



ADAPTIVE SPORTS FOUNDATION, INC.

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

June 30, 2025 and 2024

ADAPTIVE SPORTS FOUNDATION, INC.

Financial Statements

June 30, 2025 and 2024

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WOJESKI & COMPANY CPAs, P.C.

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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, 2025, and the related statements of activities, functional expenses, 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, 2025, 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, 2024, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 3, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 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
April 29, 2026

ADAPTIVE SPORTS FOUNDATION, INC.

Statement of Financial Position

As of June 30, 2025 (with comparative totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals
ASSETS				
CURRENT ASSETS				
Cash & cash equivalents	\$ 445,489	\$ 159,545	\$ 605,034	\$ 524,140
Grants and contributions receivable	1,641	-	1,641	1,260
Pledges receivable	-	21,673	21,673	-
Interest receivable	18,500	-	18,500	16,364
Marketable securities	2,349,966	-	2,349,966	2,192,682
Prepaid expenses and other current assets	63,630	-	63,630	24,460
TOTAL CURRENT ASSETS	2,879,226	181,218	3,060,444	2,758,906
LONG-TERM ASSETS				
Property and equipment, net	2,229,095	-	2,229,095	2,326,885
Marketable securities	-	4,290,296	4,290,296	3,797,110
Pledges receivable	-	46,567	46,567	-
Land held for sale	381,036	-	381,036	381,036
TOTAL ASSETS	\$ 5,489,357	\$ 4,518,081	\$ 10,007,438	\$ 9,263,937
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 7,657	\$ -	\$ 7,657	\$ 15,521
Accrued payroll and related expenses	13,322	-	13,322	6,491
Deferred revenue	32,324	-	32,324	13,492
TOTAL CURRENT LIABILITIES	53,303	-	53,303	35,504
LAND ACQUISITION LOAN	750,000	-	750,000	750,000
TOTAL LIABILITIES	803,303	-	803,303	785,504
NET ASSETS	4,686,054	4,518,081	9,204,135	8,478,433
	\$ 5,489,357	\$ 4,518,081	\$ 10,007,438	\$ 9,263,937

See accompanying notes to financial statements.

ADAPTIVE SPORTS FOUNDATION, INC.

Statement of Activities

Year Ended June 30, 2025 (with comparative totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals
PUBLIC SUPPORT				
Contributions received for support	\$ 490,279	\$ 98,240	\$ 588,519	\$ 576,491
Special event revenue	653,648	-	653,648	681,237
Contributed nonfinancial assets	453,557	-	453,557	326,193
Grant revenue	7,957	25,250	33,207	70,650
TOTAL PUBLIC SUPPORT	1,605,441	123,490	1,728,931	1,654,571
REVENUE				
Net realized/unrealized gain on investments	163,514	499,185	662,699	490,613
Winter program revenue	115,856	-	115,856	113,414
Investment income, net	48,435	76,543	124,978	117,679
Other program revenue	31,115	-	31,115	25,455
Lease income	10,000	-	10,000	10,000
Net income on lunch and vending sales	1,364	-	1,364	4,290
Net income on retail sales	150	-	150	104
Other income	951	-	951	2,163
TOTAL REVENUE	371,385	575,728	947,113	763,718
Net assets released from restriction	131,958	(131,958)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	2,108,784	567,260	2,676,044	2,418,289
EXPENSES				
Program services	1,279,212	-	1,279,212	1,063,025
Management and general	310,959	-	310,959	297,834
Fundraising	360,171	-	360,171	384,095
TOTAL EXPENSES	1,950,342	-	1,950,342	1,744,954
CHANGES IN NET ASSETS	158,442	567,260	725,702	673,335
NET ASSETS, beginning of year	4,527,612	3,950,821	8,478,433	7,805,098
NET ASSETS, end of year	\$ 4,686,054	\$ 4,518,081	\$ 9,204,135	\$ 8,478,433

See accompanying notes to financial statements.

ADAPTIVE SPORTS FOUNDATION, INC.

Statement of Functional Expenses

Year Ended June 30, 2025 (with comparative totals for 2024)

	Program Services	Management and General	Fundraising	2025 Totals	2024 Totals
Gross wages and salaries	\$ 395,544	\$ 119,818	\$ 68,891	\$ 584,253	\$ 526,536
Employee benefits	85,689	25,957	14,924	126,570	109,857
Payroll taxes	-	33,365	19,184	52,549	47,704
Total payroll and related expenses	<u>481,233</u>	<u>179,141</u>	<u>102,999</u>	<u>763,372</u>	<u>684,097</u>
Summer and winter programs	300,069	-	-	300,069	201,099
Special event/banquet expenses	-	-	184,173	184,173	183,717
Volunteer expense	168,090	-	-	168,090	146,297
Depreciation	82,209	24,903	14,318	121,430	129,631
Insurance	47,117	14,273	8,206	69,596	49,163
Building maintenance	41,762	5,073	2,917	49,752	29,978
Professional fees	-	38,723	-	38,723	22,645
Interest	24,220	7,337	4,218	35,775	34,050
Warrior in motion program	28,662	-	-	28,662	34,769
Marketing	17,549	-	8,373	25,922	13,023
Bank service charges	15,961	4,835	2,780	23,576	23,004
Other direct special event expenses	-	-	20,338	20,338	56,707
Contracted services	12,623	2,985	1,717	17,325	15,042
Utilities	11,066	5,280	-	16,346	15,657
Lease expense - land	10,000	-	-	10,000	15,000
Telephone	5,572	1,063	1,595	8,230	7,386
Real estate taxes	-	7,015	-	7,015	6,869
Supplies	2,860	866	498	4,224	6,642
Computer and website	1,554	297	445	2,296	4,193
Equipment	1,289	390	225	1,904	2,018
Legal fees	1,016	484	-	1,500	-
Training	-	946	544	1,490	854
Vehicle	557	169	97	823	1,304
Postage	547	166	95	808	958
Admin. and board of directors expense	-	355	203	558	5,466
Bad debts	-	210	-	210	-
Miscellaneous	25,256	16,449	6,430	48,135	55,385
	<u>\$ 1,279,212</u>	<u>\$ 310,959</u>	<u>\$ 360,171</u>	<u>\$ 1,950,342</u>	<u>\$ 1,744,954</u>

See accompanying notes to financial statements.

ADAPTIVE SPORTS FOUNDATION, INC.

Statements of Cash Flows

	Year Ended June 30,	
	2025	2024
OPERATING ACTIVITIES		
Changes in net assets	\$ 725,702	\$ 673,335
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	121,430	129,631
Bad debts	210	-
Net realized and unrealized gain on investments	(662,699)	(490,613)
(Increase) decrease in assets:		
Grants and contributions receivable	(591)	6,240
Pledges receivable	(68,240)	-
Interest receivable	(2,136)	(7,774)
Prepaid expenses and other current assets	(39,170)	(11,192)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(7,864)	(16,462)
Accrued payroll and related expenses	6,831	143
Deferred revenue	18,832	2,074
NET CASH PROVIDED BY OPERATING ACTIVITIES	92,305	285,382
INVESTING ACTIVITIES		
Proceeds from sale of investments	2,164,759	1,777,382
Purchase of investments	(2,152,530)	(2,957,821)
Acquisition of property and equipment	(23,640)	(33,404)
NET CASH USED IN INVESTING ACTIVITIES	(11,411)	(1,213,843)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	80,894	(928,461)
Cash, cash equivalents and restricted cash at beginning of year	524,140	1,452,601
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	\$ 605,034	\$ 524,140

See accompanying notes to financial statements.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements

June 30, 2025 and 2024

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 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.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

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

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount on those amounts is computed using the applicable long-term federal rate for the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included in support until the conditions are substantially met. The Organization uses the allowance method to account for uncollectible pledges. Pledges are periodically reviewed for collectability based on past history and current economic conditions. The Organization considers all pledges receivable to be fully collectible, and accordingly, no allowance for doubtful pledges is required.

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, 2025 and 2024, no impairment loss was recorded for long-lived assets.

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.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

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

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, 2025 and 2024, there were no transfers between Level 1, 2 or 3.

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, 2025 and 2024.

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, 2022. 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

Advertising Costs

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

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, 2024, from which the summarized information was derived.

Reclassifications

Certain amounts for the year ended June 30, 2024 have been reclassified to conform to the presentation for the year ended June 30, 2025. These reclassifications had no effect on the changes in net assets or net assets.

Subsequent Events

The Organization has evaluated subsequent events for disclosure between the statement of financial condition date of June 30, 2025 and April 29, 2026, the date the financial statements were available to be issued.

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.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE B--LIQUIDITY AND AVAILABILITY OF RESOURCES--Continued

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

	2025	2024
Cash and cash equivalents	\$ 605,034	\$ 524,140
Grants and contributions receivables	1,641	1,260
Pledges receivable – current portion	21,673	-
Interest receivable	18,500	16,364
Marketable securities	6,640,262	5,989,792
Total financial assets, as of June 30:	7,287,110	6,513,556
Less amounts unavailable for general expenditures:		
Board designated reserve fund	(2,424,425)	(2,263,435)
Restricted net assets	(4,518,081)	(3,950,821)
	\$ 344,604	\$ 317,300

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, 2025		
	Level 1	Level 2	Level 3
Stock/equity mutual funds	\$ 939,403	\$ -	\$ -
Common stock	4,000,027	-	-
Government securities	341,236	-	-
Corporate bonds	-	1,359,596	-
	\$ 5,280,666	\$ 1,359,596	\$ -
	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	-
	\$ 4,626,133	\$ 1,363,659	\$ -

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:

	<u>2025</u>	<u>2024</u>
Cash in bank, checking accounts	\$ 142,274	\$ 232,986
Cash in bank, money market funds	123,008	88,972
Investment account, money market funds	339,752	202,182
	<u>\$ 605,034</u>	<u>\$ 524,140</u>

NOTE E--GRANTS AND CONTRIBUTIONS RECEIVABLE

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

	<u>2025</u>	<u>2024</u>
NSAA Care Trade Show	\$ 1,641	\$ -
Saugerties Central School	-	1,260
	<u>\$ 1,641</u>	<u>\$ 1,260</u>

NOTE F--PLEDGES RECEIVABLE

The Organization's unconditional promises to give consist of the following at December 31:

	<u>2025</u>	<u>2024</u>
Unconditional promises to give	\$ 75,000	\$ -
Less: unamortized discount	(6,760)	-
	<u>\$ 68,240</u>	<u>\$ -</u>
Amounts due in:		
Within one year	\$ 21,673	\$ -
One to five years	46,567	-
	<u>\$ 68,240</u>	<u>\$ -</u>

The present value of the estimated future cash flows on the unconditional promises to give is computed using a discount rate equal to the applicable long-term federal rate of 4.77% at December 31, 2025.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE G--PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of advanced payments for the following at June 30:

	2025	2024
Ski jacket deposit	\$ 41,020	\$ -
Insurance	8,457	4,967
Marathon fees	7,745	7,480
Software subscription	3,598	3,312
Real estate taxes	1,680	1,656
Inventories – food & supplies	900	2,300
Event entertainment deposit	-	3,500
Other	230	1,245
	<u>\$ 63,630</u>	<u>\$ 24,460</u>

NOTE H--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, 2025 are summarized below:

Year 2025	Cost	Fair Market Value	Unrealized Gain (Loss)
Stock/equity mutual funds	\$ 742,257	\$ 939,403	\$ 197,146
Common stock	2,442,528	4,000,027	1,557,499
Corporate bonds	1,335,084	1,359,596	24,512
Government securities	340,898	341,236	338
	<u>\$ 4,860,767</u>	<u>\$ 6,640,262</u>	<u>\$ 1,779,495</u>

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>

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

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

	2025	2024
Without donor restrictions	\$ 314,247	\$ 186,313
With donor restrictions	1,465,248	1,140,519
	<u>\$ 1,779,495</u>	<u>\$ 1,326,832</u>

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

	2025	2024
Realized gains	\$ 88,685	\$ 19,670
Unrealized gains	574,014	470,943
	<u>\$ 662,699</u>	<u>\$ 490,613</u>

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

	2025	2024
Dividend income	\$ 101,371	\$ 112,718
Interest income	66,411	45,916
Less: investment fees	(42,804)	(40,955)
	<u>\$ 124,978</u>	<u>\$ 117,679</u>

NOTE I--PROPERTY AND EQUIPMENT

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

	2025	2024
Building and building improvements	\$ 2,636,933	\$ 2,636,933
Land and land improvements	861,514	861,514
Program equipment	835,925	815,285
Machinery and equipment	578,644	575,644
Computer software	35,758	35,758
Total property and equipment	4,948,774	4,925,134
Less: accumulated depreciation	(2,719,679)	(2,598,249)
	<u>\$ 2,229,095</u>	<u>\$ 2,326,885</u>

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE J--LAND HELD FOR RESALE

As of June 30, 2025 and 2024, 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 K). The Organization estimates that the sale proceeds realized will be sufficient to cover this obligation.

NOTE K--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, 2025, 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 J). 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, 2025 and 2024 was 4.77% and 4.54%, respectively. Interest expense and contribution income for the years ended June 30, 2025 and 2024 was \$35,775 and \$34,050, respectively. This contribution income is considered a noncash contribution (See Note S). 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, 2025, 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 L--NET ASSETS

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

	2025	2024
Undesignated net assets	\$ 2,261,629	\$ 2,264,177
Board designated reserve fund	2,424,425	2,263,435
	<u>\$ 4,686,054</u>	<u>\$ 4,527,612</u>

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE L--NET ASSETS--Continued

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

	2025	2024
Subject to expenditure for specific purpose:		
Warriors in motion programs	\$ 32,431	\$ 41,881
Ride2Live program	19,373	19,373
Robert Stubbs memorial fund	35,885	27,135
Learn to ski program	93,240	-
Project 1-2-3	3,650	3,939
Donor restricted intent	11,026	11,026
Elijah fund	896	1,391
Sensory Friendly program	850	850
Christopher Tucci Scholarship Fund	8,746	8,746
Carey and Driscoll Scholarship Fund	5,000	-
Summer programs	4,470	2,750
	215,567	117,091
Subject to expenditure for specific period		
General	8,000	40,283
Subject to expenditure when a specific event occurs:		
Endowment fund	1,969,500	1,828,226
Peter Kellogg endowment	2,325,014	1,965,221
	4,294,514	3,793,447
	\$ 4,518,081	\$ 3,950,821

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:

	2025	2024
Subject to expenditure for specific purpose:		
Warriors in motion programs	\$ 9,450	\$ 37,255
Elijah fund	495	-
Project 1-2-3	5,288	9,920
Summer programs	250	-
Other (Salaries)	-	10,037
Race programs	1,531	10,489
40 th anniversary documentary	-	10,000
Christopher Tucci Scholarship Fund	-	1,000
	17,014	78,701

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE L--NET ASSETS--Continued

	2025	2024
Subject to expenditure for specific period		
General	40,283	-
Endowment fund	49,775	47,677
Peter Kellogg endowment	24,886	20,820
	74,661	68,497
	<u>\$ 131,958</u>	<u>\$ 147,198</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, 2025 and 2024, the endowment fund net assets were \$4,294,514 and \$3,793,447, respectively.

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 are classified and reported based on the existence or absence of donor-imposed restrictions.

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.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE M--ENDOWMENT FUNDS--Continued

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:

	2025	2024
Balance at beginning of year	\$ 3,793,447	\$ 3,414,157
Net realized and unrealized gain (loss)	499,185	383,180
Investment income, net	76,543	64,607
Net (released) or transferred for expenditures	(74,661)	(68,497)
Balance at end of year	\$ 4,294,514	\$ 3,793,447

NOTE N--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, 2025 and 2024 income was provided by the various programs offered by the Organization as follows:

	2025	2024
Winter program revenue	\$ 115,856	\$ 113,414
Other program revenue	31,115	25,455
	\$ 146,971	\$ 138,869

NOTE O--GRANT REVENUE

Grant revenue consisted of the following as of June 30:

	2025	2024
Individual and foundation grants	\$ 33,207	\$ 70,650
	\$ 33,207	\$ 70,650

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE P--SPECIAL EVENT REVENUE

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

	2025	2024
CharityBuzz auction income	\$ 222,275	\$ 125,812
ASF awareness day	99,281	51,463
Golf tournament income	80,996	68,860
Wine tasting	68,823	46,604
Annual fund drive	51,619	20,090
NYC Marathon	37,386	19,267
Skiathon income	29,197	23,257
Michael Gray Race income	13,565	13,849
Chairlift sponsorship income	8,750	7,000
Online fundraising income	3,210	4,806
40 for 40 th	-	117,500
Dinner dance/auction income	-	88,544
Kunofsky Event	-	56,773
Other special events income	38,546	37,412
	<u>\$ 653,648</u>	<u>\$ 681,237</u>

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, 2025 and 2024 net income (loss) on retail sales was computed as follows:

	2025	2024
Sales income	\$ 150	\$ 104
	<u>\$ 150</u>	<u>\$ 104</u>

NOTE R--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, 2025 and 2024 showing the sales and cost of sales related to such transactions.

	2025	2024
Sales income	\$ 22,392	\$ 20,773
Less: food and beverage costs	(21,028)	(16,483)
	<u>\$ 1,364</u>	<u>\$ 4,290</u>

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE S--CONTRIBUTED NONFINANCIAL ASSETS

During the years ended June 30, 2025 and 2024, contributions of nonfinancial assets that have been received by of the Organization include the following:

	2025	2024
Ski passes	\$ 262,720	\$ 151,983
Ski instructors and technician services	155,062	140,160
Imputed interest on loan (see Note K)	35,775	34,050
	<u>\$ 453,557</u>	<u>\$ 326,193</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, 2025 and 2024, unless otherwise noted.

<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.

NOTE T--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.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE T--LEASE INCOME/LEASE EXPENSE--Continued

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.

The future minimum payments under this agreement as of June 30, 2025 are as follows:

Year Ended June 30,	Amount
2026	<u>10,000</u>
2027	<u>10,000</u>
	<u>\$ 20,000</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, 2024, the Organization has cancelled the lease. The annual lease payments are funded by donor directed contributions.

Total expense under these agreements was \$10,000 and \$15,000 for the years ending June 30, 2025 and 2024, respectively.

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 \$24,886 and \$20,820 for the years ended June 30, 2025 and 2024, respectively.

ADAPTIVE SPORTS FOUNDATION, INC.

Notes to Financial Statements--Continued

NOTE V--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.