

**TEATOWN LAKE RESERVATION, INC.**

**Financial Statements  
for the year ended  
June 30, 2022  
(with summarized  
comparative information for 2021)**

## **Independent Auditor's Report**

To the Board of Trustees of  
Teatown Lake Reservation, Inc.

### ***Opinion***

We have audited the accompanying financial statements of Teatown Lake Reservation, Inc., Incorporated (the "Organization"), which comprise the statement of financial position as of June 30, 2022 and the related statements of activities, functional expenses and cash flows for the year ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and the results of its activities and its cash flows for the year 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion 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 fiscal 2021 financial statements, and our report dated September 21, 2021 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

September 22, 2022

*Condon O'Meara McGinty + Donnelly LLP*

## TEATOWN LAKE RESERVATION, INC.

## Statement of Financial Position

## Assets

	June 30	
	2022	2021
<b>Current assets</b>		
Cash and cash equivalents	\$ 194,806	\$ 256,588
Investments, at fair value	10,720,096	9,929,937
Current portion of contributions receivable	1,238,568	783,947
Inventory, at cost	11,882	12,368
Prepaid expenses	49,952	65,235
Total current assets	12,215,304	11,048,075
<b>Cash held for security deposits</b>	8,381	6,565
<b>Contributions receivable, net of current portion</b>	1,057,045	602,450
<b>Property and equipment, at cost, net</b>	11,574,904	11,548,636
<b>Total assets</b>	<b>\$ 24,855,634</b>	<b>\$ 23,205,726</b>

## Liabilities and Net Assets

<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 109,957	\$ 94,569
Deferred revenue	396,051	261,865
Current portion of life estate payable	20,161	17,722
Long-term debt, current portion	1,795	-
Total current liabilities	527,964	374,156
<b>Life estate payable, net of current portion</b>	42,955	63,114
<b>Long-term debt</b>	148,105	380,700
<b>Security deposits</b>	8,381	6,565
Total liabilities	727,405	824,535
<b>Net assets</b>		
Without donor restrictions	12,864,026	13,266,315
With donor restrictions	11,264,203	9,114,876
Total net assets	24,128,229	22,381,191
<b>Total liabilities and net assets</b>	<b>\$ 24,855,634</b>	<b>\$ 23,205,726</b>

See notes to financial statements.

## TEATOWN LAKE RESERVATION, INC.

Statement of Activities  
For the year ended June 30, 2022  
(With Summarized Comparative Information for the Year Ended June 30, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Public support and revenue</b>				
Contributions				
Individuals, net	\$ 249,046	\$ 3,299,378	\$ 3,548,424	\$ 5,349,983
Corporate	47,151	28,500	75,651	38,847
Foundation	212,659	81,743	294,402	279,526
Government grants	230,800	91,196	321,996	321,803
Special events, net of direct costs of \$50,062 in 2022 and \$28,075 in 2021	202,641	-	202,641	191,861
Plant sale – net	36,341	-	36,341	22,995
Membership dues	95,225	-	95,225	90,533
Educational services	450,504	-	450,504	163,185
Nature store and other	62,195	-	62,195	103,246
Rental property	180,194	-	180,194	144,357
Sponsorships	28,860	-	28,860	4,805
In-kind donations	9,854	-	9,854	31,850
Interest and dividends – net of fees	1,831	18,793	20,624	21,951
Net assets released from restrictions	1,058,601	(1,058,601)	-	-
Total public support and revenue	2,865,902	2,461,009	5,326,911	6,764,942
<b>Expenses</b>				
Program services	2,096,992	-	2,096,992	1,879,163
Supporting activities				
Management and general	400,773	-	400,773	379,014
Fund-raising	471,209	-	471,209	381,090
Total supporting activities	871,982	-	871,982	760,104
Total expenses	2,968,974	-	2,968,974	2,639,267
Increase (decrease) in net assets before other additions (deductions)	(103,072)	2,461,009	2,357,937	4,125,675
<b>Other additions (deductions)</b>				
Unrealized gain (loss) on investments	(452,077)	(456,100)	(908,177)	900,615
Realized gain on sale of investments	152,860	144,418	297,278	143,617
Total other additions (deductions)	(299,217)	(311,682)	(610,899)	1,044,232
<b>Increase (decrease) in net assets</b>	<b>(402,289)</b>	<b>2,149,327</b>	<b>1,747,038</b>	<b>5,169,907</b>
<b>Net assets, beginning of year</b>	<b>13,266,315</b>	<b>9,114,876</b>	<b>22,381,191</b>	<b>17,211,284</b>
<b>Net assets, end of year</b>	<b>\$ 12,864,026</b>	<b>\$ 11,264,203</b>	<b>\$ 24,128,229</b>	<b>\$ 22,381,191</b>

See notes to financial statements.

**TEATOWN LAKE RESERVATION, INC.**

**Statement of Functional Expenses  
For the year ended June 30, 2022  
(With Summarized Comparative Information for the Year Ended June 30, 2021)**

	2022						2021	
	Program Services			Supporting Activities				
	Environmental Education	Stewardship at Teatown	Regional Conservation	Total Program Services	Management and General	Fund-raising	Direct costs of Special Events	Total Supporting Activities
Salaries and wages	\$ 657,146	\$ 295,359	\$ 127,887	\$ 1,080,392	\$ 164,297	\$ 188,243	\$ -	\$ 352,540
Payroll taxes and benefits	123,157	43,023	11,834	178,014	25,666	20,734	-	46,400
Professional fees	12,435	107,723	9,378	129,536	15,029	213,244	-	228,273
Program and special events expenses	24,698	23,505	3,061	51,264	169	7,211	-	7,380
Accounting fees	-	-	-	-	25,865	-	-	25,865
Bank charges	17,462	845	559	18,866	5,644	2,334	-	7,978
Board of Trustees expense	-	-	-	-	4,894	-	-	4,894
Charitable contributions	-	1,000	-	1,000	-	2,500	9,912	12,412
Cost of benefit auction	-	-	-	-	-	-	-	-
Cost of catering	-	-	-	-	-	-	40,150	40,150
Cost of sales	7,074	2,358	-	9,432	-	-	-	9,432
Dues and subscriptions	557	1,950	-	2,507	980	588	-	1,568
Food	16,974	35	-	17,009	-	-	-	17,009
Insurance	65,630	24,064	-	89,694	19,689	-	-	109,383
Licenses and fees	270	1,220	-	1,490	775	-	-	775
Life estate expense	-	-	-	-	4,368	-	-	4,368
Newsletter	-	-	-	-	4,122	-	-	4,122
Office equipment leases	2,294	176	176	-	529	353	-	882
Payroll fees	-	-	-	-	21,076	-	-	21,076
Postage	1,314	381	323	2,018	757	2,400	-	3,157
Printing	2,465	-	2,081	4,546	-	13,623	-	13,623
Publicity	817	67	76	960	-	-	-	960
Real estate taxes	-	-	-	-	1,761	-	-	1,761
Repairs and maintenance	61,036	39,860	1,776	102,672	17,232	937	-	18,169
Sanitation	7,174	511	68	7,753	986	136	-	1,122
Security	1,601	274	17	1,892	274	34	-	308
Staff development	2,730	907	488	4,125	760	706	-	1,466
Supplies	4,402	799	338	5,539	873	7,715	-	8,588
Telephone	9,290	2,809	521	12,620	3,488	1,042	-	4,530
Travel	24,154	1,690	81	25,925	-	508	-	508
Utilities	32,887	4,754	578	38,219	9,047	854	-	9,901
Depreciation	183,137	99,199	22,892	305,228	72,492	3,816	-	76,308
Other	2,747	392	506	3,645	-	4,231	-	4,231
Total expenses	1,261,451	652,901	182,640	2,096,992	400,773	471,209	50,062	922,044
Less: expenses deducted directly on the statement of activities – direct costs of special events	-	-	-	-	-	-	(50,062)	(50,062)
<b>Total expenses reported by function on the statement of activities</b>	<b>\$ 1,261,451</b>	<b>\$ 652,901</b>	<b>\$ 182,640</b>	<b>\$ 2,096,992</b>	<b>\$ 400,773</b>	<b>\$ 471,209</b>	<b>\$ -</b>	<b>\$ 871,982</b>
								<b>\$ 2,968,974</b>
								<b>\$ 2,639,267</b>

See notes to financial statements.

## TEATOWN LAKE RESERVATION, INC.

## Statement of Cash Flows

	Year Ended June 30	
	2022	2021
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 1,747,038	\$ 5,169,907
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	381,536	362,906
Discount on contributions receivable	53,955	-
Donated stocks	(578,667)	(3,083,467)
Proceeds from sale of donated stocks	578,667	3,083,467
Unrealized (gain) loss of investments	908,177	(900,615)
Realized (gain) on sale of investments	(297,278)	(143,617)
Loss on disposal of equipment	2,053	-
(Increase) decrease in assets		
Contributions receivable	(963,171)	(745,439)
Inventory	486	(564)
Prepaid expenses	15,283	(14,501)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	15,388	14,151
Deferred revenue	134,186	196,280
Increase (decrease) in security deposits	1,816	(600)
Net cash provided by operating activities	<u>1,999,469</u>	<u>3,937,908</u>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(409,857)	(211,130)
Proceeds from the sale of investments	763,713	750,037
Purchases of investments	(400,270)	(557,332)
Net change in cash equivalents in investment portfolio	<u>(1,764,501)</u>	<u>(3,929,404)</u>
Net cash (used in) investing activities	<u>(1,810,915)</u>	<u>(3,947,829)</u>
<b>Cash flows from financing activities</b>		
Proceeds from long-term debt	-	230,500
Forgiveness of long-term debt (PPP Loan/EIDL)	(230,800)	(240,500)
Payments of life estate payable	<u>(17,720)</u>	<u>(16,070)</u>
Net cash (used in) financing activities	<u>(248,520)</u>	<u>(26,070)</u>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(59,966)</b>	<b>(35,991)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>263,153</u></b>	<b><u>299,144</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 203,187</u></b>	<b><u>\$ 263,153</u></b>
<b>Cash and cash equivalents consist of:</b>		
Operations	\$ 194,806	\$ 256,588
Cash held for security deposits	<u>8,381</u>	<u>6,565</u>
Total	<u>\$ 203,187</u>	<u>\$ 263,153</u>

See notes to financial statements.

**TEATOWN LAKE RESERVATION, INC.****Notes to Financial Statements  
June 30, 2022****Note 1 – Nature of organization**

Teatown Lake Reservation, Inc. (the “Organization”) was incorporated in 1971 under Section 402 of the Not-for-Profit Corporation Law of the State of New York. The principal purpose of the Organization is to inspire the regional community to life-long environmental stewardship. The Organization is located in and conducts its activities in Westchester County, New York. The Organization is supported primarily by educational services revenues, individual and corporate donations, government and foundation grants, special events, and membership dues.

**Note 2 – Summary of significant accounting policies****Basis of presentation**

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization’s significant accounting policies are described below:

**Net assets**

The Organization’s net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as net assets without donor restrictions and net assets with donor restrictions.

**Without donor restrictions**

Net assets without donor restrictions consist of amounts that are not subject to donor-imposed stipulations and are available for any purpose in performing the primary objectives of the Organization.

**With donor restrictions**

Net assets with donor restrictions consist of amounts that are subject to donor-imposed stipulations that limit the use of the donated assets for specific program activities or relate to future periods.

As of June 30, 2022, the Organization has no net assets with perpetual (permanent) donor restrictions.

**Cash equivalents**

The Organization considers highly liquid assets with original maturities of ninety days or less at the time of acquisition to be cash equivalents. Cash equivalents that are part of the Organization’s investment portfolio are reported as investments and included in Note 4.



**TEATOWN LAKE RESERVATION, INC.****Notes to Financial Statements (continued)**  
**June 30, 2022****Note 2 – Summary of significant accounting policies (continued)**Investments

Investments are recorded at fair value based on publicly quoted market prices. Donated securities are recorded at fair value on the date of the contribution. Realized and unrealized gains or losses on investments are reflected in the statement of activities and are recorded in their respective net asset accounts.

Allowance for doubtful accounts

As of June 30, 2022, the Organization does not have an allowance for doubtful accounts. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Inventory

Inventory consists of items available for sale in the Nature Store. The Nature Store inventories are stated at cost.

Property and equipment

Property and equipment are recorded at cost or at the estimated fair value at the date of gift, if donated. The Organization's capitalization policy is to record property and equipment costing greater than \$1,000 with a useful life greater than one year. Depreciation is being provided on the straight-line method over the estimated useful lives of the assets, which range from five to forty years. During the 2022 fiscal year, equipment with a cost basis of \$3,365 and accumulated depreciation of \$1,312, resulting in a loss of \$2,053, was disposed. The loss on disposal is recorded in nature store and other in the statement of activities.

The Organization owns, has conservation easements over, and maintains and uses in a manner consistent with its stewardship, recreational and educational environmental focus, approximately 995 acres of land, of which: (i) 735 acres are owned by the Organization (which includes 244 acres transferred from Brooklyn Botanic Garden ("BBG") in May 2018); (ii) 50 acres are owned by Westchester County and managed by the Organization under a 99-year cooperative park management agreement that grants the Organization the right-of-first-refusal to purchase the property if the county decides to sell; (iii) some 110 acres are owned by others – 97 acres owned by Con Edison, 8 acres owned by one individual, and 5 acres owned by the Town of Yorktown – who have given the Organization permission in one form or another to use the land; and (iv) approximately 100 acres are Westchester County's Kitchawan Preserve, John Hand Park, and a portion of the Peekskill Briarcliff Trailway which have trails that are maintained by the Organization under agreement with the County.

During November 2021, the Organization entered into a Memorandum of Understanding with another not-for-profit organization for the cooperation of acquisition of approximately 5 acres of vacant land to ensure the preservation of open space and protection of surface water quality for the benefit of future generations. As of the date of this report, the closing of the transfer and settlement of the property has not occurred.

**TEATOWN LAKE RESERVATION, INC.**

**Notes to Financial Statements (continued)**  
**June 30, 2022**

**Note 2 – Summary of significant accounting policies (continued)**

Deferred revenue

Deferred revenue represents the unearned portion of summer camp and special events receipts, which are recorded as revenue when the events are held.

Contributions

The Organization reports contributions as net assets with temporary donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose for restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with temporary donor restrictions are reported as increases in net assets without donor restrictions if the restrictions are satisfied within the same fiscal year the contributions are received. Bequests and wills are recorded as revenue when a legally binding obligation is received and when a fair value can reasonably be determined.

In-kind donations

In-kind donations are estimated at their fair value and reported as both public support and expenses in the period in which they are used. In-kind donations are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. These nonfinancial assets do not have donor-imposed restrictions.

For the years ended June 30, 2022 and June 30, 2021, the Organization received the following in-kind contributions:

	<u>2022</u>	<u>2021</u>
Donated goods	\$ 8,299	\$ 28,350
Donated consulting and professional fees	<u>1,555</u>	<u>3,500</u>
Total	<u>\$ 9,854</u>	<u>\$ 31,850</u>

Donated goods consist of various auction items valued and recorded at the estimated value if the Organization had to purchased them independently.

Donated consulting and professional fees relating to IT/Video services on administrative issues. These contributed services are valued and reported at the estimated fair value based on current rates for similar services.

Donated volunteers

The Organization receives in-kind services rendered by volunteers including Board members who have donated significant amounts of their time to the Organization's activities. These services do not meet the criteria for recognition under the accounting standards and accordingly, have not been reflected in the financial statements.

**TEATOWN LAKE RESERVATION, INC.****Notes to Financial Statements (continued)**  
**June 30, 2022****Note 2 – Summary of significant accounting policies (continued)**Program services

Program services expense represents all costs associated with conducting the program activities of the Organization.

Supporting activities

Supporting activities expense consists principally of administrative costs and general development and membership activities.

Functional allocation of expenses

The costs of providing the various programs and other supporting activities have been summarized on a functional basis on the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting activities benefited. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques primarily consisting of salary and wages and time and effort reporting.

Concentrations of credit risk

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and contributions receivable. The Organization places its cash and cash equivalents with what it believes to be quality financial institutions. At certain times throughout the fiscal year, the Organization's cash balances exceeded the FDIC insurance limit, however, the Organization has not incurred any losses to date. Investments are exposed to various risks such as interest rate, market volatility, liquidity and credit risk. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position as of June 30, 2022. Management routinely assesses the financial condition of the financial institutions in which they hold its cash and investment portfolio. Contributions receivable consist of amounts due from individual donors. The Organization monitors the collectability of the receivables on an ongoing basis. The Organization believes no significant risk of loss is likely as a result of credit risk concentrations with respect to its cash, cash equivalents, investments and contributions receivables.

Comparative financial information

The financial statements include certain prior year summarized comparative information in total but not by net asset classification or functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

## TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)  
June 30, 2022**Note 2 – Summary of significant accounting policies (continued)**Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through September 22, 2022, which is the date the financial statements were available to be issued.

**Note 3 – Liquidity and availability of financial assets**

The Organization's working capital and cash flows have seasonal variations during the year attributable to cash receipts from contributions, educational programs and other revenue items. As of June 30, 2022, financial assets and liquidity resources available, reduced by amounts not available for general use because of donor restrictions and internal board designations, within one year for general expenditure, such as operating expenses, are summarized below.

The following is a summary of the Organization's financial assets as of June 30, 2022 and June 30, 2021, available for general use within one year of the statement of financial position date:

	<u>2022</u>	<u>2021</u>
<b>Financial assets</b>		
Cash	\$ 203,187	\$ 263,153
Investments, at fair value	10,720,096	9,929,937
Current portion of contributions receivable	<u>1,238,568</u>	<u>783,947</u>
Sub-total	12,161,851	10,977,037
Less: Net asset with temporary donor restrictions	11,264,203	9,114,876
Net assets without restrictions – Board designated	<u>510,191</u>	<u>891,502</u>
Total financial assets	<u>\$ 387,457</u>	<u>\$ 970,659</u>

In addition, the Organization has available a \$100,000 line-of-credit (see note 9) with a bank that is drawn upon as necessary during the year.

**TEATOWN LAKE RESERVATION, INC.**

**Notes to Financial Statements (continued)**

**June 30, 2022**

**Note 4 – Investments**

The following is a summary of the investments as of June 30, 2022 and 2021:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash equivalents	\$ 7,234,802	\$ 7,234,802	\$5,470,301	\$5,470,301
Certificates of deposit	290,000	289,546	398,000	400,216
Mutual funds	1,858,370	2,160,732	2,182,939	3,247,626
Exchange traded funds	<u>828,031</u>	<u>1,035,016</u>	<u>461,627</u>	<u>811,794</u>
Total	<u>\$10,211,203</u>	<u>\$10,720,096</u>	<u>\$8,512,867</u>	<u>\$9,929,937</u>
Unrealized gain		<u>\$ 508,893</u>		<u>\$1,417,070</u>
Change in unrealized value gain/(loss)		<u>\$ (908,177)</u>		<u>\$ 900,615</u>

For the years ended June 30, 2022 and June 30, 2021, investment fees totaled \$41,878 and \$35,761, respectively, and are recorded with net interest and dividends on the statement of activities.

**Fair value measurements**

For assets measured at fair value on a recurring basis, accounting standards requires quantitative disclosures about the fair value measurement separately for each major class of assets. The Organization's investments have been classified in the highest level of the hierarchy (Level 1). Their quoted prices are in active markets for identical assets that the Organization can access at the measurement date.

**Note 5 – Contributions receivable, net**

Pledges receivable are unconditional promises from external individuals and businesses to make donations to the Organization. Pledges receivable due within one year are \$1,238,568. Pledges due in two to five years are \$1,111,000 less a present value discount of \$53,955 to reduce the contribution receivable to its present value. Except for contributions receivable due within one year, the Organization discounts its receivables to its present value using a discount rate of 4.75% per annum.

## TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)  
June 30, 2022**Note 6 – Property and equipment**

At June 30, 2022 and June 30, 2021, the Organization's property and equipment, net, consisted of the following:

	<u>2022</u>	<u>2021</u>
Land and land improvements	\$11,094,282	\$10,821,370
Buildings and building improvements	3,696,719	3,635,399
Furniture, fixtures and equipment	<u>1,113,239</u>	<u>1,040,979</u>
Total property and equipment	15,904,240	15,497,748
Less: accumulated depreciation	<u>4,329,336</u>	<u>3,949,112</u>
Total property and equipment, net	<u>\$11,574,904</u>	<u>\$11,548,636</u>

**Note 7 – Life estate payable**

During 1993, the Organization entered into an agreement to take exclusive use, title and possession of certain premises. A provision in the agreement provides that the Organization pay the sum of \$1,000 per month, subject to an annual consumer price index adjustment, to the individual, as defined in the agreement. The total payments for each fiscal years ended June 30, 2022 and 2021 were \$22,090 and \$21,453, respectively. The balances on the statement of financial position represents the estimated present value at June 30, 2022 and 2021, respectively.

**Note 8 – Long-term debt****2020 Paycheck protection program**

During May 2020, the Organization received a \$230,800 loan under the Paycheck Protection Program ("PPP Loan") created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration (SBA). As disclosed in the PPP Loan documents, principal and interest payments were deferred for the first six months. During the deferral period, interest on the outstanding principal accrued at a fixed rate of 1.0% per annum. During the 2021 fiscal year, the Organization met the requirements and filed an application for PPP Loan forgiveness. During January 2021, the PPP Loan forgiveness application was confirmed by the SBA and as a result, the Organization recorded \$230,800 as a government grant in the 2021 statement of activities.

**2021 Paycheck protection program**

On February 4, 2021, the Organization received a second draw under the PPP loan, totaling \$230,800 at terms substantially similar to the first draw received in 2021. During the 2022 fiscal year, the Organization met the requirements and filed an application for PPP Loan forgiveness. During November 2021, the PPP Loan forgiveness application was confirmed by the SBA and as a result, the Organization recorded \$230,800 as a government grant in the 2022 statement of activities.

## TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)  
June 30, 2022**Note 8 – Long-term debt (continued)****Economic Injury Disaster Loan**

During June 2020, the Organization received an Economic Injury Disaster Loan (“EIDL”) with the U.S. Small Business Administration to provide disaster relief from the COVID-19 pandemic. The EIDL was approved for \$150,000 and the Organization received that amount, less a \$100 third-party filing fee on June 14, 2020. Repayment of the EIDL commences December 2022 and requires monthly payments of \$641 applicable first to a fixed interest rate of 2.75% per annum and the balance to a reduction of principal. EIDL will amortized over 360 months, until June 2050, when the entire unpaid principal balance and all accrued and unpaid interest would be due and payable. The EIDL is collateralized by a security interest, as defined in the EIDL documents. In addition, in connection with this EIDL loan, the Organization received a \$10,000 grant which may be forgiven. As of June 30, 2022, the accrued interest on the EIDL was \$8,244 and is recorded as account payable and accrued expenses on the statement of financial position. As of June 30, 2022, the EIDL is in deferment status for an additional six months and interest will continue to accrue on the amount the Organization received.

The following is a summary of the required annual principal payments as of June 30, 2022:

<u>Fiscal Year</u>	<u>Total</u>
2023	\$ 1,795
2024	3,665
2025	3,767
2026	3,872
2027	3,980
2028 and thereafter	<u>132,821</u>
Total	<u>\$ 149,900</u>

**Note 9 – Line of credit**

The Organization has available a \$100,000 line of credit. Amounts borrowed under the line of credit were subject to interest at the prime rate as published in the Wall Street Journal plus 1% per annum. The line of credit is secured by the business assets of the Organization. As of June 30, 2022, the Organization had no outstanding borrowings under the line of credit.

**Note 10 – Lease agreements**

The Organization entered into several agreements to lease its space to other individuals at various locations on the Organization’s premises. In connection with lease agreements, the Organization holds security deposits totaling \$8,381 as of June 30, 2022 and \$6,565 as of June 30, 2021. Total rental revenue for the fiscal years ended June 30, 2022 and June 30, 2021 was \$180,194 and \$144,357, respectively.

At June 30, 2022, future minimum lease payments under the agreements that the Organization will receive are \$128,640 in the 2022 fiscal year.

**TEATOWN LAKE RESERVATION, INC.****Notes to Financial Statements (continued)  
June 30, 2022****Note 11 – Commitments**

During July 2019, in connection with a capital campaign drive, the Organization entered into a professional fundraiser agreement with a consulting firm totaling \$130,000. Due to COVID-19, the services were extended through December 2022 for approximately \$110,000. Work completed and paid through June 30, 2022 was \$220,000.

During May 2022, the Organization entered into an agreement with a professional project management firm for owner's representation services for approximately \$305,000 that expires during January 2025. The services include the pre-construction phase through design, construction, implementation, and close-out for the renovation of the Organization's major capital project.

**Note 12 – 403 (b) plan**

The Organization has a 403(b) plan (the "Plan") that covers all eligible employees, as defined by the Plan. Eligible employees can defer a portion of their compensation, not to exceed the annual limit established by the Internal Revenue Code. The Organization makes matching contributions as outlined in the Plan documents. The Organization made contributions totaling \$27,376 and \$28,100 for the fiscal years ended June 30, 2022 and June 30, 2021, respectively.

**Note 13 – Tax status**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, the Organization has been determined by the Internal Revenue Service to be a publicly supported organization as described in Section 509(a)(1) and 170(b)(1)(A)(vi) of the Code and not a private foundation. The Organization may qualify for the maximum charitable contribution deduction for donors.

**Note 14 – Endowment**

The Organization follows the New York Prudent Management of Institutional Funds Act (NYPMIFA). The Organization's endowment consists of various funds established for specific purposes. Under NYPMIFA, the Organization is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds. The Organization classifies as net assets with perpetual donor restrictions, if any, the original value of gifts donated to the perpetual endowment. The portion of the donor-restricted endowment fund that is not classified as net assets with perpetual donor restrictions is classified as net assets without donor restrictions or net assets with temporary donor restrictions based on donor stipulations.



## TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)  
June 30, 2022**Note 14 – Endowment (continued)**

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) Where approximate and circumstances would otherwise warrant, alternatives to expenditures of the fund, giving due consideration to the effect that such alternatives may have on the Organization.
- (8) The investment policies of the Organization

The following is a summary of the assets and net assets of the endowment funds as of June 30, 2022:

<u>Assets</u>		<u>Net assets</u>	
		Board designated – without	
Investments, at fair value	\$ 9,655,849	donor restrictions	\$ 510,191
Contributions receivable	<u>2,118,545</u>	Net assets with donor restrictions	<u>11,264,203</u>
Total assets	<u>\$11,774,394</u>	Total net assets	<u>\$11,774,394</u>

Change in Board-Designated and Net Assets with Temporary Donor Restrictions for the Year Ended June 30, 2022:

	Without Donor Restrictions Board- Designated	With Temporary Donor Restrictions	Total
Net assets, beginning of year	\$ 891,502	\$ 9,114,876	\$10,006,378
Interest and dividends, net	1,831	18,793	20,624
Unrealized (loss)	(452,077)	(456,100)	(908,177)
Realized gain	152,860	144,418	297,278
Contributions, net	-	3,500,817	3,500,817
Endowment draws	(83,925)	-	(83,925)
Net assets released from restriction/ appropriated for expenditures	<u>-</u>	<u>(1,058,601)</u>	<u>(1,058,601)</u>
Net assets, end of year	<u>\$ 510,191</u>	<u>\$11,264,203</u>	<u>\$11,774,394</u>

## TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)  
June 30, 2022Note 14 – Endowment (continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2022:

	Without Donor Restrictions Board- Designated	With Temporary Donor Restrictions	Total
Contributions receivable	\$ -	\$ 2,118,545	\$ 2,118,545
Investments	<u>510,191</u>	<u>9,145,658</u>	<u>9,655,849</u>
Total funds	<u>\$ 510,191</u>	<u>\$11,264,203</u>	<u>\$11,774,394</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration.

Spending Policy and how the Investment Objectives Relate to Spending Policy

Each year the Organization has a policy of appropriating various expenditures, as approved by the Board. The Organization has a policy to let the endowment fund grow. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

# TEATOWN LAKE RESERVATION, INC.

## Notes to Financial Statements (continued)

June 30, 2022

### Note 15 – Net assets with donor restrictions

The following is a summary of the activity of the net assets with donor restrictions for the year ended June 30, 2022:

	Balance at June 30, 2021	Contributions	Time Restricted/ Pledges	Investment Income and Other	Net Assets Released from Restrictions (appropriated for expenditures)	Balance at June 30, 2022
<b>Temporarily restricted fund</b>						
Abeles Education Program Fund	\$ 5,000	\$ -	-	\$ -	\$ 5,000	\$ -
Anonymous Fund	206,511	15,000	-	-	147,262	74,249
Bench Fund	7,959	-	-	-	-	7,959
Brian Horton Memorial Fund	500	-	-	-	500	-
Capital Campaign Fund	5,219,957	1,187,881	2,132,500	12,702	614,049	7,938,991
Cliffdale Property	882,561	-	-	(127,461)	36,717	718,383
Con Edison Grant	-	25,000	-	-	-	25,000
David Swope Memorial Fund	97,783	-	-	-	50,000	47,783
Dena Thomas Memorial Scholarship Fund	114,536	4,300	-	(16,394)	2,565	99,877
DEC Aquatic Invasive Species Grant	26,805	(2,171)	-	-	24,634	-
Environmental Leaders Learning Alliance	13,638	-	-	-	8,000	5,638
Erica Douwes Scholarship Fund	1,890	3,410	-	-	-	5,300
Land Fund	931,559	-	-	2,040	5,481	928,118
LTA Intern/Accreditation Grant	3,890	-	-	-	853	3,037
LTA Land Management Software Grant	-	27,302	-	-	-	27,302
Mathew Potel Camp Scholarship	370	785	-	-	-	1,155
Meadows Restoration Fund	199,018	838	-	355	38,711	161,500
No Child Left Inside	66,975	37,750	-	-	9,592	95,133
NYSOPRHP ZBGA Grant	-	-	91,062	-	-	91,062
Ossining Food Scraps Program	11,897	134	-	-	12,031	-
Regeneron	543	-	-	-	-	543
Sarah Swope Memorial Fund	18,898	1,800	-	-	2,320	18,378
Sidney Heymann Fund	2,339	-	-	-	400	1,939
Stewardship Project Fund	-	3,724	-	-	3,724	-
Story Walk Trail Fund	2,500	500	-	-	3,000	-
Teatown Environmental Science Academy Fund	21,753	12,500	-	-	8,645	25,608
Teatown Neighbors Camp Fund	3,740	2,890	-	-	3,240	3,390
Tenant Security Account	3,100	5,281	-	-	-	8,381
Tree Project Fund	5,842	-	-	-	5,842	-
Turtle Conservation Fund	6,245	3,270	-	-	5,974	3,541
Viola & William Orr Endowment	1,145,836	-	-	(164,131)	43,147	938,558
Westchester County Youth Bureau	105,449	-	-	-	25,444	80,005
Wildflower Island Fund	7,447	1,016	-	-	1,404	7,059
Wildflower Woods	335	-	-	-	66	269
Discount on contributions receivable	-	-	(53,955)	-	-	(53,955)
Total	\$ 9,114,876	\$ 1,331,210	\$ 2,169,607	\$ (292,889)	\$ 1,058,601	\$ 11,264,203