

	<u>2020</u>				<u>2019</u> <u>Total</u>
	<u>Program Services</u>	<u>Supporting Activities</u>		<u>Total</u>	
		<u>Management and General</u>	<u>Fund- Raising</u>		
Salaries and wages	\$ 38,620	\$ 66,029	\$ 35,667	\$ 140,316	\$ 150,559
Payroll taxes and employee benefits	7,525	12,866	6,950	27,341	31,986
Grant to domestic organizations	199,992	-	-	199,992	216,579
Professional fees	-	25,229	2,900	28,129	48,979
Occupancy	11,009	18,823	10,168	40,000	31,650
Supplies	47	81	44	172	10,884
Telephone	332	567	306	1,205	1,164
Postage and shipping	424	121	666	1,211	1,853
Printing and copying	2,441	488	1,952	4,881	4,854
Travel	4,762	280	560	5,602	3,921
Membership dues	78	-	507	585	1,098
Advertising	309	-	464	773	1,640
Other	3,271	3,178	3,178	9,627	6,062
Total	\$ 268,810	\$ 127,662	\$ 63,362	\$ 459,834	\$ 511,229

See notes to financial statements.

THE PALISADES PARKS CONSERVANCY, INC.

**Statement of Functional Expenses
Year Ended March 31, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Supporting Activities</u>	<u>Total</u>
Salaries and wages	\$ 20,837	\$ 93,949	\$ 35,773	\$	\$ 150,559
Payroll taxes and employee benefits	4,427	19,959	7,600		31,986
Grant to domestic organizations	216,579	-	-		216,579
Professional fees	12,622	31,268	5,089		48,979
Occupancy	4,380	19,750	7,520		31,650
Supplies	10,375	509	-		10,884
Telephone	-	1,164	-		1,164
Postage and shipping	-	65	1,788		1,853
Printing and copying	-	742	4,112		4,854
Travel	1,528	1,914	479		3,921
Membership dues	-	1,098	-		1,098
Advertising	-	1,606	34		1,640
Other	-	5,934	128		6,062
Total	\$ 270,748	\$ 177,958	\$ 62,523	\$	\$ 511,229

See notes to financial statements.

THE PALISADES PARKS CONSERVANCY, INC.

Statement of Cash Flows

	Year Ended	
	March 31	
	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
(Decrease) in net assets	\$ (66,057)	\$ (163,703)
Adjustments to reconcile (decrease) in net assets to net cash (used in) operating activities		
Unrealized (gain) loss on investments	(15,377)	4,330
(Increase) decrease in assets		
Contributions receivable	(66,242)	24,494
Prepaid expenses	-	1,481
Accrued interest receivable	764	(1,194)
Increase (decrease) in liabilities		
Accounts payable	(419)	(2,786)
Accrued expenses	63,150	2,700
Deferred revenue	<u>(1,697)</u>	<u>(15,884)</u>
Net cash (used in) operating activities	<u>(85,878)</u>	<u>(150,562)</u>
Cash flows from investing activities		
Proceeds from sale of investments	210,972	527,293
Purchase of investments	<u>(132,874)</u>	<u>(464,966)</u>
Net cash provided by investing activities	<u>78,098</u>	<u>62,327</u>
Net (decrease) in cash and cash equivalents	(7,780)	(88,235)
Cash and cash equivalents, beginning of year	<u>103,174</u>	<u>191,409</u>
Cash and cash equivalents, end of year	<u>\$ 95,394</u>	<u>\$ 103,174</u>

See notes to financial statements.

THE PALISADES PARKS CONSERVANCY, INC.**Notes to Financial Statements
March 31, 2020 and March 31, 2019****Note 1 – Nature of Organization**

The Palisades Parks Conservancy, Inc. (the "Conservancy"), formerly Friends of the Palisades Interstate Park Commission, Inc. was formed in March 2001 in the State of New York. The Conservancy's mission is to preserve the Palisades Interstate Park's rich history and biodiversity, and protect America's first bi-state park system. The Conservancy is committed to supporting parks where all visitors can play, connect, and immerse themselves in nature and culture. The Conservancy achieves its mission by raising funds and delivering programs and projects that provide education and stewardship, environmental conservation and restoration, historic preservation, public access and recreation, and protection of natural and cultural resources, all benefiting the Palisades Interstate Park system. The Conservancy raises and administers funds that improve the facilities, preserve environmental and cultural sites and provides education within the Palisades Interstate Park system.

Note 2 – Summary of significant accounting policiesNet assets

The Conservancy reports information regarding its financial position and activities into two classes of net assets as follows:

Without donor restrictions

Net assets that are not subject to donor imposed restrictions and are available for operations.

With donor restrictionsTemporary donor restrictions

Net assets that are subject to specific donor imposed restrictions that are expected to be satisfied by passage of time or performance of activities.

Cash equivalents

The Conservancy considers highly liquid assets with original maturities of 90 days or less to be cash equivalents.

Investments

The fair value of the investments is based on publicly quoted prices. The cost of investments sold is determined on an average cost basis.

THE PALISADES PARKS CONSERVANCY, INC.**Notes to Financial Statements (continued)
March 31, 2020 and March 31, 2019****Note 2 – Summary of significant accounting policies (continued)**Fair value measurements

For assets measured at fair value on a recurring basis as of March 31, 2020 and March 31, 2019, accounting principles generally accepted in the United States of America require quantitative disclosures about the fair value measurements separately for each major class of assets. The Conservancy's investments have all been classified in the highest level of hierarchy (Level 1). Its quoted prices are in active markets for identical assets.

Allowance for doubtful accounts

As of March 31, 2020 and March 31, 2019, the Conservancy has determined that its contribution receivables are all collectible and an allowance for any possible uncollectible receivables is not necessary. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Contributions receivable

Contributions including unconditional promises to give ("pledges") are recognized as revenue in the period received and when the conditions on which they depend have been substantially met.

Contributions

Contributions and grants received including unconditional promises to give, are recorded as support without donor restrictions or with donor restrictions, depending on the existence or absence of donor restrictions, at the time of receipt or promise. Donor-restricted contributions that have their restriction met within the fiscal year are reported as support without donor restrictions. Restrictions that are not met are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

In-kind contributions

In-kind contributions are estimated at their fair value and reported as both support and expenses in the period in which they are used. In-kind contributions are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Conservancy. Certain individuals volunteer their time and perform a variety of tasks that assist the Conservancy. These services do not meet the criteria to be recorded and have not been included in the financial statements.

For the fiscal years ended March 31, 2020 and March 31, 2019, the Conservancy received donated office space of \$40,000 and \$31,650, respectively.

THE PALISADES PARKS CONSERVANCY, INC.**Notes to Financial Statements (continued)****March 31, 2020 and March 31, 2019****Note 2 – Summary of significant accounting policies (continued)**Functional expenses

The cost of providing the various programs and other activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting activities benefited. Expenses attributable to more than one functional category are allocated using a variety of cost allocation techniques primarily consisting of salaries and wages and time and effort reporting.

Use of estimates

The preparation of financial statements in conformity with the United States of America generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of credit risk

The Conservancy's financial instruments that are potentially exposed to concentrations of credit risk consist of cash, cash equivalents, receivables and investments. The Conservancy places its cash and cash equivalents with what it believes to be quality financial institutions. At times, cash balances were in excess of the FDIC insurance limit. However, the Conservancy has not experienced any losses in these accounts to date. The Conservancy closely monitors the collectability of its receivables. The Conservancy's investments are subject to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at March 31, 2020. The Conservancy routinely assesses the financial strength and diversification of its investment portfolio. As a result, management believes concentrations of credit risk are limited.

Reclassifications

Certain items in the fiscal 2019 financial statements have been reclassified for comparative purposes.

Risks and uncertainties

On March 13, 2020, a national emergency was declared due to extraordinary circumstances resulting from the novel coronavirus (COVID-19) pandemic. The extent to which the COVID-19 pandemic may impact business activity and the Conservancy's operations will depend on future developments, which are uncertain and cannot be predicted.

THE PALISADES PARKS CONSERVANCY, INC.

**Notes to Financial Statements (continued)
March 31, 2020 and March 31, 2019**

Note 2 – Summary of significant accounting policies (continued)

Subsequent events

The Conservancy has evaluated subsequent events and transactions for potential recognition and disclosure in the financial statements through December 8, 2020, the date which these financial statements were available to be issued.

Note 3 – Liquidity and availability of financial assets

The Conservancy's working capital and cash flows vary due to timing of payments received for contributions, grants and special events.

As of March 31, 2020 and March 31, 2019, financial assets and liquidity resources available within one year of the statement of financial position date for general expenditures were as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 95,394	\$ 103,174
Receivables	<u>68,294</u>	<u>2,816</u>
Total	<u>\$ 163,688</u>	<u>\$ 105,990</u>

Note 4 – Investments

The following is a summary of the investments, at fair value, held by the Conservancy, as of March 31, 2020 and March 31, 2019:

	<u>2020</u>	<u>2019</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Fixed income		
U.S. Government bonds	214,992	185,747
Municipal bonds	10,442	70,010
Agency securities	10,611	-
Corporate bonds	49,771	74,999
Asset backed	19,392	21,719
Other fixed income	177	285
Bond funds	<u>93,240</u>	<u>108,586</u>
Total	<u>\$ 398,625</u>	<u>\$ 461,346</u>

Investment return for the years ended March 31, 2020 and March 31, 2019 is comprised of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 9,584	\$ 12,891
Less: fees	<u>(868)</u>	<u>(1,237)</u>
Investment return, net	<u>\$ 8,716</u>	<u>\$ 11,654</u>

THE PALISADES PARKS CONSERVANCY, INC.

Notes to Financial Statements (continued)
March 31, 2020 and March 31, 2019

Note 5 – Net assets without donor restrictions

Temporary donor restrictions

The following summarizes the changes in net assets with temporary donor restrictions for the year ended March 31, 2020:

	Balance		Net assets		Balance
	March 31, 2019	Contributions	Released from	Restrictions	March 31, 2020
Trailside Museum and Zoo	\$ 66,819	\$ -	\$ -		\$ 66,819
Regional Museum Endowment	50,000	-	-		50,000
Fort Lee Historic Park	34,500	300	-		34,800
Golden Winged Warbler Program	-	32,500	-		32,500
Bear Mountain Projects	85,000	-	(53,507)		31,493
Exhibits	9,032	-	(1,101)		7,931
National Purple Heart Hall of Honor	1,545	-	-		1,545
Gift for Zoo Habitat Project	1,000	-	-		1,000
Schunnemunk	685	-	-		685
NYS Office of Parks and Recreation	146,257	-	(146,257)		-
Rock the River Race	35,000	-	(35,000)		-
Memorial Programs	30,298	-	(30,298)		-
Regional Museum Photo Grant	20,357	-	(20,357)		-
Other Restricted Purposes	10,421	-	(10,421)		-
Event Planning	1,992	-	(1,992)		-
Tallman Mountain SP	1,400	-	(1,400)		-
Total	<u>\$ 494,306</u>	<u>\$ 32,800</u>	<u>\$ (300,333)</u>		<u>\$ 226,773</u>

Note 6 – Simple IRA Plan

The Conservancy maintains a SIMPLE IRA Plan (the “Plan”). The Conservancy’s expense was \$3,827 and \$5,955 for 2020 and 2019 fiscal years, respectively.

Note 7 – Tax status

The Conservancy is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Conservancy has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation, within the meaning of Section 509(a)(1) of the Code.