ADAPTIVE SPORTS FOUNDATION, INC.

Financial Statements and
Independent Auditor's Report

June 30, 2022 and 2021

ADAPTIVE SPORTS FOUNDATION, INC.

Financial Statements

June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Adaptive Sports Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Adaptive Sports Foundation, Inc. (the "Organization"), (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expense, and cash flows for the year 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 the Organization as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 that 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 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 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 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 Summarized Comparative Information

We have previously audited the Organization's financial statements for the year ended June 30, 2021, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 9, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wojeski & Company, CPAs, P.C.

Albany, New York
March 27, 2023

ADAPTIVE SPORTS FOUNDATION, INC.

Statement of Financial Position

As of June 30, 2022 (with comparative totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Totals	2021 Totals
ASSETS				
CURRENT ASSETS				
Cash & cash equivalents	$ 931,911	$ 202,965	$ 1,134,876	$ 1,075,943
Grants and contributions receivable	22,813	-	22,813	16,653
Interest receivable	8,290	-	8,290	8,233
Marketable securities	944,368	-	944,368	1,050,025
Prepaid expenses	16,290	-	16,290	7,175
TOTAL CURRENT ASSETS	1,923,672	202,965	2,126,637	2,158,029
PROPERTY AND EQUIPMENT - NET	2,484,328	-	2,484,328	2,600,552
MARKETABLE SECURITIES	-	3,083,713	3,083,713	3,540,288
LAND HELD FOR SALE	381,036	-	381,036	381,036
TOTAL ASSETS	$ 4,789,036	$ 3,286,678	$ 8,075,714	$ 8,679,905
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	$ 3,501	$ -	$ 3,501	$ 4,570
Accrued payroll and related expenses	16,887	-	16,887	4,382
Deferred revenue	4,710	-	4,710	-
Paycheck protection program payable	-	-	-	98,226
TOTAL CURRENT LIABILITIES	25,098	-	25,098	107,178
LAND ACQUISITION LOAN	750,000	-	750,000	750,000
TOTAL LIABILITIES	775,098	-	775,098	857,178
NET ASSETS	4,013,938	3,286,678	7,300,616	7,822,727
	$ 4,789,036	$ 3,286,678	$ 8,075,714	$ 8,679,905

See accompanying notes to financial statements.

ADAPTIVE SPORTS FOUNDATION, INC.

Statement of Activities

Year Ended June 30, 2022 (with comparative totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Totals	2021 Totals
PUBLIC SUPPORT				
Contributions received for support	$ 558,187	$ 6,026	$ 564,213	$ 653,216
Contributed nonfinancial assets	326,508	-	326,508	285,415
Special event revenue	275,525	-	275,525	168,623
Grant revenue	67,143	76,600	143,743	137,440
Paycheck protection program revenue	98,226	-	98,226	131,502
TOTAL PUBLIC SUPPORT	1,325,589	82,626	1,408,215	1,376,196
REVENUE				
Winter program revenue	83,022	-	83,022	115,702
Investment income, net	11,704	55,293	66,997	58,517
Gain on sale of assets	22,950	-	22,950	-
Lease income	10,000	-	10,000	10,000
Other program revenue	6,686	-	6,686	1,926
Net income on retail sales	112	-	112	1,225
Net realized/unrealized gain (loss) on investments	(119,689)	(462,127)	(581,816)	1,041,275
Other income	5,899	-	5,899	9,736
TOTAL REVENUE	20,684	(406,834)	(386,150)	1,238,381
Net assets released from restriction	107,110	(107,110)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	1,453,383	(431,318)	1,022,065	2,614,577
EXPENSES				
Program services	1,092,172	-	1,092,172	923,441
Management and general	267,869	-	267,869	176,949
Fundraising	184,135	-	184,135	192,026
TOTAL EXPENSES	1,544,176	-	1,544,176	1,292,416
CHANGES IN NET ASSETS	(90,793)	(431,318)	(522,111)	1,322,161
NET ASSETS, beginning of year	4,104,731	3,717,996	7,822,727	6,500,566
NET ASSETS, end of year	$ 4,013,938	$ 3,286,678	$ 7,300,616	$ 7,822,727

See accompanying notes to financial statements.

ADAPTIVE SPORTS FOUNDATION, INC.

Statement of Functional Expenses

Year Ended June 30, 2022 (with comparative totals for 2021)

	Program Services	Management and General	Fundraising	2022 Totals	2021 Totals
Gross wages and salaries	$ 320,661	$ 110,980	$ 60,236	$ 491,877	$ 372,404
Employee benefits	45,918	15,891	8,626	70,435	58,547
Payroll taxes	27,032	9,355	5,078	41,465	32,359
TOTAL PAYROLL AND RELATED EXPENSES	393,611	136,226	73,940	603,777	463,310
Winter programs	226,483	-	-	226,483	213,550
Depreciation	90,170	31,208	16,938	138,316	150,532
Volunteer expense	130,697	-	-	130,697	108,600
Insurance	48,784	16,883	9,164	74,831	57,500
Veterans affairs program	65,831	-	-	65,831	19,931
Contracted services	28,296	4,216	6,324	38,836	37,341
Other direct special event expenses	-	-	36,399	36,399	49,540
Lease expense - land	30,000	-	-	30,000	30,000
Interest	15,206	5,263	2,856	23,325	975
Professional Fees	-	22,581	-	22,581	24,666
Building maintenance	14,585	5,048	2,740	22,373	30,892
Special event/banquet expenses	-	-	17,305	17,305	6,886
Utilities	9,099	4,859	-	13,958	7,967
Bank service charges	8,283	2,867	1,556	12,706	11,336
Computer and website	6,488	3,163	1,219	10,870	10,704
Vehicle	4,833	1,673	908	7,414	6,266
Real estate taxes	-	7,078	-	7,078	6,917
Telephone	4,558	1,577	856	6,991	4,982
Warrior in motion program	5,730	-	-	5,730	11,727
Supplies	3,649	1,263	686	5,598	3,745
Donation and awards	-	-	5,241	5,241	4,850
Marketing	-	-	3,229	3,229	3,928
Admin. and board of directors expense	-	1,514	264	1,778	983
Equipment	1,563	-	-	1,563	845
Printing/stationery expense	688	238	129	1,055	-
Postage	638	220	120	978	790
Training	850	-	-	850	970
Miscellaneous	2,130	21,992	4,261	28,383	22,683
	$ 1,092,172	$ 267,869	$ 184,135	$ 1,544,176	$ 1,292,416

See accompanying notes to financial statements.

ADAPTIVE SPORTS FOUNDATION, INC.

Statements of Cash Flows

	Year Ended June 30, 2022	2021
OPERATING ACTIVITIES		
Changes in net assets	$ (522,111)	$ 1,322,161
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	138,316	150,532
Net realized and unrealized (gain) loss on investments	581,816	(1,041,275)
Gain on sale of assets	(22,950)	-
Contributed asset	-	(20,303)
(Increase) decrease in assets:		
Grants and contributions receivable	(6,160)	(16,653)
Interest receivable	(57)	(522)
Prepaid expenses	(9,115)	23,180
Security deposit	-	550
Increase (decrease) in liabilities:		
Accounts payable	(1,069)	(3,182)
Accrued payroll and related expenses	12,505	(14,463)
Deferred revenue	4,710	-
Paycheck protection program payable	(98,226)	33,058
NET CASH PROVIDED BY OPERATING ACTIVITIES	77,659	433,083
INVESTING ACTIVITIES		
Proceeds from sale of investments	680,552	1,773,263
Purchase of investments	(700,136)	(1,775,044)
Acquisition of property and equipment	(31,965)	(34,588)
Proceeds from sale of fixed assets	32,823	-
Payments of land development costs	-	(12,644)
NET CASH USED IN INVESTING ACTIVITIES	(18,726)	(49,013)
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	58,933	384,070
Cash, cash equivalents and restricted cash at beginning of year	1,075,943	691,873
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	$ 1,134,876	$ 1,075,943
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Non-cash investing activities:		
Property and equipment additions	$ -	$ 54,891
Less: Contributed vehicle	-	(20,303)
Acquisition of property and equipment	$ -	$ 34,588

See accompanying notes to financial statements.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements

June 30, 2022 and 2021

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Adaptive Sports Foundation, Inc. (the "Organization") was organized as a not-for-profit corporation on August 30, 1999 under the laws of the State of New York. The Organization is located in Windham, New York. The Organization offers both summer and winter recreational opportunities to individuals with mental and/or physical disabilities. The winter program serves as a model for other ski resorts that are interested in establishing adaptive programs.

Basis of Accounting
The financial statements have been prepared on the accrual basis of accounting whereby all assets and liabilities are recorded during the period in which they were incurred.

The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities*. Under these provisions net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to usage restrictions based on donor-imposed requirements. This class also includes net assets previously restricted when restrictions have expired or been met.

Net assets with donor restrictions – Net assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may be required to be maintained in perpetuity.

Use of Estimates
In preparing the financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions
Contributions, including unconditional promises to give, are recorded in the period received. Contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions. However, if a donor restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as an increase in net assets without donor restrictions.

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Grant Revenue
Income from government grants is recognized when services are rendered or expenditures have been incurred in accordance with the grant agreements.

Revenue from Contracts with Customers
Revenue from promised goods or services are recognized when control is transferred to the customers in an amount that reflects the consideration expected to be entitled to in exchange for those goods or services.

The Organization evaluates whether a contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment and could change the amount of revenue recorded in a given period. Contracts are considered to be a single performance obligation if the promise to transfer individual goods and services are not distinct or separately identifiable from other promises in the contracts.

The transaction price is allocated to the separate performance obligations based on the best estimate of the relative standalone selling prices.

Cash and Cash Equivalents
The Organization considers all short-term investments with maturities of three months or less to be cash equivalents.

The Federal Depository Insurance Corporation (FDIC) provides insured coverage for cash and cash equivalent accounts in member financial institutions up to $250,000 per depositor. The organization maintains cash accounts in three financial institutions. At times, the balances in these accounts may exceed the limits insured by the FDIC.

Grants and Contributions Receivable
Grants and contributions receivable are non-interest bearing and are recorded at their estimate collectible amounts. The Organization uses the allowance method to account for uncollectible receivables. Receivable balances are periodically reviewed for collectability based on past history and current economic conditions. The Organization considers all receivable balances to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

Property and Equipment
Property and equipment is recorded at cost, or in the case of donations or bequests, at fair market value at the date of acquisition. Expenditures for additions, renewals or betterments are capitalized; expenditures for maintenance and repairs are charged to expenses as incurred. Upon sale or retirement of items, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is credited or charged to activities. Depreciation is computed using the straight-line method over the estimated useful lives of the respective classes of property, ranging from 3 to 40 years.

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Long-Lived Asset Impairment
Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over the fair value of the asset. During the years ended June 30, 2022 and 2021, no impairment loss was recorded for long-lived assets.

Contributed Nonfinancial Assets
The Organization receives contributions in a form other than cash and other financial assets. These contributions represent goods and/or services that create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Contributed nonfinancial assets are recorded as revenue at their estimated fair value on the date of donation, with a corresponding asset or expense depending on the nature of the contribution.

Advertising Costs
The Organization expenses advertising and marketing costs as they are incurred.

Endowment
The Organization is subject to the New York Prudent Management of Institutional Funds Act (NYPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions until the Board of Directors appropriates such amounts for expenditure and any other purpose restrictions have been met. Under the NYMIFA, Organizations are allowed to spend endowment funds below their original dollar amount ("historic dollar value") without court approval or Attorney General review if the Organization's board of directors concludes that such spending is prudent.

Tax Status
The Internal Revenue Service has determined that the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Some activities and revenues are recognized as unrelated business income for tax return purposes. Therefore, the Organization files Forms 990-T and CT-13 with the Internal Revenue Service and New York State, respectively.

The Organization has adopted the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes.* Management has evaluated the Organization's tax positions, including interest and penalties attributable thereto, and concluded that the Organization had taken no tax positions that required adjustment in its financial statements as of June 30, 2022 and 2021.

The Organization's information return filings are subject to examination by various taxing authorities up to three years from the extended due date of each return. The Organization is no longer subject to examinations by taxing authorities for the fiscal years ending prior to June 30, 2019. Currently, there are no examinations in progress nor has the Organization been informed of any pending examinations.

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Functional Allocation of Expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Such expenses include salaries and wages, employee benefits, insurance, depreciation expense, supplies, and other expenses. The Organization goes through a review process in the determination of the allocation which is based on the services and work performed in a particular program and the knowledge of the expenses that are recorded in the various expense categories. The majority of these expenses are allocated based on the estimated time and effort supporting other functions.

Fair Value of Financial Instruments and Fair Value Disclosures
In accordance with U.S. GAAP, fair value is defined as the exchange price that would be received for an asset or liability in an orderly transaction between market participants on the measurement date. The guidance also establishes a fair value hierarchy that requires the Organization to maximize the use of observable input when measuring fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Organization’s market assumptions. The three levels of valuation hierarchy are as follows:

> Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
>
> Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly.
>
> Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Transfers between levels may occur when there is a change in the observability of significant inputs. A transfer between Level 1 and Level 2 generally occurs when the availability of quoted prices changes or when market activity of an investment significantly changes to active or inactive. A transfer between Level 2 and Level 3 generally occurs when the underlying inputs become, or can no longer be, corroborated with market observable data. For the years ended June 30, 2022 and 2021, there were no transfers between Level 1, 2 or 3.

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Income from Investments
Investment income is reported as an increase in net assets without donor restrictions unless the donor placed restriction on the income's use. Income that is restricted is reported as an increase in net assets with donor restrictions depending on the nature of the restrictions. Gains and losses are reflected as increases or decreases in the without donor restrictions class of net assets unless the donor or relevant laws placed restrictions on those gains and losses.

Comparative Totals, Summarized Financial Information
The financial statements include certain prior-year summarized comparative information in total but not by net asset class, and expenses not by function. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Reclassifications
Certain amounts for the year ended June 30, 2021 have been reclassified to conform to the current year presentation. These reclassifications had no effect on net assets or changes in net assets.

New Accounting Pronouncements
In September 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-07 - *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* The objective of ASU 2020-07 is to increase the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities, including how the assets are valued and utilized, through enhanced presentation and disclosures. This ASU was applied on a retroactive basis. The adoption of ASU 2020-07 did not have a material impact on the Organization's financial statements and did not result in any reclassifications or restatements of net assets or changes in net assets.

Subsequent Events
The Organization evaluates transactions that occur subsequent to year end for potential recognition or disclosure in the financial statements through the date on which the financial statements are available to be issued. The financial statements were available to be issued on March 27, 2023.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings in businesses and affecting production and sales across a wide range of industries. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain elements, including duration of the spread of the outbreak, impact on clients, employees and vendors, all of which are uncertain and cannot be operationally predicted or fiscally estimated. At this point, COVID-19 is expected to have an adverse impact on the Organization's financial condition and results of operations, however, the extent of the impact is uncertain.

NOTE B--LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of the Organization's liquidity management, it holds excess cash in its operating account to be used for operating expenses. The Organization manages its liquidity by developing and adopting annual budgets that provide sufficient funds for general expenditures. Adherence to the operating budget allows the Organization to meets its liabilities and other obligations that become due. In addition, the Organization has a board designated endowment fund. In the event of an unanticipated liquidity need, the Board could approve the Organization to draw from this fund.

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2022	2021
Cash and cash equivalents	$ 1,134,876	$ 1,075,943
Grants and contributions receivables	22,813	16,653
Interest receivable	8,290	8,233
Marketable securities	4,028,081	4,590,313
Total financial assets, as of June 30:	5,194,060	5,691,142
Less amounts unavailable for general expenditures:		
Board designated endowment fund	(985,928)	(1,090,848)
Restricted net assets	(3,286,678)	(3,717,996)
Financial assets available within one year	$ 921,454	$ 882,298

NOTE C--FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the Organization's financial instruments are as follows:

	Fair Value Measurements at June 30, 2022		
	Level 1	Level 2	Level 3
Stock/equity mutual funds	$ 213,828	$ -	$ -
Common stock	2,802,411	-	-
Corporate bonds	-	1,011,842	-
	$ 3,016,239	$ 1,011,842	$ -

	Fair Value Measurements at June 30, 2021		
	Level 1	Level 2	Level 3
Stock/equity mutual funds	$ 244,151	$ -	$ -
Common stock	3,280,356	-	-
Corporate bonds	-	1,065,806	-
	$ 3,524,507	$ 1,065,806	$ -

The carrying amounts of cash, cash equivalents, and grants and contracts receivable reported in the accompanying statements of financial position approximate their fair value due to the short-term maturity of those instruments.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE D--CASH AND CASH EQUIVALENTS

The balances comprising cash and cash equivalents are as follows at June 30:

	2022	2021
Cash in bank, checking accounts	$ 885,396	$ 868,002
Cash in bank, money market funds	110,824	86,808
Investment account, money market funds	138,656	121,133
Total cash and cash equivalents	$ 1,134,876	$ 1,075,943

NOTE E--GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable are comprised of the following amounts due at June 30:

	2022	2021
Windham Foundation of New York, Inc.	$ 10,000	$ -
Disabled Sports USA	7,813	16,653
Windham Mountain Partners	5,000	-
	$ 22,813	$ 16,653

NOTE F--PREPAID EXPENSES

Prepaid expenses consisted of advanced payments for the following at June 30:

	2022	2021
Insurance	$ 6,984	$ 5,549
Construction deposit	5,441	-
New York City Marathon registration	2,250	-
Real estate taxes	1,615	1,626
Total prepaid expenses	$ 16,290	$ 7,175

NOTE G--MARKETABLE SECURITIES

The Organization's investment portfolio is managed by an outside investment firm which has discretion to alter the portfolio asset allocation within the ranges specified by the Organization, depending on the economic and capital market outlook to achieve the Organization's investment objectives.

Marketable securities consist of common stocks, corporate bonds and stocks and equity mutual funds traded on the national stock exchanges and are stated at fair value.

NOTE G--MARKETABLE SECURITIES--Continued

Market values and unrealized gain at June 30, 2022 are summarized below:

Year 2022	Cost	Fair Market Value	Unrealized Gain (Loss)
Stock/equity mutual funds	$ 201,658	$ 213,828	$ 12,170
Common stock	2,227,563	2,802,411	574,848
Corporate bonds	1,056,288	1,011,842	(44,446)
Total	$ 3,485,509	$ 4,028,081	$ 542,572

Market values and unrealized gain at June 30, 2021 are summarized below:

Year 2021	Cost	Fair Market Value	Unrealized Gain (Loss)
Stock/equity mutual funds	$ 190,751	$ 244,151	$ 53,400
Common stock	2,216,774	3,280,356	1,063,582
Corporate bonds	1,040,217	1,065,806	25,589
Total	$ 3,447,742	$ 4,590,313	$ 1,142,571

The unrealized gain position of marketable securities are as follows at June 30:

	2022	2021
Without donor restrictions	$ 35,346	$ 167,222
With donor restrictions	507,226	975,349
Total unrealized gain	$ 542,572	$ 1,142,571

Net realized and unrealized gains (losses) on marketable securities are as follows for the years ended June 30:

	2022	2021
Realized gains	$ 29,812	$ 213,352
Unrealized gains (losses)	(611,628)	827,923
Net realized & unrealized gains (losses) on marketable securities	$ (581,816)	$ 1,041,275

Investment income is reported net of investment fees and consists of the following for the years ended June 30:

	2022	2021
Dividend income	$ 72,155	$ 58,885
Interest income	29,778	29,621
Less: investment fees	(34,936)	(29,989)
Total investment income, net	$ 66,997	$ 58,517

NOTE H--PROPERTY AND EQUIPMENT

Property and equipment at consist of the following at June 30:

	2022	2021
Building and building improvements	$ 2,580,591	$ 2,580,591
Land and land improvements	861,514	861,514
Program equipment	772,749	794,822
Machinery and equipment	569,644	574,570
Computer software	35,758	35,758
Total property and equipment	4,820,256	4,847,255
Less: accumulated depreciation	(2,335,928)	(2,246,703)
Total property and equipment - net	$ 2,484,328	$ 2,600,552

NOTE I--LAND HELD FOR RESALE

As of June 30, 2022 and 2021, land held for resale includes property bought in conjunction with the parcel of land purchased for the purposes of the construction for the existing facility which was occupied during the year ended June 30, 2006. Parcels of this property sold and parcels continue to be held for resale. On the closing of the sale of the remaining three parcels the Organization is obligated to make certain payments on a related promissory note (see Note J). The Organization estimates that the sale proceeds realized will be sufficient to cover this obligation. Land held for resale totaled $381,036 for the years ended June 30, 2022 and 2021.

NOTE J--LAND ACQUISITION LOAN

During the month of March 2005, the Organization obtained a non-recourse non-interest loan from Peter Kellogg in the amount of $1,250,000 for the purchase of land on which the existing facility was constructed and occupied during the year ended June 30, 2006. As of June 30, 2021, the Organization has made payments totaling $500,000 towards the loan principal. The loan is to be repaid without interest upon the sale of parcels held for resale (See Note I). However, even though the Organization will not pay interest annually to Mr. Kellogg, the Organization will recognize interest expense and contribution income at the applicable federal interest rate determined at the end of each fiscal year. The applicable federal interest rate as of June 30, 2022 and 2021 was 3.11% and 0.13%, respectively. Interest expense and contribution income for the years ended June 30, 2022 and 2021 was $23,325 and $975, respectively. This contribution income is considered a noncash contribution (See Note R). The sale of the parcels of land held for resale are expected to result in proceeds of at least $750,000 net of taxes as a result of capital gains, thus allowing for repayment of the loan in full. If land sales in future years do not recognize a net of the $750,000, the amount still owed to Mr. Kellogg as of June 30, 2022, any remaining difference owed will be forgiven. Accordingly, no allowance for forgiveness of debt has been recorded in the financial statements. Forgiveness of debt, if any, will result in the recognition of revenue during the year of occurrence.

NOTE K--PAYCHECK PROTECTION PROGRAM

The Paycheck Protection Program (PPP) is a loan program originated from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The PPP intended to provide American small businesses with cash flow assistance through 100 percent federally guaranteed loans. These loans are backed by the Small Business Administration (SBA).

In April 2021 and April 2020, the Organization received SBA loans through the PPP from a local bank. The proceeds from these loans totaled $164,560 and 162,300, respectively. The PPP loans had a term of five years and included interest at 1%. PPP loans are eligible for forgiveness for amounts spent on allowable purposes, as defined in the CARES Act. The Organization expected the loan to be fully forgiven, and accordingly, recorded the proceeds as a conditional grant. The Organization recognized the grant revenue as the allowable expenses were incurred. The unspent grant funds were recorded as a deferred liability on the accompanying statements of financial position. Grant revenue recognized for these loans totaled $98,226 and $131,502 years ended June 30, 2022 and 2021, respectively. Both of these loans have been forgiven.

NOTE L--NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	2022	2021
Subject to expenditure for specific purpose:		
Robert Stubbs memorial fund	$ 30,000	$ 30,000
Warriors in motion programs	24,859	27,792
Ride2Live program	19,373	19,373
Project 1-2-3	23,690	9,992
Race programs	5,706	5,706
Staci fund	-	2,294
Elijah fund	1,391	1,391
Sensory Friendly program	850	850
	105,869	97,398
Subject to expenditure when a specific event occurs:		
Endowment fund	1,622,006	1,855,885
Employee benefits fund	1,558,803	1,764,713
	3,180,809	3,620,598
	$ 3,286,678	$ 3,717,996

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the year ended June 30:

NOTE L--NET ASSETS--Continued

	2022	2021
Subject to expenditure for specific purpose:		
Warriors in motion programs	$ 33,959	$ 42,384
Other (Salaries)	28,600	-
Project 1-2-3	6,302	13,698
Race programs	3,000	-
Staci fund	2,294	2,104
Wellness program	-	1,500
Elijah fund	-	340
Other	-	910
	74,155	60,936
Subject to expenditure for specific period:		
Board donation – future period	-	18,000
Subject to expenditure when a specific event occurs:		
Endowment fund	32,955	38,243
Employee benefits fund	-	40,000
	32,955	78,243
	$ 107,110	$ 157,179

The interest and dividend earnings from the endowment fund net assets are to be used towards operating expenses and any realized and unrealized capital gains and losses to affect the balance of the net assets with donor restrictions. As of June 30, 2022 and 2021, the endowment fund net assets were $4,166,737 and $4,711,466, respectively.

Net assets without donor restrictions consists of the following as of June 30:

	2022	2021
Undesignated net assets	$ 3,028,010	$ 3,013,883
Board designated endowment fund	985,928	1,090,848
	$ 4,013,938	$ 4,104,731

NOTE M--ENDOWMENT FUNDS

The Organization's endowment consists of various individual funds established for a variety of purposes. Its endowment includes donor-restricted funds. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE M--ENDOWMENT FUNDS--Continued

The Organization has interpreted the NYPMIFA as requiring each person responsible for managing and investing an institutional fund "shall manage and invest the fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances." NYPMIFA also requires that the following eight factors, if relevant, be considered in managing and investing an institutional fund: (1) general economic conditions, (2) the possible effect of inflation or deflation, (3) the expected tax consequences, if any, of investment decisions or strategies, (4) the role that each investment or course of action plays within the overall investment portfolio of the fund, (5) the expected total return from income and the appreciation of investments, (6) other resources of the institution, (7) the needs of the institution and the fund to make distributions and to preserve capital, and (8) an asset's special relationship or special value, if any, to the purposes of the institution. In addition to the eight factors set forth above the governing board must consider the purposes of the Organization as well as the purposes for which the fund was established when managing and investing an institutional fund.

Under the NYPMIFA, a fund's investments must be diversified unless the Organization's governing board determines that, due to special circumstances, the purposes of the fund are better served without diversification. Any decision not to diversify must be reviewed by the Organization's governing board at least annually.

Management and investment decisions about a specific asset must be made in the context of the portfolio of investments in which the fund is invested, and as part of an overall investment strategy in light of return objectives "reasonably suited" to the charity and the fund. In addition, the Organization shall be required, within a reasonable time after receiving property, to make and carry out decisions regarding, retaining or disposing of the property, or rebalancing the Organization's portfolio in order to bring the fund into compliance with NYPMIFA, and to take into consideration the Organization's other circumstances, including, for example, its distribution requirements and/or general liquidity needs.

Changes in endowment net assets were as follows for the year ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at July 1, 2021	$ 1,090,848	$ 3,620,598	$ 4,711,446
Net realized and unrealized Loss	(119,689)	(462,127)	(581,816)
Investment income, net	14,242	52,755	66,997
Deposits (Withdrawals)	527	-	527
Net (released) or transferred for expenditures	-	(30,417)	(30,417)
Balance at June 30, 2022	$ 985,928	$ 3,180,809	$ 4,166,737

NOTE M--ENDOWMENT FUNDS--Continued

Changes in endowment net assets were as follows for the year ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at July 1, 2020	$ 938,158	$ 2,755,661	$ 3,693,819
Net realized and unrealized gain	144,381	896,894	1,041,275
Investment income, net	12,894	45,623	58,517
Withdrawals	(4,585)	-	(4,585)
Net (released) or transferred for expenditures	-	(77,580)	(77,580)
Balance at June 30, 2021	$ 1,090,848	$ 3,620,598	$ 4,711,446

NOTE N--CONTINGENCIES

Litigation
The Organization is subject to litigation in its normal course of operations and carries insurance related to such possibilities. Presently, the Organization is not subject to any litigation or matters that require the recognition of a liability in the financial statements.

Grants
The Organization participates in various grants which are subject to financial and compliance audits by the grantors or their representatives. Accordingly, the Organization's compliance with the applicable grant requirements may be established at some future date. The amount of expenditures or funding which may be disallowed by the granting agencies cannot be determined at this time although management, based upon prior experience, expects such amounts, if any, to be immaterial.

NOTE O--PROGRAM REVENUE

Program service revenue is comprised of revenue related to lesson fees, race fees and other related fees paid by the Organization's clients. Revenue is recognized over time as the services are provided. During the years ended June 30, 2022 and 2021 income was provided by the various programs offered by the Organization as follows:

	2022	2021
Winter program revenue	$ 83,022	$ 115,702
Summer program revenue	6,686	-
Warriors in Motion program revenue	-	1,926
Total program revenue	$ 89,708	$ 117,628

NOTE P--SPECIAL EVENT REVENUE

Special events income for the years ended June 30 is summarized below:

	2022	2021
Dinner dance/auction income	48,640	10,527
Anython	43,500	-
Golf tournament income	43,273	40,125
NYC Marathon	40,500	-
Skiathon income	21,265	35,952
Annual fund drive income	20,521	29,219
Michael Gray Race income	11,011	3,325
Chairlift sponsorship income	7,308	9,346
Online fundraising income	5,196	7,075
Master Chef income	-	7,500
Other special events income	34,311	25,554
Total special events income	$ 275,525	$ 168,623

NOTE Q--NET INCOME ON RETAIL SALES

The Organization periodically sells apparel and other items to its winter and summer program instructors as well as to the public. Revenue is recognized at the point in time when the sales are made. During the years ended June 30, 2022 and 2021 net income (loss) on retail sales was computed as follows:

	2022	2021
Sales income	$ 1,566	$ 1,225
Less: cost of apparel and other items	(1,454)	-
Net income on sales of apparel	$ 112	$ 1,225

NOTE R--CONTRIBUTED NONFINANCIAL ASSETS

During the years ended June 30, 2022 and 2021, contributions of nonfinancial assets that have been received by of the Organization include the following:

	2022	2021
Ski passes	$ 175,383	$ 161,777
Ski instructors and technician services	127,800	102,360
Imputed interest on loan (see Note J)	23,325	975
Vehicle	-	20,303
Total contributions of nonfinancial assets	$ 326,508	$ 285,415

NOTE R--CONTRIBUTED NONFINANCIAL ASSETS--Continued

Qualitative information related to the utilization of contributed nonfinancial assets, description of any donor-imposed restrictions, and valuation techniques and inputs are as follows. Information is consistent for both years ended June 30, 2022 and 2021, unless otherwise noted.

Nonfinancial Asset	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Ski passes	Winter Programs	None	Estimated value based on Windham Mountain Ski Resort's published prices for similar ski passes.
Ski instructor and technician services	Winter Programs	None	Contributed services from skilled volunteers are valued at estimated fair value based on current wages for similar services.
Imputed interest on loan	Management and General	None	For the year ended June 30, 2022, estimated interest on the loan is based on the long-term Applicable Federal Rate (AFR) published by the IRS. For the year ended June 30, 2021, estimated interest on the loan is based on the short-term AFR.
Vehicle	Management and General	None	Estimated value based on publicly available price information for comparable vehicles.

NOTE S--GRANT REVENUE

Grant revenue consisted of the following as of June 30:

	2022	2021
Individual and foundation grants	$ 78,358	$ 120,720
Federal government grants	65,385	16,720
Total grant revenue	$ 143,743	$ 137,440

NOTE T--LEASE INCOME/LEASE EXPENSE

During the year ended June 30, 2006, Adaptive Sports Foundation, Inc. purchased and installed a chairlift upon land owned by Ski Windham Operating Corporation to provide access to and from base facilities of the ski area to the Organization's facilities southeast of the ski lodge. The real estate owners of the ski facilities and owners of the ski operations agreed to this arrangement. The cost of the new ski lift plus installation was $389,021.

The most recent agreement entered into by the Organization is a ten-year agreement (with options for five more years renewal following expiration) effective during the year ended June 30, 2012 with Ski Windham Operating Corporation and Windham Mountain Partners to lease the land necessary for use in its programs for $10,000 per year. Conversely, the Organization agreed to a ten-year lease for the use of this new lift equipment to the owners of Ski Windham Operating Corporation and Windham Mountain Partners for $10,000, due annually to the Organization. Upon expiration of the initial lease term on June 30, 2022, the lease was renewed for an additional five years.

During the year ended June 30, 2016, Adaptive Sports Foundation, Inc. entered into an initial five-year lease agreement with Girls Quest for lake use and access of trails, storage and use of property amenities at a local camp known as Camp Oh-Neh-Tah (the Camp). The lease commenced on July 1, 2016 for the amount of $20,000 per year. The Organization renewed the lease in June 2021 under the same terms as the initial lease. The Organization has the option to be released from this lease agreement at any time, without penalty, if the required programming and/or funding ceases to exist in order to continue such programming at the Camp. The annual lease payments are funded by donor directed contributions.

The future minimum lease payments as of June 30, 2021 are as follows:

Year Ended June 30,	Amount
2023	$ 30,000
2024	30,000
2025	30,000
2026	30,000
2027	10,000
	$ 130,000

NOTE U--EMPLOYEE BENEFIT PLAN

The Organization provides retirement benefits in the form of a defined contribution plan pursuant to Section 401(k) of the Internal Revenue Code (Plan). The Plan is available to all employees meeting certain eligibility requirements. Participating employees may elect to contribute, on a tax-deferred basis, a portion of their compensation in accordance with Section 401(k) of the internal revenue code. The Organization, at its discretion, may elect to make contributions that match a portion of the participating employees' contributions. In addition, the Organization, at its discretion, may elect to make a profit-sharing contribution to the Plan. Total employer contributions to the Plan were $17,762 and $17,921 for the years ended June 30, 2022 and 2021, respectively.