

TEATOWN LAKE RESERVATION, INC.

**Financial Statements
for the year ended
June 30, 2024
(with summarized
comparative information for 2023)**

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, 2024, 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, 2024, 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 2023 financial statements, and our report dated November 27, 2023 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, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Condon O'Heara McGinty + Donnelly LLP

November 4, 2024

TEATOWN LAKE RESERVATION, INC.

Statement of Financial Position

Assets

	June 30	
	2024	2023
Current assets		
Cash and cash equivalents	\$ 178,114	\$ 114,494
Investments, at fair value	13,295,226	13,213,697
Current portion of contributions receivable	2,798,480	402,828
Inventory, at cost	6,973	7,999
Prepaid expenses and other	41,221	74,299
Total current assets	16,320,014	13,813,317
Cash held for security deposits	14,531	9,881
Contributions receivable, net of current portion	5,270,755	898,758
Property and equipment, at cost, net	14,850,029	13,901,718
Total assets	\$ 36,455,329	\$ 28,623,674

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 125,913	\$ 249,897
Contracts payable	82,246	-
Deferred program revenue	508,879	436,616
Current program portion of life estate payable	19,465	23,490
Long-term debt, current portion	3,767	3,665
Total current liabilities	740,270	713,668
Life estate payable, net of current portion	-	19,465
Long-term debt	142,172	146,235
Security deposits	14,531	9,881
Total liabilities	896,973	889,249
Net assets		
Without donor restrictions	16,890,787	15,355,288
With donor restrictions	18,667,569	12,379,137
Total net assets	35,558,356	27,734,425
Total liabilities and net assets	\$ 36,455,329	\$ 28,623,674

See notes to financial statements.

TEATOWN LAKE RESERVATION, INC.

Statement of Activities
For the year ended June 30, 2024
(With Summarized Comparative Information for the Year Ended June 30, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Public support and revenue				
Contributions of cash				
Individuals, net	\$ 300,136	\$ 7,464,927	\$ 7,765,063	\$ 2,232,638
Corporate	35,618	-	35,618	10,029
Foundation	268,230	78,197	346,427	757,823
Government grants	197,872	225,000	422,872	278,889
Contributed nonfinancial assets	19,096	-	19,096	1,563,704
Special events, net of direct costs of \$92,626 in 2024 and \$69,489 in 2023	187,906	-	187,906	196,940
Plant sale – net	49,051	-	49,051	38,976
Membership dues	97,540	-	97,540	98,230
Educational services	658,480	-	658,480	680,741
Nature store and other	70,239	-	70,239	80,614
Rental property	233,172	-	233,172	210,399
Sponsorships	18,464	-	18,464	23,722
Interest and dividends – net of fees	117,015	396,601	513,616	245,203
Insurance claim proceeds	528,597	-	528,597	-
Net assets released from restrictions	2,106,909	(2,106,909)	-	-
Total public support and revenue	4,888,325	6,057,816	10,946,141	6,417,908
Expenses				
Program services	2,459,043	-	2,459,043	2,267,167
Supporting activities				
Management and general	710,478	-	710,478	528,392
Fund-raising	419,163	-	419,163	414,325
Total supporting activities	1,129,641	-	1,129,641	942,717
Total expenses	3,588,684	-	3,588,684	3,209,884
Increase in net assets before other additions	1,299,641	6,057,816	7,357,457	3,208,024
Other additions				
Unrealized gain on investments	169,318	179,921	349,239	376,523
Realized gain on sale of investments	66,540	50,695	117,235	21,649
Total other additions	235,858	230,616	466,474	398,172
Increase in net assets	1,535,499	6,288,432	7,823,931	3,606,196
Net assets, beginning of year	15,355,288	12,379,137	27,734,425	24,128,229
Net assets, end of year	\$ 16,890,787	\$ 18,667,569	\$ 35,558,356	\$ 27,734,425

See notes to financial statements.

TEATOWN LAKE RESERVATION, INC.

**Statement of Functional Expenses
For the year ended June 30, 2024
(With Summarized Comparative Information for the Year Ended June 30, 2023)**

	2024						2023	
	Program Services			Supporting Activities				
	Stewardship at	Regional	Total	Management and General	Fund-raising	Direct costs of Special Events	Total Supporting Activities	Total
Environmental Education	Teatown	Conservation	Program Services					
Salaries and wages	\$ 870,122	\$ 394,831	\$ 1,315,653	\$ 166,663	\$ 173,315	\$ -	\$ 339,978	\$ 1,512,821
Payroll taxes and benefits	224,091	57,412	289,365	60,426	26,733	-	87,159	314,578
Professional fees	13,237	50,628	101,049	238,238	131,349	-	369,587	221,770
Program and special events expenses	47,402	30,954	110,132	1,169	25,758	-	26,927	120,342
Accounting fees	-	-	-	26,600	-	-	26,600	26,215
Bank charges	18,936	760	19,947	6,964	2,352	-	9,316	28,183
Board of Trustees expense	-	-	-	4,659	-	-	4,659	2,261
Charitable contributions	-	1,000	1,000	-	500	-	500	1,750
Cost of benefit auction	-	-	-	-	-	19,096	19,096	10,283
Cost of catering	-	-	-	-	-	73,530	73,530	59,206
Cost of sales	9,112	3,037	12,149	-	-	-	-	13,176
Dues and subscriptions	545	1,750	2,295	1,080	648	-	1,728	4,272
Food	14,508	-	14,508	-	-	-	-	11,194
Insurance	74,549	26,982	101,531	22,076	-	-	22,076	117,156
Interest	-	-	-	3,512	-	-	3,512	4,684
Licenses and fees	1,299	3,435	6,010	5,425	23	-	5,448	5,172
Life estate expense	-	-	-	1,938	-	-	1,938	3,233
Office equipment leases	3,429	1,754	5,447	291	528	-	819	5,276
Payroll processing fees	-	-	-	36,150	-	-	36,150	28,451
Postage	1,502	401	2,353	925	2,487	-	3,412	5,831
Printing	2,210	-	4,104	263	12,874	-	13,137	15,697
Publicity	2,535	3	5,052	-	-	-	-	8,831
Real estate taxes	-	-	-	26,608	-	-	26,608	27,165
Repairs and maintenance	41,301	34,264	75,952	16,622	623	-	17,245	117,872
Sanitation	3,815	70	3,920	70	70	-	140	5,935
Security	1,978	291	2,290	291	43	-	334	2,898
Staff development	2,250	1,842	4,496	629	584	-	1,213	7,863
Supplies	5,013	1,119	6,582	1,039	8,101	-	9,140	20,899
Telephone	10,963	3,973	15,587	3,881	2,382	-	6,263	20,286
Travel	46,923	1,737	50,690	-	2,491	-	2,491	46,911
Uncollected pledge	-	-	-	-	-	-	-	53,607
Utilities	40,123	3,280	44,476	11,110	1,399	-	12,509	64,329
Depreciation	189,130	68,297	260,929	68,298	21,014	-	89,312	370,919
Other	2,364	805	3,526	5,551	5,889	-	11,440	20,307
Total expenses	1,627,337	688,625	2,459,043	710,478	419,163	92,626	1,222,267	3,279,373
Less: expenses deducted directly on the statement of activities -- direct costs of special events	-	-	-	-	-	(92,626)	(92,626)	(69,489)
Total expenses reported by function on the statement of activities	\$ 1,627,337	\$ 688,625	\$ 2,459,043	\$ 710,478	\$ 419,163	\$ -	\$ 1,129,641	\$ 3,209,884

See notes to financial statements.

TEATOWN LAKE RESERVATION, INC.

Statement of Cash Flows

	Year Ended June 30	
	2024	2023
Cash flows from operating activities		
Increase in net assets	\$ 7,823,931	\$ 3,606,196
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	350,241	370,919
Change in discount on contributions receivable	188,962	(10,672)
Donated stocks	(8,288)	(43,042)
Proceeds from sale of donated stocks	8,288	43,042
Unrealized (gain) of investments	(349,239)	(376,524)
Realized (gain) on sale of investments	(117,235)	(21,649)
(Increase) decrease in assets		
Contributions receivable	(6,956,611)	1,004,699
Inventory	1,026	3,883
Prepaid expenses	33,078	(24,347)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(123,984)	139,940
Deferred revenue	72,263	40,565
Increase in security deposits	4,650	1,500
Net cash provided by operating activities	<u>927,082</u>	<u>4,734,510</u>
Cash flows (used in) investing activities		
Purchases of property and equipment	(1,298,552)	(2,697,733)
Changes in contracts payable	82,246	-
Proceeds from the sale of investments	10,392,520	13,675,093
Purchases of investments	(10,007,575)	(15,770,521)
Net cash (used in) investing activities	<u>(831,361)</u>	<u>(4,793,161)</u>
Cash flows from financing activities		
Payment of long-term debt (EIDL)	(3,961)	-
Payments of life estate payable	(23,490)	(20,161)
Net cash (used in) financing activities	<u>(27,451)</u>	<u>(20,161)</u>
Net increase (decrease) in cash and cash equivalents	68,270	(78,812)
Cash and cash equivalents, beginning of year	<u>124,375</u>	<u>203,187</u>
Cash and cash equivalents, end of year	<u>\$ 192,645</u>	<u>\$ 124,375</u>
Cash and cash equivalents consist of:		
Operations	\$ 178,114	\$ 114,494
Cash held for security deposits	14,531	9,881
Total	<u>\$ 192,645</u>	<u>\$ 124,375</u>

See notes to financial statements.

TEATOWN LAKE RESERVATION, INC.**Notes to Financial Statements
June 30, 2024****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, 2024 and 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, 2024**Note 2 – Summary of significant accounting policies (continued)**Investments

Investment purchases are recorded at cost. Thereafter, investments are recorded at fair value in the statement of financial position. The fair value of the investments has been determined by using publicly reported market values for exchange traded funds and the net asset value of the underlying investments calculated at the close of each business day for mutual funds. Donated investments are recorded at the fair value on the date of receipt. Interest, dividends and net realized gain on investments, less external and direct internal investment expenses are reported net in the statement of activities.

Allowance for doubtful accounts

As of June 30, 2024, 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 2024 and 2023 fiscal years, as a result of a fire in one of the buildings (in June 2023), fully depreciated property and equipment with a cost basis of \$522,415 and \$155,987, respectively, were removed from the books and records of the Organization.

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 from the Organization/Maida purchase.

TEATOWN LAKE RESERVATION, INC.**Notes to Financial Statements (continued)****June 30, 2024****Note 2 – Summary of significant accounting policies (continued)**Operating leases

The Organization follow the guidance of FASB ASC 842, *Leases*. FASB ASC 842 establishes a right of use (“ROU”) model that requires a lessee to record an ROU asset, which represents the right to use a respective asset for the lease term, and a lease liability on the statement of financial position at the present value of future payments due under the lease. The Organization has elected not to record leases with an initial term of 12 months or less on the statement of financial position, as permitted by FASB ASC 842.

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.

Contributed nonfinancial assets (in-kind donations)

Contributed 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.

TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)
June 30, 2024

Note 2 – Summary of significant accounting policies (continued)

Contributed nonfinancial assets (in-kind donations) (continued)

For the years ended June 30, 2024 and June 30, 2023, the Organization received the following in-kind contributions:

	<u>2024</u>	<u>2023</u>
Donated land (capitalized)	\$ -	\$ 1,550,000
Donated goods	16,096	10,999
Donated consulting and professional fees	<u>3,000</u>	<u>2,705</u>
Total	<u>\$ 19,096</u>	<u>\$ 1,563,704</u>

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 an estimate and discount on an irrigation system. These contributed services are valued and reported at the estimated fair value based on current rates for similar services. The above corresponding expenses are reflected in the statement of functional expenses.

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.

TEATOWN LAKE RESERVATION, INC.**Notes to Financial Statements (continued)**
June 30, 2024**Note 2 – Summary of significant accounting policies (continued)****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, 2024. 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, 2023, 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 4, 2024, which is the date the financial statements were available to be issued.

TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)
June 30, 2024

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, capital campaign and other revenue items. As of June 30, 2024 and 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, 2024 and June 30, 2023, available for general use within one year of the statement of financial position date:

	<u>2024</u>	<u>2023</u>
Financial assets		
Cash	\$ 192,645	\$ 124,375
Investments, at fair value	13,295,226	13,196,976
Current portion of contributions receivable	<u>2,798,480</u>	<u>402,828</u>
Sub-total	16,286,351	13,724,179
Less: Net assets without restrictions – Board designated	<u>(966,444)</u>	<u>(704,012)</u>
Total financial assets	<u>\$15,319,907</u>	<u>\$13,020,167</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, 2024 and 2023:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash equivalents	\$ 803,590	\$ 803,590	\$ 596,753	\$ 596,753
Certificates of deposit	1,750,000	1,832,002	2,500,000	2,517,190
Mutual funds	4,248,613	4,727,161	2,763,190	3,205,738
Exchange traded funds	888,226	1,417,801	974,208	1,333,837
Stocks	103,700	126,514	131,708	106,052
U.S. Treasuries	<u>4,266,442</u>	<u>4,388,158</u>	<u>5,362,422</u>	<u>5,454,127</u>
Total	<u>\$12,060,571</u>	<u>\$13,295,226</u>	<u>\$12,328,281</u>	<u>\$13,213,697</u>
Unrealized gain		<u>\$ 1,234,655</u>		<u>\$ 885,416</u>
Change in unrealized value gain		<u>\$ 349,239</u>		<u>\$ 376,523</u>

For the years ended June 30, 2024 and June 30, 2023, investment fees totaled \$35,992 and \$32,907, 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, 2024

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 \$2,798,480. Pledges due in two to five years are \$5,503,000 less a present value discount of \$232,245 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 in the range of 4.5% to 4.75% per annum.

Note 6 – Property and equipment

At June 30, 2024 and June 30, 2023, the Organization's property and equipment, net, consisted of the following:

	<u>2024</u>	<u>2023</u>
Land and land improvements	\$13,336,756	\$13,299,884
Buildings and building improvements	3,716,555	3,922,146
Furniture, fixtures and equipment	1,041,583	1,196,754
Improvements in progress	<u>1,127,229</u>	<u>27,202</u>
Total property and equipment	19,222,123	18,445,986
Less: accumulated depreciation	<u>4,372,094</u>	<u>4,544,268</u>
Total property and equipment, net	<u>\$14,850,029</u>	<u>\$13,901,718</u>

Leasehold improvements in progress

The Organization is the process of constructing various buildings, dredging of a pond and other enhancements throughout the premises. The balance represents costs of planning, architectural, engineering, labor, materials and constructions costs associated with these projects.

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, 2024 and 2023 were \$23,490 and \$20,161, respectively. The balances on the statement of financial position represents the estimated present value payable at June 30, 2024 and 2023, respectively. Monthly payments in excess of the foregoing amounts will be charged to operations in the respective fiscal year.

TEATOWN LAKE RESERVATION, INC.

Notes to Financial Statements (continued)
June 30, 2024

Note 8 – Long-term debt

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. Repayment of the EIDL commenced 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.

The following is a summary of the required annual principal payments as of June 30, 2024:

<u>Fiscal Year</u>	<u>Total</u>
2025	\$ 3,767
2026	3,872
2027	3,980
2028	4,091
2029	4,263
2030 and thereafter	<u>125,966</u>
Total	<u>\$ 145,939</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, 2024, 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 \$14,531 as of June 30, 2024 and \$9,881 as of June 30, 2023. Total rental revenue for the fiscal years ended June 30, 2024 and June 30, 2023 was \$233,172 and \$210,399, respectively.

At June 30, 2024, future minimum lease payments under the agreements that the Organization will receive are \$160,780 in the 2024 fiscal year.

TEATOWN LAKE RESERVATION, INC.**Notes to Financial Statements (continued)**
June 30, 2024**Note 11 – Commitments**

The Organization has undertaken a Capital Campaign to design and build various new buildings on site along with dredging of a pond, and other various enhancements.

In connection with the Capital Campaign, the Organization has various contracts with different entities at different stages of construction for softs/hard costs incurred, such as early design, probes, schematic designs, bid, negotiations, legal, permits, allocated staff time, architectural, engineering, consulting, construction manager and general contractors. Work completed under these agreements through June 30, 2024, totaled approximately \$1,130,000 which are recorded as improvements in progress in the property and equipment accounts in the statement of financial position. As of June 30, 2024, work completed under the various contracts but remains to be paid were approximately \$82,000 and are recorded as contracts payable on the statement of financial position.

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 \$23,941 and \$30,482 for the fiscal years ended June 30, 2024 and June 30, 2023, respectively.

Note 13 – Insurance claim

On June 8, 2023, certain properties of the Organization were damaged by a fire. The Organization received reimbursement checks from its insurance carrier amounting to \$528,597 for the fiscal year ended June 30, 2024. Such proceeds were used for emergency response, repairs, clean-up of the damaged premises and replacement costs, some of which are recorded as improvements in progress in the 2024 property and equipment records in the statement of financial position.

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, 2024**Note 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, 2024:

	Without Donor Restrictions Board- <u>Designated</u>	With Temporary Donor <u>Restrictions</u>	<u>Total</u>
Net assets, beginning of year	\$ 704,012	\$12,379,137	\$13,083,149
Interest and dividends, net	117,015	396,601	513,616
Unrealized gain	169,318	179,921	349,239
Realized gain	66,540	50,695	117,235
Contributions, net	-	7,768,124	7,768,124
Endowment draws	(90,441)	-	(90,441)
Net assets released from restriction/ appropriated for expenditures	<u>-</u>	<u>(2,106,909)</u>	<u>(2,106,909)</u>
Net assets, end of year	<u>\$ 966,444</u>	<u>\$18,667,569</u>	<u>\$19,634,013</u>

TEATOWN LAKE RESERVATION, INC.**Notes to Financial Statements (continued)**
June 30, 2024**Note 15 – Endowment (continued)****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, 2024

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, 2024:

	Balance at June 30, 2023	Contributions	Time Restricted/ Pledges	Investment Income and Other	Net Assets Released from Restrictions (appropriated for expenditures)	Balance at June 30, 2024
Temporarily restricted fund						
Anonymous Fund	\$ 615,386	\$ -	-	\$ -	\$ (150,000)	\$ 465,386
Bench Fund	7,959	-	-	-	-	7,959
Capital Campaign Fund	8,546,084	639,100	7,000,000	331,546	(1,603,697)	14,913,033
Cliffdale Property	755,390	-	-	94,509	(39,562)	810,337
Dena Thomas Memorial Scholarship Fund	108,316	1,200	-	13,736	(5,000)	118,252
Environmental Leaders Learning Alliance	254	5,000	46,980	-	(242)	51,992
Erica Douwes Scholarship Fund	9,335	3,670	-	-	(3,097)	9,908
Land Gift Fund	864,745	-	-	40,349	(1,981)	903,113
LTA Croft Wetland Restoration Grant	511,700	-	-	-	(31,065)	20,635
LTA Land Management Software Grant	27,302	-	-	-	(6,636)	20,666
Matthew Potel Camp Scholarship	1,770	-	-	-	(1,327)	443
Meadows Restoration Fund	140,610	-	-	4,378	(67,698)	77,290
No Child Left Inside	86,553	25,750	-	4,377	(23,451)	93,229
NYSOPRHP ZBGA Grant	112,369	-	-	-	(112,369)	-
NYS ADA Compliant Trail Installation	-	-	100,000	-	-	100,000
NYS Nature Playscape Installation	-	-	125,000	-	-	125,000
NYS Raptor Loop Design Grant	50,000	-	-	-	-	50,000
Sarah Swope Memorial Fund	19,628	-	-	-	(1,750)	17,878
Sidney Heymann Fund	1,939	-	-	-	-	1,939
Teatown Environmental Science Academy Fund	11,747	-	-	-	-	5,147
Teatown Neighbors Camp Fund	3,205	2,255	-	-	(6,600)	2,805
Tenant Security Account	9,881	4,650	-	-	(2,655)	14,531
Turtle Conservation Fund	1,037	2,467	-	-	-	2,670
Viola & William Orr Endowment	992,186	-	-	138,322	(834)	1,083,840
Wildflower Island Fund	4,755	1,014	-	-	(46,668)	3,687
Wildflower Woods	269	-	-	-	(195)	74
Discount on contributions receivable	(43,283)	-	(188,962)	-	-	(232,245)
Total	\$ 12,379,137	\$ 685,106	\$ 7,083,018	\$ 627,217	\$ (2,106,909)	\$ 18,667,569