MOHONK PRESERVE, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2016
(with summarized comparative information for December 31, 2015)

MOHONK PRESERVE, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2016

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To the Board of Directors
Mohonk Preserve, Inc.
P.O. Box 715
New Paltz, New York 12561

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Mohonk Preserve, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mohonk Preserve, Inc. as of December 31, 2016, and the changes in its net assets, its functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Mohonk Preserve, Inc. Organization's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 15, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The Accounting Offices of Tom Fucito CPA, P.C.

THE ACCOUNTING OFFICES OF TOM FUCITO CPA, P.C.
Cairo, New York
March 30, 2017

MOHONK PRESERVE, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 AND 2015
(with summarized comparative information for December 31, 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2016	Total 2015
CURRENT ASSETS					
Cash	$ 817,020	$ 369,075	$ 10,650	$ 1,196,745	$ 760,848
Accounts Receivable	84,312	-	-	84,312	26,920
Unconditional Promises to Give, net	7,375	162,604	4,000	173,979	276,152
Accrued Interest Receivable	20,745	-	-	20,745	18,893
Grants Receivable	156,504	500,000	-	656,504	705,397
Loan Receivable	10,000	-	-	10,000	50,000
Investments-Gift Annuity	-	297,162	-	297,162	308,628
Investments	4,796,412	1,416,968	2,944,199	9,157,579	8,993,595
Prepaid Expenses	112,654	-	-	112,654	100,155
Deposit on Land	-	-	-	-	10,000
TOTAL CURRENT ASSETS	6,005,022	2,745,809	2,958,849	11,709,680	11,250,588
FIXED ASSETS, NET	7,083,507	-	-	7,083,507	6,866,566
LAND	6,684,487	-	-	6,684,487	6,270,209
TOTAL ASSETS	$ 19,773,016	$ 2,745,809	$ 2,958,849	$ 25,477,674	$ 24,387,363
CURRENT LIABILITIES					
Accounts Payable	$ 81,556	$ -	$ -	$ 81,556	$ 107,427
Sales Tax Payable	283	-	-	283	353
Gift Annuity Payable	-	120,719	-	120,719	127,912
Accrued Salaries and Payroll Taxes	198,367	-	-	198,367	174,733
Employee Benefit Payable	-	-	-	-	615
Security Deposit Payable	2,685	-	-	2,685	1,685
Unearned Revenue	7,105	-	-	7,105	105
Notes Payable	1,282,704	-	-	1,282,704	1,127,335
TOTAL CURRENT LIABILITIES	1,572,700	120,719	-	1,693,419	1,540,165
NON CURRENT LIABILITIES					
Accrual Interest Payable	36,278	-	-	36,278	16,562
Notes Payable	1,797,500	-	-	1,797,500	1,797,500
NET ASSETS	16,366,538	2,625,090	2,958,849	21,950,477	21,033,136
TOTAL LIABILITIES AND NET ASSETS	$ 19,773,016	$ 2,745,809	$ 2,958,849	$ 25,477,674	$ 24,387,363

See independent auditor's report and accompanying notes to financial statements.

MOHONK PRESERVE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(with summarized comparative information for December 31, 2015)

PUBLIC SUPPORT AND REVENUE	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2016	Totals 2015
PUBLIC SUPPORT					
Memberships	$ 801,918	$ -	$ -	$ 801,918	$ 780,417
Life Memberships	14,905	-	-	14,905	64,100
Contributions	634,410	242,170	52,991	929,571	884,018
Grants	279,133	80,500	-	359,633	286,333
Special Event Income	552,334	-	-	552,334	544,639
Bequests	612,048	20,000	192,261	824,309	108,571
TOTAL PUBLIC SUPPORT	2,894,748	342,670	245,252	3,482,670	2,668,078
REVENUE					
Day Use Fees	567,244	-	-	567,244	527,672
Program Fees	180,042	-	-	180,042	167,570
Rental Income	50,920	-	-	50,920	47,220
Gift Shop Sales	51,598	-	-	51,598	48,700
Other Income	46,663	-	-	46,663	7,556
Interest and Dividends	154,574	37,301	-	191,875	197,864
Gain on Sale of Investments	106,974	28,301	-	135,275	328,403
Unrealized Gain(Loss) on Investments	331,686	80,374	-	412,060	(440,630)
Change in Value of Split Interest Agreements	-	(13,712)	-	(13,712)	(10,933)
Gain(Loss) on Sale of Fixed Assets	-	-	-	-	550
TOTAL REVENUE	1,489,701	132,264	-	1,621,965	873,972
Net Assets Released from Restriction	577,327	(577,327)	-	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	4,961,776	(102,393)	245,252	5,104,635	3,542,050
EXPENSES					
Program Services	2,877,510	-	-	2,877,510	2,727,736
Supporting Services	1,309,784	-	-	1,309,784	1,220,075
Total Expenses	4,187,294	-	-	4,187,294	3,947,811
Changes in Net Assets	774,482	(102,393)	245,252	917,341	(405,761)
NET ASSETS - BEGINNING OF YEAR	15,592,056	2,727,483	2,713,597	21,033,136	21,438,897
NET ASSETS - END OF YEAR	$ 16,366,538	$ 2,625,090	$ 2,958,849	$ 21,950,477	$ 21,033,136

See independent auditor's report and accompanying notes to financial statements.

MOHONK PRESERVE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

CASH FLOWS FROM OPERATING ACTIVITIES	2016	2015
Change in Net Assets	$ 917,341	$ (405,761)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	364,684	365,215
Gain on Sale of Investments	(135,275)	(328,403)
Unrealized Gain on Investments	(412,060)	440,630
Discount on pledges	(2,460)	(10,331)
Loss on Sale of Fixed Assets	-	(550)
Change in value split Interest agreement	13,712	10,932
Accrued Interest Payable	19,716	16,562
Gifts in Kind	(117,646)	(188,482)
Changes in Assets and Liabilities:		
Accounts Receivable	(57,392)	(16,881)
Unconditional Promises to Give, net	104,633	210,780
Accrued Interest Receivable	(1,852)	(1,359)
Grants Receivable	48,893	130,183
Prepaid Expenses	(12,499)	(23,183)
Deposit on Land	-	(10,000)
Accounts Payable	(25,871)	46,075
Sales Tax Payable	(70)	123
Gift Annuity Payable	(20,905)	(20,745)
Accrued Salaries and Payroll Taxes	23,634	(40,749)
Employee Benefit Payable	(615)	527
Security Deposit Payable	1,000	(1,500)
Unearned Revenue	7,000	(5,145)
NET CASH PROVIDED BY OPERATING ACTIVITIES	713,968	167,938
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	501,359	1,054,624
Purchase of Investments	(68,403)	(361,263)
Loan Receivable	40,000	(50,000)
Purchase of Fixed Assets	(909,621)	(597,645)
Proceeds from Sale of Fixed Assets	3,225	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	(433,440)	45,716
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Borrowing	181,369	-
Repayment of Long-Term Borrowing	(26,000)	(500,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES	155,369	(500,000)
NET INCREASE IN CASH	435,897	(286,346)
CASH AT BEGINNING OF YEAR	760,848	1,047,194
CASH AT END OF YEAR	$ 1,196,745	$ 760,848
Supplemental Disclosures		
Interest Paid	$ 32,473	$ 17,109
Income Taxes Paid	$ -	$ -

See independent auditor's report and accompanying notes to financial statements

MOHONK PRESERVE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(with summarized comparative information for December 31, 2015)

	PROGRAM SERVICES				
	Environmental Education	Land Stewardship	Land Protection	Conservation Science	Total Program Services
Wages	$ 475,447	$ 668,005	$ 145,532	$ 219,929	$ 1,508,913
Payroll Taxes	32,803	51,578	10,606	16,900	111,887
Payroll Related Insurance	67,097	82,065	21,751	34,463	205,376
Pension Expense	21,656	24,614	6,985	14,024	67,279
Total Wages and Related Expenses	597,003	826,262	184,874	285,316	1,893,455
Contract Services and Consulting	25,160	17,772	6,031	1,021	49,984
Legal and Accounting	4,654	11,360	28,370	2,530	46,914
Honoraria	7,382	2,086	-	9,024	18,492
Occupancy	3,449	18,145	1,207	6,098	28,899
Auto and Truck Expense	-	42,166	36	826	43,028
Advertising and Promotion	15,342	-	-	-	15,342
Printing and Publications	26,023	7,371	201	63	33,658
Exhibit Supplies and Materials	6,731	-	-	-	6,731
Insurance	11,431	39,778	5,130	5,949	62,288
Maintenance Supplies and Materials	-	63,608	-	-	63,608
Program Supplies	32,662	35,102	1,806	8,650	78,220
Office Supplies and Materials	3,594	6,076	1,818	1,997	13,485
Information Technology	6,066	7,921	1,923	5,248	21,158
Dues and Subscriptions	739	2,326	7,720	1,120	11,905
Telephone and Internet	3,423	9,674	1,911	5,272	20,280
Postage	9,620	435	1,098	161	11,314
Travel	28,010	9,554	3,282	3,077	43,923
Special Events	-	192	-	-	192
Meetings and Professional Development	6,143	7,903	2,340	2,047	18,433
Community Grant Expenses	-	500	4,100	-	4,600
Board of Director's Expense	-	-	-	-	-
Investment Management Fees	-	-	-	-	-
Contributions	-	-	10,000	-	10,000
Personnel Recruitment	306	903	-	2,290	3,499
Interest Expense	3,063	4,901	18,228	1,685	27,877
Cost of Sales	-	30,235	-	-	30,235
Credit Card Fees	7,349	11,726	2,604	4,042	25,721
Bad Debt Expense	-	-	-	-	-
Miscellaneous Administration Expense	4,491	2,304	124	331	7,250
Real Estate Taxes	-	-	31,740	-	31,740
Sub-Total	205,638	332,038	129,669	61,431	728,776
Depreciation	72,937	116,699	25,528	40,115	255,279
TOTAL EXPENSES	$ 875,578	$ 1,274,999	$ 340,071	$ 386,862	$ 2,877,510

See independent auditor's report and accompanying notes to financial statements

MOHONK PRESERVE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(with summarized comparative information for December 31, 2015)

	SUPPORTING SERVICES			TOTAL	
	Management & General	Development & Fund-raising	Total Support Services	2016	2015
Wages	$ 209,720	$ 311,315	$ 521,035	$ 2,029,948	$ 1,915,825
Payroll Taxes	13,676	22,703	36,379	148,266	138,887
Payroll Related Insurance	30,504	72,681	103,185	308,561	231,884
Pension Expense	9,909	23,594	33,503	100,782	90,406
Total Wages and Related Expenses	263,809	430,293	694,102	2,587,557	2,377,002
Contract Services and Consulting	233	9,927	10,160	60,144	122,914
Legal and Accounting	6,070	16,075	22,145	69,059	53,621
Honoraria	-	-	-	18,492	20,162
Occupancy	1,552	3,622	5,174	34,073	37,115
Auto and Truck Expense	-	-	-	43,028	50,430
Advertising and Promotion	60	-	60	15,402	17,263
Printing and Publications	13	19,871	19,884	53,542	72,462
Exhibit Supplies and Materials	-	-	-	6,731	11,374
Insurance	4,868	11,357	16,225	78,513	75,765
Maintenance Supplies and Materials	-	-	-	63,608	55,107
Program Supplies	61	2,530	2,591	80,811	55,338
Office Supplies and Materials	1,615	4,716	6,331	19,816	20,459
Information Technology	2,899	15,761	18,660	39,818	42,738
Dues and Subscriptions	1,478	1,445	2,923	14,828	17,419
Telephone and Internet	2,961	2,681	5,642	25,922	21,283
Postage	(11)	10,647	10,636	21,950	23,951
Travel	819	5,148	5,967	49,890	39,720
Special Events	-	315,147	315,147	315,339	237,279
Meetings and Professional Development	1,661	3,608	5,269	23,702	26,488
Community Grant Expenses	-	-	-	4,600	2,000
Board of Director's Expense	2,989	-	2,989	2,989	11,625
Investment Management Fees	4,807	-	4,807	4,807	4,799
Contributions	-	-	-	10,000	10,000
Personnel Recruitment	-	668	668	4,167	6,383
Interest Expense	21,095	3,217	24,312	52,189	47,362
Cost of Sales	-	-	-	30,235	27,239
Credit Card Fees	3,339	7,684	11,023	36,744	33,697
Bad Debt Expense		9,250	9,250	9,250	10,000
Miscellaneous Administration Expense	5,598	816	6,414	13,664	30,055
Real Estate Taxes	-	-	-	31,740	21,545
Sub-Total	62,107	444,170	506,277	1,235,053	1,205,594
Depreciation	32,822	76,583	109,405	364,684	365,215
TOTAL EXPENSES	$ 358,738	$ 951,046	$ 1,309,784	$ 4,187,294	$ 3,947,811

See independent auditor's report and accompanying notes to financial statements

Note 1: Summary of Significant Accounting Policies

Nature of Activities

Founded in 1978, Mohonk Preserve, Inc. ("the Organization") is the largest member and visitor-supported nature preserve in New York State. Our mission is to protect the Shawangunk Mountains region and inspire people to care for, enjoy, and explore their natural world. We accomplish the mission through our core program services: land protection and stewardship, conservation science, and environmental education.

Basis of Accounting

The financial statements of Mohonk Preserve, Inc. are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Contributions

The Organization accounts for contributions in accordance with the recommendations of generally accepted accounting principles. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire with the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that must be maintained permanently by the Organization.

Revenues are reported as increases in unrestricted net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities, if any, are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Note 1: Summary of Significant Accounting Policies (continued)

Contributions, including unconditional promises to give, are recognized as revenues in the period in which the contribution or promises to give are received. Promises to give which are restricted by the donor to a specific purpose which has not been met as of the statement of financial position date, are shown as increases in temporarily restricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Due to their prospective nature, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers cash equivalents to be investments with maturities of three months or less at acquisition date. The cost of the cash equivalents, which consist of certificates of deposit and commercial paper, approximates market value. Cash and cash equivalents held in investment accounts are included in investments and excluded from cash for the purposes of the Statements of Financial Position and Cash Flows.

Accounts and Grants Receivable

Accounts and grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debts expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts or grants receivable. At December 31, 2016, management determined that all outstanding receivables were collectible.

Note 1: Summary of Significant Accounting Policies (continued)

Unconditional Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise was received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Investments

Investments consist of cash, cash equivalents, bonds, publicly traded shares of common stocks, mutual funds, and exchange-traded funds, purchased and recorded at cost or received as contributions and recorded at fair market value as of the date received. Recorded amounts are adjusted to fair market values at year end. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as an increase or decrease in unrestricted net assets unless the income or loss is restricted by donor or law.

Property, Equipment and Land

Property and equipment that is purchased is recorded at cost. Donated property and equipment is recorded at fair market value as of the date of the donation. Expenditures for maintenance and repairs are charged to operations when incurred. Gains and losses from sales or other dispositions of depreciable property are included in current operations. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method.

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Voluntary Contributions

While the Organization is exempt from property tax on the lands it owns for public access and conservation purposes, it is the organization's policy to make annual voluntary contributions to the municipality in which the public conservation areas that it owns are located.

Note 1: Summary of Significant Accounting Policies (continued)

Restricted Revenue

Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Advertising Expenses

Advertising expenses, included in the Statements of Functional Expenses, are recognized when incurred.

Income Tax Status

The Organization is exempt from Federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3). Therefore, no provision for income taxes has been made.

Uncertain Tax Positions

Tax positions primarily include the Organization's tax exempt status and unrelated business income. Management has assessed significant tax positions and believes that there are no such tax positions required to be recognized. Penalties and interest, if any, assessed by taxing authorities will be included in expenses in the year of assessment. The Organization files IRS Form 990 in the U.S. federal jurisdiction and the three prior years' returns remain open to examination.

Donated Services, Goods and Facilities

A substantial number of volunteers have donated a considerable number of hours to the Organization's program services and fundraising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills. Donated professional services, legal services, and specialized skills, which enhanced or created a financial asset, are reflected in the Statements of Activities at their fair value.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

Note 2: Investments in Fixed Assets

As of December 31, 2016, the Organization has a total of 7,986 acres of property and easements that have been transferred from Mohonk Trust, purchased, or donated. Investment in land is $6,684,487 at December 31, 2016.

The Organization subdivided in 2016 approximately 19 acres of the Foothills east of Butterville Road and conveyed it back to the Open Space Institute Land Trust, Inc. for $1.00 as agreed to in the Foothills contract of sale. Also, approximately six tenths of an acre was conveyed to an adjacent land owner to correct a deed overlap. A 49.13 acre adjacent parcel off of Clove Road was purchased and an almost 12 acre parcel adjacent to Spring Farm was donated to the Organization in 2016.

At December 31, 2016 and 2015, fixed assets are summarized as follows:

	2016	2015
Land	$ 6,684,487	$ 6,270,209
Buildings	5,312,573	5,195,914
Land & Building Improvements	2,386,353	2,348,617
Carriage Roads	958,821	866,021
Machinery & Equipment	425,216	437,428
Automobiles & Trucks	503,885	498,878
Construction In Progress	700,840	390,968
Exhibits	554,488	549,489
Total Cost Basis in Fixed Assets	17,526,663	16,557,524
Less Accumulated Depreciation	(3,758,669)	(3,420,749)
Total Net Fixed Assets	$ 13,767,994	$ 13,136,775

Note 3: Concentrations of Credit Risk

The Organization maintains its cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC). However, as of December 31, 2016 the total uninsured funds subject to credit risk was $909,853.

Note 4: Cash and Restrictions on Cash

During the years ended December 31, 2016 and 2015, Mohonk Preserve, Inc. received contributions and grants restricted for various programs. At December 31, 2016 and 2015, the following funds were held in cash accounts unrestricted and restricted for the following purposes:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating Checking Cash	$ 800,111	$ 369,044	$ 10,650	$ 1,179,805
Capital Campaign Fund	-	31	-	31
Depreciation Fund	13,809	-	-	13,809
Trail Head Cash	2,750	-	-	2,750
Petty Cash and Other	350	-	-	350
Totals by Restrictions	$ 817,020	$ 369,075	$ 10,650	$ 1,196,745

At December 31, 2015, the following funds were held in cash accounts unrestricted and restricted for the following purposes:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating Checking Cash	$ 307,649	$ 407,023	$ 29,050	$ 743,722
Capital Campaign Fund	-	31	-	31
Depreciation Fund	13,795	-	-	13,795
Trail Head Cash	2,950	-	-	2,950
Petty Cash and Other	350	-	-	350
Totals by Restrictions	$ 324,744	$ 407,054	$ 29,050	$ 760,848

Note 5: Marketable Securities

Investments in marketable securities with readily determinable fair values are reported at their fair market values based on quoted market prices in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Marketable securities, including Gift Annuity securities, of the Organization are summarized as follows:

For the year ended December 31, 2016, investment in marketable securities was as follows:

2016	Cost	Fair Market Value	Unrealized Appreciation/ (Depreciation)
Stock Mutual Funds	$3,295,602	$6,182,669	$ 2,887,067
Bond Mutual Funds	2,519,126	2,634,653	115,527
Bonds	66,781	23,101	(43,680)
Money Market	614,318	614,318	-
Total	$6,495,827	$9,454,741	$ 2,958,914

Investment return is summarized as follows:

	2016
Interest/dividend income	$ 191,875
Net realized and unrealized gains	547,335
Total investment return	$ 739,210

Note 5: Marketable Securities (continued)

For the year ended December 31, 2015, investment in marketable securities was as follows:

2015	Cost	Fair Market Value	Appreciation/ (Depreciation)
Stock Mutual Funds	$ 3,473,702	$ 5,952,100	$ 2,478,398
Bond Mutual Funds	2,586,135	2,698,794	112,659
Bonds	68,386	24,929	(43,457)
Money Market	627,145	626,400	(745)
Total	$ 6,755,368	$ 9,302,223	$ 2,546,855

Investment return is summarized as follows:

	2015
Interest/dividend income	$ 197,864
Net realized and unrealized gains	(112,227)
Total investment return	$ 85,637

Note 6: Fair Value Measurements

Fair value measurements for investments reported at fair value on a recurring basis at December 31, 2016 and 2015 were determined based on level one inputs only. See the table below.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	
	2016	2015
Stock Mutual Funds	$ 6,182,669	$ 5,952,100
Bond Mutual Funds	2,634,653	2,698,794
Bonds	23,101	24,929
Money Market	614,318	626,400
Total	$ 9,454,741	$ 9,302,223

Note 6: Fair Value Measurements (continued)

The fair value of the gift annuity payable is determined through level three inputs. There are no readily observable market data necessary to determine fair value of this liability. The Organization values the liability based on the present value of expected future annuity payments using a discount rate in effect at the time the annuity was established. Mortality estimates were obtained from the published 2000CM mortality tables. The Organization determined the fair value of the annuities payable as of December 31, 2016 and 2015 to be $120,719 and $127,912, respectively.

Note 7: Promises to Give

Unconditional promises to give at December 31, 2016 and 2015 are as follows:

	2016	2015
Unrestricted	$ 7,375	$ 3,800
Capital Campaign	66,213	273,321
Land acquisition	100,900	-
Endowment	4,000	6,000
	178,488	283,121
Less: Discounted amount	(4,509)	(6,969)
Total Unconditional Promises to Give, net	$173,979	$276,152

The interest rate used for the discounted amount is based on a 5-year treasury rate effective as of the end of the year. At December 31, 2016 and 2015, the interest rate was 1.93% and 1.76%, respectively.

The following is a schedule of unconditional promises to give for the next five years:

Year	Amount
2017	$ 120,155
2018	55,833
2019	2,500
2020	-
2021	-
	$ 178,488
Less: Discounted amount	(4,509)
Total Unconditional Promises to Give, net	$ 173,979

Note 8: Deposit on Land

During the year ended December 31, 2015 the Organization entered into an agreement to purchase an additional 49.13 acres of vacant land within the Towns of Gardiner and Rochester, New York. A $10,000 deposit was recorded at the time of the agreement. As of December 31, 2015 the balance of $10,000 for Deposit on Land was related to this property. During the year ended December 31, 2016 the Organization completed the purchase of the property, with the deposit being applied to this acquisition. As of December 31, 2016 there was no amount considered as a deposit on land.

Note 9: Notes Payable

Notes payable are summarized as follows:

(A) Revolving demand note payable to M&T Bank with a maximum credit available of $2,500,000. The loan is payable on demand. The interest rate during the draw period is variable at LIBOR plus 65 basis points. The interest rate at December 31, 2016 was 1.5%. The balances of this loan as of December 31, 2016 and 2015 were $1,282,704 and $1,127,335 respectively. The loan is secured by investments held in a separate account with a fair market value of $5,077,531 as of December 31, 2016.

(B) The Organization borrowed $672,500 from Open Space Institute Land Trust, Inc. to fund in part the purchase of the Mohonk Preserve Foothills property. See Note 2. The indebtedness is secured with a mortgage on the property purchased. Payments of interest only shall be made on the fifth and tenth anniversary dates of the promissory note dated December 17, 2014. The initial interest rate shall be the one year LIBOR rate published most recently immediately prior to execution of this note plus 1.5%. The subsequent interest rates shall be the one year LIBOR rate published immediately prior to each anniversary date of the note plus 1.5%. Payments shall be based upon simple interest only and shall be applied to the unpaid principal sum owed on the note. The entire principal sum together with all accrued interest shall be due and payable on the 10th anniversary of the note. As of the years ended December 31, 2016 and 2015 the interest due for this note was $36,278 and $16,562, respectively, which is the balance of Accrued Interest Payable within the Statements of Financial Position.

(C) The Organization borrowed $1,125,000 from the Marty and Dorothy Silverman Foundation to fund in part the purchase of the Mohonk Preserve Foothills property. The indebtedness is secured with a mortgage on the property purchased. Repayment of the loan shall be made as follows: simple interest shall be payable quarterly for each outstanding day on the then-unpaid principal amount thereof until the entire loan is repaid at an interest rate equal to one and one half percent (1.5%) for the first five years of the loan and two percent (2%) for the sixth year of the loan through the maturity date, December 31, 2020, when the entire principal amount remaining on the loan shall be due and payable. Interest expense for the years ended December 31, 2016 and 2015 was $17,156 and $17,109, respectively.

Note 9: Notes Payable (continued)

The following is a schedule of anticipated principle maturities of debt for each of the next five years and thereafter:

Year	Amount
2017	$ 1,282,704
2018	-
2019	-
2020	1,125,000
2021	-
Thereafter	672,500
Total Debt	$ 3,080,204

Note 10: Related Party Transactions

During the years ended December 31, 2016 and 2015, Mohonk Preserve, Inc. expensed payments totaling $4,073 and $2,216, respectively, which were made or due to Smiley Brothers, Inc. and Mohonk Mountain House for goods and services provided at regular or discounted rates. Two members of the twenty one members of the Mohonk Preserve's Board of Directors are related to Smiley Brothers, Inc., which operates a resort hotel which adjoins the Mohonk Preserve, Inc. property. Also included in revenue on the accompanying financial statements for the years ended December 31, 2016 and 2015 are $3,860 and $3,500, respectively, of payments received from Smiley Brothers, Inc. and Mohonk Mountain House at regular rates for services provided.

During the year ended December 31, 2003, in order to provide access to their properties, Mohonk Preserve, Inc. entered into three "license agreements" with Smiley Brothers, Inc. In two of the agreements Mohonk Preserve is licensee, receiving, for no consideration, a temporary revocable right to enter upon and maintain a trail and a carriage road owned by Smiley Brothers, Inc. for the benefit of Mohonk Preserve's visitors and the public. In the third, Mohonk Preserve is licensor, granting a temporary revocable right, for no consideration, to Smiley Brothers, Inc. to allow Smiley Brothers to enter and maintain a section of carriage road and several open air "summer house" structures for the benefit of its visitors and the public. These land access "license agreements" are revocable by either party upon prior notice.

Note 11: Endowment Funds

The Organization's endowment consists of various individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring each person responsible for managing and investing an institutional fund "shall manage and invest the fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances." The act also requires that the following eight factors, if relevant, be considered in managing and investing an institutional fund: (1) general economic conditions, (2) the possible effect of inflation or deflation, (3) the expected tax consequences, if any, of investment decisions or strategies, (4) the role that each investment or course of action plays within the overall investment portfolio of the fund, (5) the expected total return from income and the appreciation of investments, (6) other resources of the institution, (7) the needs of the institution and the fund to make distributions and to preserve capital, and (8) an asset's special relationship or special value, if any, to the purposes of the institution. In addition to the eight factors set forth above the governing board must consider the purposes of the Organization as well as the purposes for which the fund was established when managing and investing an institutional fund.

Under NYPMIFA a fund's investments must be diversified unless the Organization's governing board determines that, due to special circumstances, the purposes of the fund are better served without diversification. Any decision not to diversify must be reviewed by the Organization's governing board at least annually.

Management and investment decisions about a specific asset must be made in the context of the portfolio of investments in which the fund is invested and as part of an overall investment strategy in light of return objectives "reasonably suited" to the charity and the fund. In addition, the organization shall be required, within a reasonable time after receiving property, to make and carry out decisions regarding retaining or disposing of the property, or rebalancing the Organization's portfolio in order to bring the fund into compliance with NYPMIFA, and to take into consideration the Organization's other circumstances, including, for example, its distribution requirements and/or general liquidity needs.

Note 11: Endowment Funds (continued)

The composition of endowment net assets and the changes in endowment net assets for the year ended December 31, 2016 were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, 1/1/16	$1,531,833	$1,257,765	$2,713,597	$5,503,195
Contributions	612,048	-	245,252	857,300
Investment income	74,352	32,600	-	106,952
Net appreciation	240,412	99,769	-	340,181
Released or Transferred for Expenditures	(283,584)	(80,728)	-	(364,312)
Endowment funds, 12/31/16	$2,175,061	$1,309,406	$2,958,849	$6,443,316

The composition of endowment net assets and the changes in endowment net assets for the year ended December 31, 2015 were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, 1/1/15	$1,632,810	$1,302,958	$2,607,917	$5,543,685
Contributions	40,901	-	105,680	146,581
Investment income	72,461	30,757	-	103,218
Net appreciation	(38,983)	(21,946)	-	(60,929)
Released or Transferred for Expenditures	(175,356)	(54,004)	-	(229,360)
Endowment funds, 12/31/15	$1,531,833	$1,257,765	$2,713,597	$5,503,195

Note 12: Pension Plan

The Organization has a defined contribution plan. The plan covers all employees after attaining age 21, who have worked a minimum of one year of service with the Organization, who work at least 1,000 hours annually, and are employees on the last day of the plan year. The plan provides that the Organization will contribute 7% of each eligible employee's annual salary. Pension plan expense for the years ended December 31, 2016 and 2015 amounted to $100,782 and $90,406, respectively.

Note 13: Gift Annuity

The Organization has entered into Charitable Gift Annuity Agreements whereby the donor contributes assets in exchange for distributions for a specified period of time to the donor or other beneficiaries. At the end of the specified time, the remaining assets are available for the Organization's use. Assets received are recorded at fair market value on the date the agreement is recognized, and a liability equal to the present value of the future distributions is recorded. The difference between the fair market value of the assets received and the liability to the donor or other beneficiaries is recognized as other activity. The Organization has segregated these assets as separate and distinct funds, independent from other funds and not to be applied to payment of the debts and obligations of the Organization or any other purpose other than annuity benefits specified in the agreements. In addition, this portfolio of assets meets all requirements concerning permissible investment and mandated reserves as required by law. On an annual basis, the Organization revalues the liability based on applicable mortality tables and discount rates. In the event of the death of an annuitant, the Organization recognizes as income the balance of any annuity payable.

The following table reflects changes in the gift annuity liability during 2016 and 2015:

	2016	2015
Beginning of Year	$ 127,912	$ 137,725
Annuity Payments	(20,905)	(20,745)
Derecognition of liability	-	-
Increase in Split Interest liability	13,712	10,932
Ending of Year	$ 120,719	$ 127,912

Note 14: Net Assets by Restriction

The net assets of the Organization by fund are as follows:

	2016	2015
Unrestricted		
Unrestricted - Undesignated	$14,191,477	$14,060,223
Board Designated Endowment	2,175,061	1,531,833
Total Unrestricted	16,366,538	15,592,056
Temporarily Restricted		
Non-Endowment	1,315,684	1,469,718
Endowment	1,309,406	1,257,765
Total Restricted	2,625,090	2,727,483
Permanently Restricted Endowments	2,958,849	2,713,597
Total Net Assets	$21,950,477	$21,033,136

Note 15: Subsequent Events

Events that occur after the date of Statement of Financial Position but before the date the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the date of the Statement of Financial Position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the date of the Statement of Financial Position require disclosure in the accompanying notes. Management evaluated the activities of the Organization through March 30, 2017 (the date the financial statements were available to be issued) and concluded that no subsequent event has occurred that would require recognition in the financials statements or disclosure in the notes to the financial statements.