

TEATOWN LAKE RESERVATION, INC.

**Financial Statements
for the year ended
June 30, 2023
(with summarized
comparative information for 2022)**

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, 2023, 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, 2023, 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 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 2022 financial statements, and our report dated September 22, 2022 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, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Condon O'Meara McGinty + Donnelly LLP

November 27, 2023

TEATOWN LAKE RESERVATION, INC.

Statement of Financial Position

Assets

	June 30	
	2023	2022
Current assets		
Cash and cash equivalents	\$ 114,494	\$ 194,806
Investments, at fair value	13,213,697	10,720,096
Current portion of contributions receivable	402,828	1,238,568
Inventory, at cost	7,999	11,882
Prepaid expenses and other	74,299	49,952
Total current assets	13,813,317	12,215,304
Cash held for security deposits	9,881	8,381
Contributions receivable, net of current portion	898,758	1,057,045
Property and equipment, at cost, net	13,901,718	11,574,904
Total assets	\$ 28,623,674	\$ 24,855,634

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 249,897	\$ 109,957
Deferred program revenue	436,616	396,051
Current program portion of life estate payable	23,490	20,161
Long-term debt, current portion	3,665	1,795
Total current liabilities	713,668	527,964
Life estate payable, net of current portion	19,465	42,955
Long-term debt	146,235	148,105
Security deposits	9,881	8,381
Total liabilities	889,249	727,405
Net assets		
Without donor restrictions	15,355,288	12,864,026
With donor restrictions	12,379,137	11,264,203
Total net assets	27,734,425	24,128,229
Total liabilities and net assets	\$ 28,623,674	\$ 24,855,634

See notes to financial statements.

TEATOWN LAKE RESERVATION, INC.

Statement of Activities
For the year ended June 30, 2023
(With Summarized Comparative Information for the Year Ended June 30, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Public support and revenue				
Contributions of cash				
Individuals, net	\$ 314,444	\$ 1,918,194	\$ 2,232,638	\$ 3,548,424
Corporate	7,191	2,838	10,029	75,651
Foundation	316,218	441,605	757,823	294,402
Government grants	116,420	162,469	278,889	321,996
Contribution of nonfinancial assets	1,563,704	-	1,563,704	9,854
Special events, net of direct costs of \$69,489 in 2023 and \$50,062 in 2022	196,940	-	196,940	202,641
Plant sale – net	38,976	-	38,976	36,341
Membership dues	98,230	-	98,230	95,225
Educational services	680,741	-	680,741	450,504
Nature store and other	80,614	-	80,614	62,195
Rental property	210,399	-	210,399	180,194
Sponsorships	23,722	-	23,722	28,860
Interest and dividends – net of fees	52,276	192,927	245,203	20,624
Net assets released from restrictions	1,772,397	(1,772,397)	-	-
Total public support and revenue	5,472,272	945,636	6,417,908	5,326,911
Expenses				
Program services	2,267,167	-	2,267,167	2,096,992
Supporting activities				
Management and general	528,392	-	528,392	400,773
Fund-raising	414,325	-	414,325	471,209
Total supporting activities	942,717	-	942,717	871,982
Total expenses	3,209,884	-	3,209,884	2,968,974
Increase in net assets before other additions (deductions)	2,262,388	945,636	3,208,024	2,357,937
Other additions (deductions)				
Unrealized gain (loss) on investments	220,434	156,089	376,523	(908,177)
Realized gain on sale of investments	8,440	13,209	21,649	297,278
Total other additions (deductions)	228,874	169,298	398,172	(610,899)
Increase in net assets	2,491,262	1,114,934	3,606,196	1,747,038
Net assets, beginning of year	12,864,026	11,264,203	24,128,229	22,381,191
Net assets, end of year	\$ 15,355,288	\$ 12,379,137	\$ 27,734,425	\$ 24,128,229

See notes to financial statements.

TEATOWN LAKE RESERVATION, INC.

**Statement of Functional Expenses
For the year ended June 30, 2023
(With Summarized Comparative Information for the Year Ended June 30, 2022)**

	2023										2022
	Program Services			Supporting Activities				Total Supporting Activities	Total	Total	Total
	Environment Education	Stewardship at Teatown	Regional Conservation	Total Program Services	Management and General	Fund- raising	Direct costs of Special Events				
Salaries and wages	\$ 732,558	\$ 369,464	\$ 60,502	\$ 1,162,524	\$ 166,515	\$ 183,782	\$ -	\$ 350,297	\$ 1,512,821	\$ 1,432,932	
Payroll taxes and benefits	178,054	66,775	8,590	253,419	37,437	23,722	-	61,159	314,578	224,414	
Professional fees	11,736	41,459	37,154	90,349	18,894	112,527	-	131,421	221,770	357,809	
Program and special events expenses	55,890	16,433	37,201	109,524	1,229	9,589	-	10,818	120,342	58,644	
Accounting fees	-	-	-	-	26,215	-	-	26,215	26,215	25,865	
Bank charges	18,542	807	268	19,617	6,470	2,096	-	8,566	28,183	26,844	
Board of Trustees expense	-	-	-	-	2,261	-	-	2,261	2,261	4,894	
Charitable contributions	-	1,000	-	1,000	-	750	-	750	1,750	13,412	
Cost of benefit auction	-	-	-	-	-	-	10,283	10,283	10,283	-	
Cost of catering	-	-	-	-	-	-	59,206	59,206	59,206	40,150	
Cost of sales	9,882	3,294	-	13,176	-	-	-	-	13,176	9,432	
Dues and subscriptions	506	2,041	-	2,547	1,078	647	-	1,725	4,272	4,075	
Food	11,194	-	-	11,194	-	-	-	-	11,194	17,009	
Insurance	70,676	25,564	-	96,240	20,916	-	-	20,916	117,156	109,383	
Interest	1,744	1,279	-	4,387	4,684	-	-	4,684	4,684	4,122	
Licenses and fees	-	-	1,364	4,387	775	10	-	785	5,172	2,265	
Life estate expense	-	-	-	-	3,233	-	-	3,233	3,233	4,368	
Office equipment leases	3,429	264	264	3,957	791	528	-	1,319	5,276	3,528	
Payroll processing fees	-	392	333	2,052	28,451	2,919	-	28,451	28,451	21,076	
Postage	1,327	-	-	3,903	860	11,794	-	3,779	5,831	5,175	
Printing	2,154	-	1,749	3,903	-	-	-	11,794	15,697	18,169	
Publicity	4,854	86	3,891	8,831	-	-	-	-	8,831	960	
Real estate taxes	-	-	-	-	27,165	-	-	27,165	27,165	1,761	
Repairs and maintenance	40,056	24,835	14,915	79,806	22,436	15,630	-	38,066	117,872	120,841	
Sanitation	4,811	83	41	4,935	917	83	-	1,000	5,935	8,875	
Security	1,631	275	17	1,923	940	35	-	975	2,898	2,200	
Staff development	3,296	2,638	482	6,416	750	697	-	1,447	7,863	5,591	
Supplies	6,323	1,611	573	8,507	1,047	11,345	-	12,392	20,899	14,127	
Telephone	10,200	3,502	589	14,291	3,737	2,258	-	5,995	20,286	17,150	
Travel	40,193	1,934	1,225	43,352	-	3,559	-	3,559	46,911	26,433	
Uncollected pledge	-	-	-	-	53,607	-	-	53,607	53,607	-	
Utilities	41,228	3,301	1,050	45,579	17,358	1,392	-	18,750	64,329	48,120	
Depreciation	200,297	72,329	3,709	276,335	72,329	22,255	-	94,584	370,919	381,536	
Other	2,118	364	821	3,303	8,297	8,707	-	17,004	20,307	7,876	
Total expenses	1,452,699	639,730	174,738	2,267,167	528,392	414,325	69,489	1,012,206	3,279,373	3,019,036	
Less: expenses deducted directly on the statement of activities – direct costs of special events	-	-	-	-	-	-	(69,489)	(69,489)	(69,489)	(50,062)	
Total expenses reported by function on the statement of activities	\$ 1,452,699	\$ 639,730	\$ 174,738	\$ 2,267,167	\$ 528,392	\$ 414,325	\$ -	\$ 942,717	\$ 3,209,884	\$ 2,968,974	

See notes to financial statements.

TEATOWN LAKE RESERVATION, INC.

Statement of Cash Flows

	Year Ended	
	June 30	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Increase in net assets	\$ 3,606,196	\$ 1,747,038
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	370,919	381,536
Change in discount on contributions receivable	(10,672)	53,955
Donated stocks	(43,042)	(578,667)
Proceeds from sale of donated stocks	43,042	578,667
Unrealized (gain) loss of investments	(376,524)	908,177
Realized (gain) on sale of investments	(21,649)	(297,278)
Loss on disposal of equipment	-	2,053
(Increase) decrease in assets		
Contributions receivable	1,004,699	(963,171)
Inventory	3,883	486
Prepaid expenses	(24,347)	15,283
Increase in liabilities		
Accounts payable and accrued expenses	139,940	15,388
Deferred revenue	40,565	134,186
Increase in security deposits	<u>1,500</u>	<u>1,816</u>
Net cash provided by operating activities	<u>4,734,510</u>	<u>1,999,469</u>
Cash flows from investing activities		
Purchases of property and equipment	(2,697,733)	(409,857)
Proceeds from the sale of investments	13,675,093	763,713
Purchases of investments	(15,770,521)	(400,270)
Net change in cash equivalents in investment portfolio	<u>-</u>	<u>(1,764,501)</u>
Net cash (used in) investing activities	<u>(4,793,161)</u>	<u>(1,810,915)</u>
Cash flows from financing activities		
Proceeds from long-term debt	-	-
Forgiveness of long-term debt (PPP Loan)	-	(230,800)
Payments of life estate payable	<u>(20,161)</u>	<u>(17,720)</u>
Net cash (used in) financing activities	<u>(20,161)</u>	<u>(248,520)</u>
Net (decrease) in cash and cash equivalents	(78,812)	(59,966)
Cash and cash equivalents, beginning of year	<u>203,187</u>	<u>263,153</u>
Cash and cash equivalents, end of year	<u>\$ 124,375</u>	<u>\$ 203,187</u>
Cash and cash equivalents consist of:		
Operations	\$ 114,494	\$ 194,806
Cash held for security deposits	<u>9,881</u>	<u>8,381</u>
Total	<u>\$ 124,375</u>	<u>\$ 203,187</u>

See notes to financial statements.

TEATOWN LAKE RESERVATION, INC.**Notes to Financial Statements
June 30, 2023****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, 2023, 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, 2023****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, 2023, 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 2023 fiscal year, as a result of a fire in one of the buildings, fully depreciated property and equipment with a cost basis of \$155,987 were removed from the books and records of the Organization. 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.

Land held for conservation and easements

The Organization owns, has conservation easements over, and maintains and uses in a manner consistent with its stewardship, recreational and educational environmental focus, approximately 1,008 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; (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 and (v) 7.5 acres of land donated by Mininbergs and 5 acres form the Organization/Maida purchase.

TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)

June 30, 2023

Note 2 – Summary of significant accounting policies (continued)

Deferred program revenue

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

Revenue recognition

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 notice is received and when a fair value can reasonably be determined.

Membership dues are recognized as revenue in the applicable membership period and the Organization has determined that the performance obligation with respect to membership dues has been satisfied. Revenues, including admissions, plant sales, educational programs, sales of the nature store and other items are recognized as revenue at the time such services are provided and the Organization is not required to provide any additional goods or services.

Contributions of nonfinancial assets (in-kind donations)

Contributions of nonfinancial assets are estimated at their fair value and reported as both public support and expenses in the period in which they are used. Contributions of nonfinancial assets 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, 2023 and June 30, 2022, the Organization received the following in-kind contributions:

	<u>2023</u>	<u>2022</u>
Donated land (capitalized)	\$ 1,550,000	\$ -
Donated goods	10,999	8,299
Donated consulting and professional fees	<u>2,705</u>	<u>1,555</u>
Total	<u>\$ 1,563,704</u>	<u>\$ 9,854</u>

TEATOWN LAKE RESERVATION, INC.**Notes to Financial Statements (continued)
June 30, 2023****Note 2 – Summary of significant accounting policies (continued)**Contributions of nonfinancial assets (in-kind donations) (continued)

Donated land consists of various parcels of property valued by an appraiser at fair market value.

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.

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.

TEATOWN LAKE RESERVATION, INC.**Notes to Financial Statements (continued)
June 30, 2023****Note 2 – Summary of significant accounting policies (continued)**Concentrations of credit risk (continued)

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, 2023. 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, 2022, from which the summarized information was derived.

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 November 27, 2023, which is the date the financial statements were available to be issued.

New accounting pronouncement

The FASB issued ASU No. 2016-02, *Leases* (Topic 842) ("ASC 842"). ASC 842 is effective for the Organization's fiscal year ended June 30, 2023 and requires a lessee to recognize a right-of-use ("ROU") asset, which represents the right to control the use of a respective asset for the lease term, and a lease liability on the statement of financial position. The Organization does not include short-term leases within the statement of financial position since it has elected the practical expedient to not include these leases within the operating right-of-use asset and lease liabilities. The Organization's operating leases were not material to record as an asset and liability for 2023.

TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)
June 30, 2023**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, 2023, 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, 2023 and June 30, 2022, available for general use within one year of the statement of financial position date:

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash	\$ 124,375	\$ 203,187
Investments, at fair value	13,196,976	10,720,096
Current portion of contributions receivable	<u>402,828</u>	<u>1,238,568</u>
Sub-total	13,724,179	12,161,851
Less: Net asset with temporary donor restrictions	(12,379,137)	(11,264,203)
Net assets without restrictions – Board designated	<u>(704,012)</u>	<u>(510,191)</u>
Total financial assets	<u>\$ 641,030</u>	<u>\$ 387,457</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.

Note 4 – Investments

The following is a summary of the investments as of June 30, 2023 and 2022:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash equivalents	\$ 596,753	\$ 596,753	\$ 7,234,802	\$ 7,234,802
Certificates of deposit	2,500,000	2,517,190	290,000	289,546
Mutual funds	2,763,190	3,205,738	1,858,370	2,160,732
Exchange traded funds	974,208	1,333,837	828,031	1,035,016
Stocks	131,708	106,052	-	-
U.S. Treasuries	<u>5,362,422</u>	<u>5,454,127</u>	<u>-</u>	<u>-</u>
Total	<u>\$12,328,281</u>	<u>13,213,697</u>	<u>\$10,211,203</u>	<u>10,720,096</u>
Unrealized gain		<u>885,416</u>		<u>508,893</u>
Change in unrealized value gain/(loss)		<u>\$ 376,523</u>		<u>\$ (908,177)</u>

For the years ended June 30, 2023 and June 30, 2022, investment fees totaled \$32,907 and \$41,878, respectively, and are recorded with net interest and dividends on the statement of activities.

TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)
June 30, 2023**Note 4 – Investments (continued)**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 \$402,828. Pledges due in two to five years are \$954,500 less a present value discount of \$43,283 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.

Note 6 – Property and equipment

At June 30, 2023 and June 30, 2022, the Organization's property and equipment, net, consisted of the following:

	<u>2023</u>	<u>2022</u>
Land and land improvements	\$13,327,086	\$11,094,282
Buildings and building improvements	3,922,146	3,696,719
Furniture, fixtures and equipment	<u>1,196,754</u>	<u>1,113,239</u>
Total property and equipment	18,445,986	15,904,240
Less: accumulated depreciation	<u>4,544,268</u>	<u>4,329,336</u>
Total property and equipment, net	<u>\$13,901,718</u>	<u>\$11,574,904</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, 2023 and 2022 were \$20,161 and \$20,090, respectively. The balances on the statement of financial position represents the estimated present value payable at June 30, 2023 and 2022, respectively.

TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)
June 30, 2023**Note 8 – Long-term debt**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 the 2020 fiscal year. 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.

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. As of June 30, 2023, the accrued interest on the EIDL was \$4,528 and is recorded as account payable and accrued expenses on the statement of financial position. Through November 30, 2022 the EIDL was in deferment status and each monthly payment commencing in December 2022 were all applied to interest.

The following is a summary of the required annual principal payments as of June 30, 2023:

<u>Fiscal Year</u>	<u>Total</u>
2024	\$ 3,665
2025	3,767
2026	3,872
2027	3,980
2028	4,091
2029 and thereafter	<u>130,525</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, 2023, the Organization had no outstanding borrowings under the line of credit.

TEATOWN LAKE RESERVATION, INC.**Notes to Financial Statements (continued)
June 30, 2023****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 \$9,881 as of June 30, 2023 and \$8,381 as of June 30, 2022. Total rental revenue for the fiscal years ended June 30, 2023 and June 30, 2022 was \$210,399 and \$180,194, respectively.

At June 30, 2023, future minimum lease payments under the agreements that the Organization will receive are \$156,130 in the 2023 fiscal year.

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. As of June 30, 2023, work continues to be billed on a month-to-month basis.

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 \$30,482 and \$27,376 for the fiscal years ended June 30, 2023 and June 30, 2022, respectively.

Note 13 - Insurance claim

On June 8, 2023, the Organization sustained water damages caused by putting out a fire. Subsequent to June 30, 2023, through the date of this report, the Organization filed and received reimbursement checks from its insurance carrier for approximately \$204,000. Such proceeds were used for emergency response, repairs and clean-up of the damaged premises.

Note 14 – 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.

TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)
June 30, 2023Note 15 – 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.

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 change in Board-Designated and Net Assets with Temporary Donor Restrictions for the Year Ended June 30, 2023:

	Without Donor Restrictions Board- <u>Designated</u>	With Temporary Donor <u>Restrictions</u>	<u>Total</u>
Net assets, beginning of year	\$ 510,191	\$11,264,203	\$11,774,394
Interest and dividends, net	52,276	192,927	245,203
Unrealized gain	220,434	156,089	376,523
Realized gain	8,440	13,209	21,649
Contributions, net	-	2,525,106	2,525,106
Endowment draws	(87,329)	-	(87,329)
Net assets released from restriction/ appropriated for expenditures	<u>-</u>	<u>(1,772,397)</u>	<u>(1,772,397)</u>
Net assets, end of year	<u>\$ 704,012</u>	<u>\$12,379,137</u>	<u>\$13,083,149</u>

TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)
June 30, 2023Note 15 – Endowment (continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2023:

	Without Donor Restrictions Board- Designated	With Temporary Donor Restrictions	<u>Total</u>
Contributions receivable	\$ -	\$ 587,717	\$ 587,717
Investments	<u>704,012</u>	<u>11,791,420</u>	<u>12,495,432</u>
Total funds	<u>\$ 704,012</u>	<u>\$12,379,137</u>	<u>\$13,083,149</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, if any, 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, 2023**

Note 16 – 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, 2023:

	Balance at June 30, 2022	Contributions	Time Restricted/ Pledges	Investment Income and Other	Net Assets Released from Restrictions (appropriated for expenditures)	Balance at June 30, 2023
Temporarily restricted fund						
Abeles Education Program Fund	\$ 74,249	\$ 30,000	\$ 600,000	-	\$ (88,863)	\$ 615,386
Anonymous Fund	7,959	-	-	-	-	7,959
Bench Fund	-	-	-	-	-	-
Brian Horton Memorial Fund	7,938,991	743,401	520,000	157,888	(814,196)	8,546,084
Capital Campaign Fund	718,383	-	-	75,214	(38,207)	755,390
Cliffdale Property	25,000	-	-	-	(25,000)	-
Con Edison Grant	47,783	-	-	-	(47,783)	-
David Swope Memorial Fund	99,877	1,220	-	10,719	(3,500)	108,316
Dena Thomas Memorial Scholarship Fund	-	-	-	-	-	-
DEC Aquatic Invasive Species Grant	5,638	100	-	-	(5,484)	254
Environmental Leaders Learning Alliance	5,300	5,265	-	-	(1,230)	9,335
Erica Douwes Scholarship Fund	928,118	358,385	-	17,002	(438,760)	864,745
Land Fund	-	51,700	-	-	-	51,700
LTA Croft Wetland Restoration Grant	3,037	-	-	-	(3,037)	-
LTA Interni/Accreditation Grant	27,302	-	-	-	-	27,302
LTA Land Management Software Grant	1,155	1,770	-	-	(1,155)	1,770
Mathew Potel Camp Scholarship	161,500	-	-	2,764	(23,654)	140,610
Meadows Restoration Fund	95,133	27,750	-	-	(36,330)	86,553
No Child Left Inside	91,062	-	112,369	-	(91,062)	112,369
NYSOPRHP ZBGA Grant	-	-	50,000	-	-	50,000
NYS Raptor Loop Design Grant	-	-	-	-	-	-
Ossining Food Scraps Program	543	-	-	-	(543)	-
Regeneron	18,378	2,000	-	-	(750)	19,628
Sarah Swope Memorial Fund	1,939	-	-	-	-	1,939
Sidney Heymann Fund	-	2,838	-	-	(2,838)	-
Stewardship Project Fund	-	-	-	-	-	-
Story Walk Trail Fund	-	-	-	-	-	-
Teatown Environmental Science Academy Fund	25,608	2,000	-	-	(15,861)	11,747
Teatown Neighbors Camp Fund	3,390	2,275	-	-	(2,460)	3,205
Tenant Security Account	8,381	1,500	-	-	-	9,881
Tree Project Fund	-	-	-	-	-	-
Turtle Conservation Fund	3,541	750	-	-	(3,254)	1,037
Viola & William Orr Endowment	938,558	-	-	98,638	(45,010)	992,186
Westchester County Youth Bureau	80,005	-	-	-	(80,005)	-
Wildflower Island Fund	7,059	1,111	-	-	(3,415)	4,755
Wildflower Woods	269	-	-	-	-	269
Discount on contributions receivable	(53,955)	10,672	-	-	-	(43,283)
Total	\$ 11,264,203	\$ 1,242,737	\$ 1,282,369	\$ 362,225	\$ (1,772,397)	\$ 12,379,137