



Financial Report

March 31, 2024 and 2023

CONTENTS

| | |
|--|----------|
| Independent Auditors' Report | 1 |
| Statements of Financial Position | 3 |
| Statements of Activities | 4 |
| Statements of Functional Expenses | 6 |
| Statements of Cash Flows | 8 |
| Notes to Financial Statements | 9 |



Nonprofit Accounting & Consulting Specialists

Independent Auditors' Report

Board of Directors
Friends of Hudson River Park, Inc.
New York, New York

Opinion

We have audited the accompanying financial statements of Friends of Hudson River Park, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Hudson River Park, Inc. as of March 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Friends of Hudson River Park, Inc. 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 Friends of Hudson River Park, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with generally accepted auditing standards, 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 of the effectiveness of Friends of Hudson River Park, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Friends of Hudson River Park, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

As stated in the opinion section of this letter, the financial statements of Friends of Hudson River Park, Inc. present fairly, in all material respects, the financial position of Friends of Hudson River Park, Inc. as of March 31, 2024 and 2023, 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.

PGM, LLC
Biddeford, Maine
October 21, 2024

Statements of Financial Position

March 31,

| | <u>2024</u> | <u>2023</u> |
|--|----------------------------|----------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 929,822 | \$ 2,679,144 |
| Investments | 1,987,117 | |
| Accounts receivable | 474,180 | 175,653 |
| Promises to give receivable, net | 247,872 | 374,041 |
| Property and equipment, net of accumulated depreciation of \$378,388 and \$367,093 in 2024 and 2023 | 29,519 | 40,323 |
| Prepaid expenses and other assets | <u>96,200</u> | <u>227,704</u> |
| Total Assets | <u>\$ 3,764,710</u> | <u>\$ 3,496,865</u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Accounts payable and accrued expenses | \$ 200,633 | \$ 296,499 |
| Due to Hudson River Park Trust | 2,305,450 | 1,961,829 |
| Deferred revenue | 303,057 | 279,194 |
| Long-term debt | <u>150,000</u> | <u>150,000</u> |
| Total Liabilities | <u>2,959,140</u> | <u>2,687,522</u> |
| Net Assets | | |
| Without donor restrictions | 511,556 | 305,998 |
| With donor restrictions | <u>294,014</u> | <u>503,345</u> |
| Total Net Assets | <u>805,570</u> | <u>809,343</u> |
| Total Liabilities and Net Assets | <u>\$ 3,764,710</u> | <u>\$ 3,496,865</u> |

Statement of Activities

For the Year Ended March 31, 2024

| | Without donor restrictions | With donor restrictions | Total |
|---|----------------------------------|----------------------------|-------------------|
| Revenue | | | |
| Contributions | \$ 1,142,833 | | \$ 1,142,833 |
| Grants | 113,372 | \$ 5,000 | 118,372 |
| Special event revenue, including contributions and revenue of \$3,134,147 net of direct costs of \$1,252,038 | 1,882,109 | | 1,882,109 |
| Membership and other income | 1,489,026 | | 1,489,026 |
| In-kind contributions | 232,647 | | 232,647 |
| Investment income | 54,510 | | 54,510 |
| Net assets released from restrictions | 214,331 | (214,331) | |
| Total Revenues | <u>5,128,828</u> | <u>(209,331)</u> | <u>4,919,497</u> |
| Expenses | | | |
| Program Services: | | | |
| Public policy | 78,127 | | 78,127 |
| Contributions to Hudson River Park Trust | 2,554,259 | | 2,554,259 |
| Communications and services | 557,666 | | 557,666 |
| Support Services: | | | |
| General and administrative | 840,533 | | 840,533 |
| Fundraising | 892,685 | | 892,685 |
| Total Expenses | <u>4,923,270</u> | | <u>4,923,270</u> |
| Change in Net Assets | <u>205,558</u> | <u>(209,331)</u> | <u>(3,773)</u> |
| Net Assets, Beginning of Year | <u>305,998</u> | <u>503,345</u> | <u>809,343</u> |
| Net Assets, End of Year | <u>\$ 511,556</u> | <u>\$ 294,014</u> | <u>\$ 805,570</u> |

Statement of Activities

For the Year Ended March 31, 2023

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|----------------------------------|----------------------------|-------------------|
| Revenue | | | |
| Contributions | \$ 2,188,773 | \$ 35,000 | \$ 2,223,773 |
| Grants | 70,000 | 101,139 | 171,139 |
| Special event revenue, including contributions and revenue of \$3,074,151 net of direct costs of \$1,143,370 | 1,930,781 | | 1,930,781 |
| Membership and other income | 662,650 | | 662,650 |
| In-kind contributions | 217,774 | | 217,774 |
| Investment income | 18,446 | | 18,446 |
| Net assets released from restrictions | 139,351 | (139,351) | |
| Total Revenue | <u>5,227,775</u> | <u>(3,212)</u> | <u>5,224,563</u> |
| Expenses | | | |
| Program Services: | | | |
| Public policy | 172,005 | | 172,005 |
| Contributions to Hudson River Park Trust | 3,605,982 | | 3,605,982 |
| Communications and services | 354,284 | | 354,284 |
| Support Services: | | | |
| General and administrative | 690,733 | | 690,733 |
| Fundraising | 1,033,657 | | 1,033,657 |
| Total Expenses | <u>5,856,661</u> | <u></u> | <u>5,856,661</u> |
| Change in Net Assets | <u>(628,886)</u> | <u>(3,212)</u> | <u>(632,098)</u> |
| Net Assets, Beginning of Year | <u>934,884</u> | <u>506,557</u> | <u>1,441,441</u> |
| Net Assets, End of Year | <u>\$ 305,998</u> | <u>\$ 503,345</u> | <u>\$ 809,343</u> |

Statement of Functional Expenses

For the Year Ended March 31, 2024

| | Public Policy | Contributions to Hudson River Park Trust | Communications and Services | Total Program Services | Management and General | Fundraising | Total Supporting Services | Total Expenses |
|---|------------------|---|--------------------------------|------------------------------|---------------------------|-------------------|---------------------------------|---------------------|
| Salaries | \$ 31,218 | \$ 621,551 | \$ 262,464 | \$ 915,233 | \$ 373,310 | \$ 532,488 | \$ 905,798 | \$ 1,821,031 |
| Payroll taxes | 2,896 | 32,989 | 42,044 | 77,929 | 27,731 | 42,503 | 70,234 | 148,163 |
| Employee benefits | 6,787 | 77,309 | 98,535 | 182,631 | 64,988 | 99,607 | 164,595 | 347,226 |
| Professional fees | 37,226 | 14,856 | 78,037 | 130,119 | 84,889 | 14,855 | 99,744 | 229,863 |
| Technology and equipment | | 5,736 | 11,865 | 17,601 | 116,279 | | 116,279 | 133,880 |
| Publications and printing | | | 40,496 | 40,496 | | | | 40,496 |
| Postage and delivery | | | | | 1,609 | | 1,609 | 1,609 |
| Occupancy | | | | | 12,651 | | 12,651 | 12,651 |
| Dues and subscriptions | | | | | 34,267 | | 34,267 | 34,267 |
| Office supplies and expenses | | | | | 3,198 | | 3,198 | 3,198 |
| Telephone | | | | | 13,605 | | 13,605 | 13,605 |
| Meetings and travel | | | | | 16,705 | | 16,705 | 16,705 |
| Insurance | | | | | 21,535 | | 21,535 | 21,535 |
| Advertising and promotion | | | 15,348 | 15,348 | | 12,521 | 12,521 | 27,869 |
| Credit card fees and bank charges | | | | | 37,607 | | 37,607 | 37,607 |
| Other | | | | | 9,645 | 402 | 10,047 | 10,047 |
| Depreciation and amortization | | 7,242 | 8,877 | 16,119 | 4,574 | | 4,574 | 20,693 |
| Individual and corporate giving | | 168,166 | | 168,166 | | 66,529 | 66,529 | 234,695 |
| Interest expense | | | | | 8,623 | | 8,623 | 8,623 |
| Program contributions to Hudson River Park Trust | | 1,626,410 | | 1,626,410 | 9,317 | 123,780 | 133,097 | 1,759,507 |
| Total expenses | \$ 78,127 | \$ 2,554,259 | \$ 557,666 | \$ 3,190,052 | \$ 840,533 | \$ 892,685 | \$ 1,733,218 | \$ 4,923,270 |

The accompanying notes are an integral part of these financial statements.

Statement of Functional Expenses

For the Year Ended March 31, 2023

| | Public Policy | Contributions to Hudson River Park Trust | Communications and Services | Total Program Services | Management and General | Fundraising | Total Supporting Services | Total Expenses |
|--|-------------------|--|-----------------------------|------------------------|------------------------|---------------------|---------------------------|---------------------|
| Salaries | \$ 130,283 | \$ 527,564 | \$ 181,752 | \$ 839,599 | \$ 316,860 | \$ 451,968 | \$ 768,828 | \$ 1,608,427 |
| Payroll taxes | 12,046 | 27,908 | 29,019 | 68,973 | 23,460 | 35,957 | 59,417 | 128,390 |
| Employee benefits | 29,676 | 68,750 | 71,490 | 169,916 | 57,795 | 88,580 | 146,375 | 316,291 |
| Professional fees | | 10,378 | 44,477 | 54,855 | 33,752 | 10,378 | 44,130 | 98,985 |
| Technology and equipment | | 4,839 | 8,167 | 13,006 | 98,092 | | 98,092 | 111,098 |
| Publications and printing | | | 11,801 | 11,801 | | | | 11,801 |
| Postage and delivery | | | | | 1,663 | | 1,663 | 1,663 |
| Occupancy | | | | | 11,807 | | 11,807 | 11,807 |
| Dues and subscriptions | | | | | 22,589 | | 22,589 | 22,589 |
| Office supplies and expenses | | | | | 6,305 | | 6,305 | 6,305 |
| Telephone | | | | | 11,926 | | 11,926 | 11,926 |
| Meetings and travel | | | | | 13,523 | | 13,523 | 13,523 |
| Insurance | | | | | 15,398 | | 15,398 | 15,398 |
| Advertising and promotion | | | 1,458 | 1,458 | | 1,459 | 1,459 | 2,917 |
| Credit card fees and bank charges | | | | | 33,533 | | 33,533 | 33,533 |
| Other | | | | | 25,210 | 1,051 | 26,261 | 26,261 |
| Depreciation and amortization | | 6,120 | 6,120 | 12,240 | 3,864 | | 3,864 | 16,104 |
| Individual and corporate giving | | 875,020 | | 875,020 | | 346,169 | 346,169 | 1,221,189 |
| Interest expense | | | | | 7,573 | | 7,573 | 7,573 |
| Program contributions to Hudson River Park Trust | | 2,085,403 | | 2,085,403 | 7,383 | 98,095 | 105,478 | 2,190,881 |
| Total expenses | \$ 172,005 | \$ 3,605,982 | \$ 354,284 | \$ 4,132,271 | \$ 690,733 | \$ 1,033,657 | \$ 1,724,390 | \$ 5,856,661 |

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the Years Ended March 31,

| | <u>2024</u> | <u>2023</u> |
|---|--------------------|---------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ (3,773) | \$ (632,098) |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 20,693 | 16,104 |
| Investments (gains) losses | (32,290) | |
| (Increase) decrease in operating assets | | |
| Accounts receivable | (298,527) | (78,967) |
| Pledges receivable | 126,169 | 132,516 |
| Increase (decrease) in operating liabilities | | |
| Accounts payable and accrued expenses | (95,866) | 120,238 |
| Due to Hudson River Park Trust | 343,621 | 302,693 |
| Prepaid expenses | 131,504 | (126,308) |
| Deferred revenue | 23,863 | 181,694 |
| Net cash flows from operating activities | <u>215,394</u> | <u>(84,128)</u> |
| Cash flows from investing activities | | |
| Purchase of equipment | (9,889) | (23,593) |
| Purchase of investments | (4,827,517) | |
| Proceeds from sales of investments | 2,872,690 | |
| Net cash flows from investing activities | <u>(1,964,716)</u> | <u>(23,593)</u> |
| Net change in cash and cash equivalents | (1,749,322) | (107,721) |
| Cash and cash equivalents at beginning of year | <u>2,679,144</u> | <u>2,786,865</u> |
| Cash and cash equivalents at end of year | <u>\$ 929,822</u> | <u>\$ 2,679,144</u> |
| Supplemental cash flow information | | |
| Cash paid for interest | <u>\$ 8,623</u> | <u>\$ 7,573</u> |

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 1 – NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Friends of Hudson River Park, Inc. (Friends) is a non-profit organization founded in June 1999 to support the development of Hudson River Park on Manhattan's West Side. Friends works as a private sector partner with the Hudson River Park Trust (the Trust) to ensure that the Park is adequately funded and built in accordance with the Hudson River Act.

Friends operates under a Memorandum of Understanding (MOU), with the Trust, the state-city agency that builds, manages and operates Hudson River Park, as their designated fundraising partner. The MOU establishes parameters under which the two organizations will collaborate on budgeting, planning and promotion of the Park, and set goals for funds to be raised for the Park's operations and construction. The Trust and Friends are also parties to a Trademark and Domain Name License Agreement dated June 15, 2017 whereby the Trust, as owner of certain trademarks and domain name, licenses such trademarks and domain name to Friends solely in connection with authorized activities.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Friends and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions and can be used for any purpose designated by the board.

Net Assets with Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those will be met by actions of the Friends or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Estimates

The preparation of financial statements in conformity with 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.

Cash and Cash Equivalents

Friends considers all highly liquid savings, deposits and investments with initial maturities of three months or less when purchased to be cash equivalents.

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 1 – NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance have not been material to the financial statements. Management determined that no allowance for uncollectible accounts was necessary as of March 31, 2024 and 2023.

Promises to Give Receivable

Unconditional promises to give are initially recorded and subsequently carried at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. Promises to give are written off when deemed uncollectable.

Property and Equipment

Property and equipment are stated at cost. Friends capitalizes all expenditures in excess of \$1,000 with a life of more than one year. Depreciation of property and equipment is computed on accelerated and straight-line methods with lives varying from three to 39 years. Depreciation expense totaled \$20,693 and \$16,104 for the years ended March 31, 2024 and 2023, respectively.

Deferred Revenue

Deferred revenue represents contributions for the fundraising events in the following fiscal year that were received in the current fiscal year.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at the fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Revenue and Revenue Recognition

Membership revenue, which is nonrefundable, is a specific contribution level whereby a membership application is completed to show support for the organization but no benefits are provided. No exchange element is included.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 1 – NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue and Revenue Recognition – Continued

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions.

A portion of the organization's revenue is derived from state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when expenditures in compliance with specific contract or grant provisions are incurred. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. No amounts have been received in advance under state contracts and grants,

In-kind Contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the good or services received. In addition to non-financial assets, volunteers contribute significant amounts of time to program services, administration and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by general accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Functional Expense Allocation

The costs of programs and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

Friends is a nonprofit organization as described in Section 501(c) (3) of the Internal Revenue Code and, as such, income related to its charitable purpose is exempt from federal and state income taxes under the provisions of the IRS Code.

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 1 – NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

New Accounting Pronouncement

Financial Instruments- Credit Losses

On January 1, 2023, the Organization adopted ASU 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statements (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including trade accounts receivable. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. Management evaluated the impact of the new standard and determined there was no material impact on the financial statements and resulted in no new disclosures.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

| | <u>2024</u> | <u>2023</u> |
|-----------------------------|---------------------|---------------------|
| Cash and cash equivalents | \$ 924,822 | \$ 2,549,840 |
| Investments | 1,987,117 | |
| Accounts receivable | 433,038 | 175,653 |
| Promises to give receivable | | 305,697 |
| | <u>\$ 3,344,977</u> | <u>\$ 3,031,190</u> |

NOTE 3 – CASH AND CASH EQUIVALENTS

Friends maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits of \$250,000. Friends has not experienced losses in such deposits, and management believes it is not exposed to any significant credit risk on cash and cash equivalents. The uninsured balance at March 31, 2024 was approximately \$982,000.

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 4 – PROMISES TO GIVE RECEIVABLE

Unconditional promises to give are estimated to be collected as follows at March 31:

| | <u>2024</u> | <u>2023</u> |
|--|--------------------------|--------------------------|
| Within one year | \$ 195,695 | \$ 321,864 |
| In one to five years | <u>60,000</u> | <u>60,000</u> |
| | 255,695 | 381,864 |
| Less discount to net present value at 3% | <u>(7,823)</u> | <u>(7,823)</u> |
| | <u>\$ 247,872</u> | <u>\$ 374,041</u> |

NOTE 5– FAIR VALUE MEASUREMENTS AND DISCLOSURES OF INVESTMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods, including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimizes the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets that we can access at the measurement date.
- Level 2 – Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar information available in the circumstances.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities. At each reporting period, if applicable, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Fair value of assets measured at March 31, 2024 are as follows:

| | Fair Value | Level 1 | Level 2 | Level 3 |
|---|----------------------------|----------------------------|----------------|----------------|
| Cash and cash equivalents | \$ 21,117 | \$ 21,117 | | |
| Fixed income - U.S. Treasury Securities | <u>1,966,000</u> | <u>1,966,000</u> | | |
| Total Assets | <u>\$ 1,987,117</u> | <u>\$ 1,987,117</u> | <u>\$ -</u> | <u>\$ -</u> |

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 5– FAIR VALUE MEASUREMENTS AND DISCLOSURES OF INVESTMENTS – CONTINUED

The Organization considers certificates of deposit with original maturities of greater than 90 days to be long-term investments and is shown as such on the statements of financial position. All others are considered to be cash and cash equivalents and are shown as current assets on the statements of financial position.

The Organization invests in various investment securities and money market funds. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported in the statement of financial position.

NOTE 6 – DEFERRED REVENUE

Deferred revenue as of March 31:

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|-------------------|
| Deferred revenue, beginning of year | \$ 279,194 | \$ 97,500 |
| Revenue recognized from prior year | (279,194) | (97,500) |
| Increases due to support received for events to be held in the future | 303,057 | 279,194 |
| Deferred revenue, end of year | <u>\$ 303,057</u> | <u>\$ 279,194</u> |

NOTE 7 – PENSION PLAN

Friends has established a 401(k) profit sharing plan for employees. Participants may contribute a percentage of their compensation up to the maximum statutory limit. Friend's offers a 50% match on 4% of employee contributions. Friends' contribution was approximately \$65,816 and \$55,694 for the years ended March 31, 2024 and 2023, respectively.

NOTE 8 – FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated are salaries based on time and effort, and other operating expenses based on salaries and benefit ratio to total expenses.

NOTE 9 – LONG-TERM DEBT

Notes payable consisted of the following at March 31:

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|-------------|
| A promissory note in the amount of \$150,000 with SBA to be repaid in monthly payments of \$641 including interest at 2.75%. Final payment is due on April 19, 2050. Secured by assets of Friends. | \$ 150,000 | 150,000 |
| | <u>150,000</u> | |
| Less current portion | 3,612 | |
| Long-term portion | <u>\$ 146,388</u> | |

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 9 – LONG-TERM DEBT - CONTINUED

Maturities of long-term debt are, as follows:

| Year ending March 31, | |
|-----------------------|-------------------|
| 2025 | 3,612 |
| 2026 | 3,713 |
| 2027 | 3,816 |
| 2028 | 3,923 |
| 2029 | 4,031 |
| Thereafter | 130,905 |
| | <u>\$ 150,000</u> |

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

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

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|-------------------|
| Subject to expenditure for specified purpose: | | |
| Trust projects | <u>\$ 46,142</u> | <u>\$ 129,304</u> |
| | <u>46,142</u> | <u>129,304</u> |
| Subject to the passage of time: | | |
| Promises to give that are not restricted by donors, but which are unavailable for expenditure until due | <u>\$ 247,872</u> | <u>\$ 374,041</u> |
| Total subject to expenditure for specified purpose and passage of time | <u>294,014</u> | <u>503,345</u> |
| Total net assets with donor restrictions | <u>\$ 294,014</u> | <u>\$ 503,345</u> |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended March 31:

| | <u>2024</u> | <u>2023</u> |
|--------------------------------------|-------------------|-------------------|
| Satisfaction of purpose restrictions | | |
| Park projects | <u>\$ 214,331</u> | <u>\$ 139,351</u> |
| | <u>\$ 214,331</u> | <u>\$ 139,351</u> |

NOTE 11 – RELATED PARTY AGREEMENT

Friends and the Trust operate under a Memorandum of Understanding/Collaborative Agreement. Funds raised by Friends inure to the Trust after allowance for its reasonable operating expenses and a prudent reserve. Friends contributed direct grants of \$1,626,410 and \$2,085,403 and other support services of \$927,849 and \$1,520,579 to the Trust during the years ended March 31, 2024 and 2023, respectively and has approximately \$2,305,450 and \$1,961,829 in a Trust related party due to account as of March 31, 2024 and 2023, respectively.

Notes to Financial Statements

March 31, 2024 and 2023

NOTE 12 – DONATED PROFESSIONALSERVICES AND MATERIALS

For year ended March 31, 2024:

| Donation | Revenue Recognized | Utilization in Program | Donor Restrictions | Valuation Techniques |
|---------------------------------------|--------------------|------------------------|--------------------|--|
| Storage unit | \$ 4,140 | Administration | None | Based on fair market value at time of receipt. |
| Food | 500 | Volunteers | None | Based on fair market value at time of receipt. |
| Gift baskets | 249 | Fundraising | None | Based on fair market value at time of receipt. |
| Auction Items | 20,383 | Fundraising | None | Based on fair market value at time of receipt. |
| Discounts for events (food and venue) | 38,850 | Fundraising | None | Based on fair market value at time of receipt. |
| Corporate Volunteers | 168,525 | Park | None | Hours tracked at current market value rate. |
| Total | \$ 232,647 | | | |

For year ended March 31, 2023:

| Donation | Revenue | Utilization in | Donor | Valuation Techniques |
|---------------------------------------|-------------------|----------------|-------|--|
| Storage unit | \$ 3,795 | Administration | None | Based on fair market value at time of receipt. |
| Food | 1,008 | Volunteers | None | Based on fair market value at time of receipt. |
| Gift baskets | 31,467 | Fundraising | None | Based on fair market value at time of receipt. |
| Auction Items | 21,149 | Fundraising | None | Based on fair market value at time of receipt. |
| Discounts for events (food and venue) | 30,000 | Fundraising | None | Based on fair market value at time of receipt. |
| Corporate Volunteers | 130,355 | Park | None | Hours tracked at current market value rate. |
| Total | \$ 217,774 | | | |

NOTE 13 – SUBSEQUENT EVENTS

Friends has evaluated subsequent events through October 21, 2024, which represents the date on which the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of these financial statements.