



ADAPTIVE SPORTS FOUNDATION, INC.

**Financial Statements and
Independent Auditor's Report**

June 30, 2024 and 2023

ADAPTIVE SPORTS FOUNDATION, INC.

Financial Statements

June 30, 2024 and 2023

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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, 2024, 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, 2024, 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, 2023, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 8, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 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
January 3, 2025

ADAPTIVE SPORTS FOUNDATION, INC.**Statement of Financial Position****As of June 30, 2024 (with comparative totals for 2023)**

	Without Donor Restrictions	With Donor Restrictions	2024 Totals	2023 Totals
ASSETS				
CURRENT ASSETS				
Cash & cash equivalents	\$ 370,429	\$ 153,711	\$ 524,140	\$ 1,452,601
Grants and contributions receivable	1,260	-	1,260	7,500
Interest receivable	16,364	-	16,364	8,590
Marketable securities	2,192,682	-	2,192,682	1,027,289
Prepaid expenses	24,460	-	24,460	13,268
TOTAL CURRENT ASSETS	2,605,195	153,711	2,758,906	2,509,248
PROPERTY AND EQUIPMENT - NET	2,326,885	-	2,326,885	2,423,112
MARKETABLE SECURITIES	-	3,797,110	3,797,110	3,291,451
LAND HELD FOR SALE	381,036	-	381,036	381,036
TOTAL ASSETS	\$ 5,313,116	\$ 3,950,821	\$ 9,263,937	\$ 8,604,847
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 15,521	\$ -	\$ 15,521	\$ 31,983
Accrued payroll and related expenses	6,491	-	6,491	6,348
Deferred revenue	13,492	-	13,492	11,418
TOTAL CURRENT LIABILITIES	35,504	-	35,504	49,749
LAND ACQUISITION LOAN	750,000	-	750,000	750,000
TOTAL LIABILITIES	785,504	-	785,504	799,749
NET ASSETS	4,527,612	3,950,821	8,478,433	7,805,098
	\$ 5,313,116	\$ 3,950,821	\$ 9,263,937	\$ 8,604,847

See accompanying notes to financial statements.

ADAPTIVE SPORTS FOUNDATION, INC.**Statement of Activities****Year Ended June 30, 2024 (with comparative totals for 2023)**

	Without Donor Restrictions	With Donor Restrictions	2024 Totals	2023 Totals
PUBLIC SUPPORT				
Contributions received for support	\$ 550,719	\$ 25,772	\$ 576,491	\$ 649,329
Special event revenue	681,237	-	681,237	559,327
Contributed nonfinancial assets	326,193	-	326,193	287,522
Grant revenue	-	70,650	70,650	107,359
TOTAL PUBLIC SUPPORT	1,558,149	96,422	1,654,571	1,603,537
REVENUE				
Net realized/unrealized gain (loss) on investments	107,433	383,180	490,613	306,619
Winter program revenue	113,414	-	113,414	93,865
Investment income, net	53,072	64,607	117,679	83,972
Other program revenue	25,455	-	25,455	12,277
Lease income	10,000	-	10,000	10,000
Net income on lunch and vending sales	4,290	-	4,290	8,115
Net income on retail sales	104	-	104	1,200
Other income	2,163	-	2,163	370
TOTAL REVENUE	315,931	447,787	763,718	516,418
Net assets released from restriction	147,198	(147,198)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	2,021,278	397,011	2,418,289	2,119,955
EXPENSES				
Program services	1,100,474	-	1,100,474	1,080,472
Management and general	303,414	-	303,414	291,712
Fundraising	341,066	-	341,066	243,289
TOTAL EXPENSES	1,744,954	-	1,744,954	1,615,473
CHANGES IN NET ASSETS	276,324	397,011	673,335	504,482
NET ASSETS, beginning of year	4,251,288	3,553,810	7,805,098	7,300,616
NET ASSETS, end of year	\$ 4,527,612	\$ 3,950,821	\$ 8,478,433	\$ 7,805,098

See accompanying notes to financial statements.

ADAPTIVE SPORTS FOUNDATION, INC.

Statement of Functional Expenses

Year Ended June 30, 2024 (with comparative totals for 2023)

	Program Services	Management and General	Fundraising	2024 Totals	2023 Totals
Gross wages and salaries	\$ 345,915	\$ 116,623	\$ 63,998	\$ 526,536	\$ 514,085
Employee benefits	72,172	24,332	13,353	109,857	77,423
Payroll taxes	31,340	10,566	5,798	47,704	44,658
Total payroll and Related Expenses	449,427	151,521	83,149	684,097	636,166
Summer and winter programs	201,099	-	-	201,099	185,093
Volunteer expense	146,297	-	-	146,297	112,724
Special event/banquet expenses	-	-	132,318	132,318	72,854
Depreciation	85,163	28,712	15,756	129,631	132,690
Contracted services	48,409	7,213	10,819	66,441	94,453
Other direct special event expenses	-	-	56,707	56,707	31,992
Insurance	32,298	10,889	5,976	49,163	62,382
Warrior in motion program	34,769	-	-	34,769	47,900
Interest	22,370	7,543	4,137	34,050	28,425
Building maintenance	19,694	6,640	3,644	29,978	28,150
Bank service charges	15,113	5,095	2,796	23,004	19,667
Professional fees	-	22,645	-	22,645	22,465
Utilities	10,286	5,371	-	15,657	12,532
Lease expense - land	15,000	-	-	15,000	32,000
Marketing	-	-	13,023	13,023	3,840
Telephone	4,852	1,636	898	7,386	6,825
Real estate taxes	-	6,869	-	6,869	6,807
Supplies	4,364	1,471	807	6,642	6,859
Admin. and board of directors expense	-	5,247	219	5,466	7,484
Computer and website	1,575	2,327	291	4,193	5,978
Equipment	2,018	-	-	2,018	1,665
Vehicle	857	289	158	1,304	494
Postage	629	212	117	958	858
Training	854	-	-	854	324
Veterans affairs program	-	-	-	-	13,003
Bad debts	-	-	-	-	7,813
Donation and awards	-	-	-	-	719
Miscellaneous	5,400	39,734	10,251	55,385	33,311
	<u>\$ 1,100,474</u>	<u>\$ 303,414</u>	<u>\$ 341,066</u>	<u>\$ 1,744,954</u>	<u>\$ 1,615,473</u>

See accompanying notes to financial statements.

ADAPTIVE SPORTS FOUNDATION, INC.**Statements of Cash Flows**

	Year Ended June 30,	
	2024	2023
OPERATING ACTIVITIES		
Changes in net assets	\$ 673,335	\$ 504,482
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	129,631	132,690
Bad debts	-	7,813
Net realized and unrealized gain on investments	(490,613)	(306,619)
(Increase) decrease in assets:		
Grants and contributions receivable	6,240	7,500
Interest receivable	(7,774)	(300)
Prepaid expenses	(11,192)	3,022
Increase (decrease) in liabilities:		
Accounts payable	(16,462)	18,720
Accrued payroll and related expenses	143	(777)
Deferred revenue	2,074	6,708
NET CASH PROVIDED BY OPERATING ACTIVITIES	285,382	373,239
INVESTING ACTIVITIES		
Proceeds from sale of investments	1,777,382	1,354,015
Purchase of investments	(2,957,821)	(1,338,055)
Acquisition of property and equipment	(33,404)	(71,474)
NET CASH USED IN INVESTING ACTIVITIES	(1,213,843)	(55,514)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	(928,461)	317,725
Cash, cash equivalents and restricted cash at beginning of year	1,452,601	1,134,876
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	\$ 524,140	\$ 1,452,601

See accompanying notes to financial statements.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements

June 30, 2024 and 2023

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.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

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

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.

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 Depositary 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.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

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

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.

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, 2024 and 2023, no impairment loss was recorded for long-lived assets.

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, 2024 and 2023, there were no transfers between Level 1, 2 or 3.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

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.

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 (Board) 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 concludes that such spending is prudent.

Advertising Costs

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

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, 2024 and 2023.

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, 2021. Currently, there are no examinations in progress nor has the Organization been informed of any pending examinations.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

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.

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, 2023, from which the summarized information was derived.

Reclassifications

Certain amounts for the year ended June 30, 2023 have been reclassified to conform to the presentation for the year ended June 30, 2024. These reclassifications had no effect on the changes in net assets or net assets.

New Accounting Pronouncements

On January 1, 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326); Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments that are measured at amortized cost, such as accounts receivable. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses.

The Organization adopted the standard effective July 1, 2023. The adoption of the new standard did not have a material impact on the financial statements.

Subsequent Events

The Organization has evaluated subsequent events for disclosure between the statement of financial condition date of June 30, 2024 and January 3, 2025, the date the financial statements were available to be issued.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

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 meet 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:

	2024	2023
Cash and cash equivalents	\$ 524,140	\$ 1,452,601
Grants and contributions receivables	1,260	7,500
Interest receivable	16,364	8,590
Marketable securities	5,989,792	4,318,740
Total financial assets, as of June 30:	6,531,556	5,787,431
Less amounts unavailable for general expenditures:		
Board designated reserve fund	(2,263,435)	(1,060,200)
Restricted net assets	(3,950,821)	(3,553,810)
	<u>\$ 317,300</u>	<u>\$ 1,173,421</u>

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, 2024			
	Level 1	Level 2	Level 3
Stock/equity mutual funds	\$ 920,815	\$ -	\$ -
Common stock	3,486,953	-	-
Government securities	218,365	-	-
Corporate bonds	-	1,363,659	-
	<u>\$ 4,626,133</u>	<u>\$ 1,363,659</u>	<u>\$ -</u>

Fair Value Measurements at June 30, 2023			
	Level 1	Level 2	Level 3
Stock/equity mutual funds	\$ 639,133	\$ -	\$ -
Common stock	2,681,781	-	-
Government securities	179,843	-	-
Corporate bonds	-	817,983	-
	<u>\$ 3,500,757</u>	<u>\$ 817,983</u>	<u>\$ -</u>

ADAPTIVE SPORTS FOUNDATION, INC.**Notes to Financial Statements—Continued****NOTE C--FAIR VALUE OF FINANCIAL INSTRUMENTS--Continued**

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.

NOTE D--CASH AND CASH EQUIVALENTS

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

	2024	2023
Cash in bank, checking accounts	\$ 232,986	\$ 206,432
Cash in bank, money market funds	88,972	77,471
Investment account, money market funds	202,182	1,168,698
	<u>\$ 524,140</u>	<u>\$ 1,452,601</u>

NOTE E--GRANTS AND CONTRIBUTIONS RECEIVABLE

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

	2024	2023
Saugerties Central School	\$ 1,260	\$ -
4SeasonAlpine	-	6,500
Other	-	1,000
	<u>\$ 1,260</u>	<u>\$ 7,500</u>

NOTE F--PREPAID EXPENSES

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

	2024	2023
Insurance	\$ 4,967	\$ 6,617
Real estate taxes	1,656	1,615
Inventories – food and supplies	2,300	5,036
Event entertainment deposit	3,500	-
Prepaid software subscription	3,312	-
New York City Marathon registration	7,480	-
Other	1,245	-
	<u>\$ 24,460</u>	<u>\$ 13,268</u>

ADAPTIVE SPORTS FOUNDATION, INC.**Notes to Financial Statements--Continued****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.

Market values and unrealized gain at June 30, 2024 are summarized below:

Year 2024	Cost	Fair Market Value	Unrealized Gain (Loss)
Stock/equity mutual funds	\$ 781,075	\$ 920,815	\$ 139,740
Common stock	2,294,641	3,486,953	1,192,312
Corporate bonds	1,363,684	1,363,659	(25)
Government securities	223,560	218,365	(5,195)
	<u>\$ 4,662,960</u>	<u>\$ 5,989,792</u>	<u>\$ 1,326,832</u>

Market values and unrealized gain at June 30, 2023 are summarized below:

Year 2023	Cost	Fair Market Value	Unrealized Gain (Loss)
Stock/equity mutual funds	\$ 582,336	\$ 639,133	\$ 56,797
Common stock	1,838,121	2,681,781	843,660
Corporate bonds	854,065	817,983	(36,082)
Government securities	179,809	179,843	34
	<u>\$ 3,454,331</u>	<u>\$ 4,318,740</u>	<u>\$ 864,409</u>

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

	2024	2023
Without donor restrictions	\$ 186,313	\$ 90,025
With donor restrictions	1,140,519	774,384
	<u>\$ 1,326,832</u>	<u>\$ 864,409</u>

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

	2024	2023
Realized gains (losses)	\$ 19,670	\$ (11,216)
Unrealized gains	470,943	317,835
	<u>\$ 490,613</u>	<u>\$ 306,619</u>

ADAPTIVE SPORTS FOUNDATION, INC.**Notes to Financial Statements--Continued****NOTE G--MARKETABLE SECURITIES--Continued**

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

	2024	2023
Dividend income	\$ 112,718	\$ 76,540
Interest income	45,916	37,476
Less: investment fees	(40,955)	(30,044)
	<u>\$ 117,679</u>	<u>\$ 83,972</u>

NOTE H--PROPERTY AND EQUIPMENT

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

	2024	2023
Building and building improvements	\$ 2,636,933	\$ 2,636,933
Land and land improvements	861,514	861,514
Program equipment	815,285	781,881
Machinery and equipment	575,644	575,644
Computer software	35,758	35,758
Total property and equipment	<u>4,925,134</u>	<u>4,891,730</u>
Less: accumulated depreciation	<u>(2,598,249)</u>	<u>(2,468,618)</u>
	<u>\$ 2,326,885</u>	<u>\$ 2,423,112</u>

NOTE I--LAND HELD FOR RESALE

As of June 30, 2024 and 2023, 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. Three parcels of this property remain unsold and continue to be held for resale. These parcels are reported at historical cost. 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.

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. As of June 30, 2024, 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 of land held for resale (See Note I).

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE J--LAND ACQUISITION LOAN--Continued

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, 2024 and 2023 was 4.54% and 3.79%, respectively. Interest expense and contribution income for the years ended June 30, 2024 and 2023 was \$34,050 and \$28,425, 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, 2024, 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--NET ASSETS

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

	2024	2023
Subject to expenditure for specific purpose:		
Warriors in motion programs	\$ 41,881	\$ 49,637
Ride2Live program	19,373	19,373
Robert Stubbs memorial fund	27,135	17,135
Project 1-2-3	3,939	13,858
Race programs	-	7,088
Donor restricted intent	11,026	5,000
Elijah fund	1,391	1,391
Sensory Friendly program	850	850
Christopher Tucci Scholarship Fund	8,746	-
Summer programs	2,750	-
	<u>117,091</u>	<u>114,332</u>
Subject to expenditure for specific period		
General	<u>40,283</u>	<u>25,321</u>
Subject to expenditure when a specific event occurs:		
Endowment fund	1,828,226	1,712,604
Peter Kellogg endowment	1,965,221	1,701,553
	<u>3,793,447</u>	<u>3,414,157</u>
	<u>\$ 3,950,821</u>	<u>\$ 3,553,810</u>

ADAPTIVE SPORTS FOUNDATION, INC.**Notes to Financial Statements--Continued****NOTE K--NET ASSETS--Continued**

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:

	2024	2023
Subject to expenditure for specific purpose:		
Warriors in motion programs	\$ 37,255	\$ 22,862
Robert Stubbs memorial fund	-	12,865
Project 1-2-3	-	9,792
Other (Salaries)	10,037	5,429
Race programs	10,489	4,436
40 th anniversary film documentary	10,000	-
MTA program	9,920	-
Christopher Tucci Scholarship Fund	1,000	-
	<u>78,701</u>	<u>55,384</u>
 Endowment fund	 47,677	 40,370
Peter Kellogg endowment	20,820	36,035
	<u>68,497</u>	<u>76,405</u>
	<u>\$ 147,198</u>	<u>\$ 131,789</u>

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, 2024 and 2023, the endowment fund net assets were \$3,793,447 and \$3,414,157, respectively.

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

	2024	2023
Undesignated net assets	\$ 2,264,177	\$ 3,191,088
Board designated reserve fund	2,263,435	1,060,200
	<u>\$ 4,527,612</u>	<u>\$ 4,251,288</u>

NOTE L--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.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE L--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:

	2024	2023
Balance at beginning of year	\$ 3,414,157	\$ 3,180,809
Net realized and unrealized gain (loss)	383,180	248,239
Investment income, net	64,607	61,514
Deposits (Withdrawals)	-	-
Net (released) or transferred for expenditures	(68,497)	(76,405)
Balance at end of year	<u>\$ 3,793,447</u>	<u>\$ 3,414,157</u>

ADAPTIVE SPORTS FOUNDATION, INC.**Notes to Financial Statements--Continued****NOTE M--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, 2024 and 2023 income was provided by the various programs offered by the Organization as follows:

	2024	2023
Winter program revenue	\$ 113,414	\$ 93,865
Other program revenue	25,455	12,277
	<u>\$ 138,869</u>	<u>\$ 106,142</u>

NOTE N--SPECIAL EVENT REVENUE

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

	2024	2023
CharityBuzz auction income	\$ 125,812	\$ 224,226
40 for 40 th	117,500	-
Dinner dance/auction income	88,544	114,245
Golf tournament income	68,860	52,916
Kunofsky Event	56,773	-
ASF Awareness Day	51,463	37,500
Wine tasting	46,604	8,335
Skiathon income	23,257	28,396
Annual fund drive	20,090	14,715
NYC Marathon	19,267	27,200
Michael Gray Race income	13,849	15,911
Anython	12,332	-
ASF 50 Mile	11,791	10,850
Chairlift sponsorship income	7,000	8,763
Online fundraising income	4,806	5,934
Other special events income	13,289	10,336
	<u>\$ 681,237</u>	<u>\$ 559,327</u>

NOTE O--GRANT REVENUE

Grant revenue consisted of the following as of June 30:

	2024	2023
Individual and foundation grants	\$ 70,650	\$ 81,173
Federal government grants	-	26,186
	<u>\$ 70,650</u>	<u>\$ 107,359</u>

ADAPTIVE SPORTS FOUNDATION, INC.**Notes to Financial Statements--Continued****NOTE P--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, 2024 and 2023 net income (loss) on retail sales was computed as follows:

	2024	2023
Sales income	\$ 104	\$ 1,200
Less: cost of apparel and other items	-	-
	<u>\$ 104</u>	<u>\$ 1,200</u>

NOTE Q--NET INCOME ON LUNCH & VENDING SALES

The Organization recognizes income and cost of sales from transactions related to unprepared sales of food and beverage in the kitchen area of the facility. Below is a schedule for the years ended June 30, 2024 and 2023 showing the sales and cost of sales related to such transactions.

	2024	2023
Sales income	\$ 20,773	\$ 14,942
Less: food and beverage costs	(16,483)	(6,827)
	<u>\$ 4,290</u>	<u>\$ 8,115</u>

NOTE R--CONTRIBUTED NONFINANCIAL ASSETS

During the years ended June 30, 2024 and 2023, contributions of nonfinancial assets that have been received by of the Organization include the following:

	2024	2023
Ski passes	\$ 151,983	\$ 135,197
Ski instructors and technician services	140,160	107,400
Imputed interest on loan (see Note J)	34,050	28,425
Sale of donated ski simulator	-	16,500
	<u>\$ 326,193</u>	<u>\$ 287,522</u>

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, 2024 and 2023, unless otherwise noted.

ADAPTIVE SPORTS FOUNDATION, INC.**Notes to Financial Statements--Continued****NOTE R--CONTRIBUTED NONFINANCIAL ASSETS--Continued**

<u>Nonfinancial Asset</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
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	Estimated interest on the loan is based on the long-term Applicable Federal Rate (AFR) published by the IRS.
Ski simulator	Asset was monetized – Proceeds are available for all programs.	None	Estimated value was based on subsequent sale price of the related asset.

NOTE S--LEASE INCOME/LEASE EXPENSE

During the year ended June 30, 2006, the Organization 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. The Organization has determined that it does not have the ability to control or direct use of the land, and accordingly, has accounted for the transaction as a service contract.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE S--LEASE INCOME/LEASE EXPENSE--Continued

The future minimum payments under this agreement as of June 30, 2024 are as follows:

Year Ended June 30,	Amount
2025	\$ 10,000
2026	10,000
2027	10,000
	<u>\$ 30,000</u>

During the year ended June 30, 2016, the Organization 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 plus additional storage fees. The Organization renewed the lease in June 2021 under the same terms as the initial lease on a year-to-year basis. 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. As of June 30, 2023, the Organization has cancelled the lease. The annual lease payments are funded by donor directed contributions.

Total expense under these agreements was \$15,000 and \$32,000 for the years ending June 30, 2024 and 2023, respectively.

NOTE T--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 \$20,820 and \$18,273 for the years ended June 30, 2024 and 2023, respectively.

NOTE U--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.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE U--CONTINGENCIES--Continued

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.