

MOHONK PRESERVE, INC.
AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2023 AND 2022

MOHONK PRESERVE, INC

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BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mohonk Preserve, Inc.

Opinion

We have audited the financial statements of Mohonk Preserve, Inc. (a New York nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mohonk Preserve, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Mohonk Preserve, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Mohonk Preserve, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, 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 Mohonk Preserve, Inc.'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 Mohonk Preserve, Inc.'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.

Mengel, Metzger, Barw & Co. LLP

Latham, New York
April 23, 2024

MOHONK PRESERVE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Cash	\$ 1,716,168	\$ 362,804	\$ 2,078,972
Accounts Receivable	16,320	-	16,320
Contracts and Grants Receivable	155,150	51,717	206,867
Other Receivable	20,750	-	20,750
Investments - Gift Annuity	-	134,568	134,568
Investments	3,364,996	6,516,537	9,881,533
Prepaid Expenses and Deposits	124,659	-	124,659
Right-of-Use Assets - Operating Leases	821	-	821
Property and Equipment, Net	10,024,922	-	10,024,922
Land	7,036,395	-	7,036,395
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 22,460,181</u>	<u>\$ 7,065,626</u>	<u>\$ 29,525,807</u>

LIABILITIES AND NET ASSETS

Liabilities			
Accounts Payable	\$ 116,626	\$ -	\$ 116,626
Gift Annuity Payable	-	57,079	57,079
Accrued Salaries and Related Items	242,430	-	242,430
Security Deposits Payable	4,250	-	4,250
Unearned Revenue	38,370	-	38,370
Lease Liability - Operating Leases	821	-	821
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>402,497</u>	<u>57,079</u>	<u>459,576</u>
Net Assets	<u>22,057,684</u>	<u>7,008,547</u>	<u>29,066,231</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 22,460,181</u>	<u>\$ 7,065,626</u>	<u>\$ 29,525,807</u>

MOHONK PRESERVE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Cash	\$ 1,752,644	\$ 822,107	\$ 2,574,751
Accounts Receivable	30,667	-	30,667
Contributions Receivable	4,000	46,158	50,158
Accrued Interest Receivable	102	-	102
Contracts and Grants Receivable	155,150	51,717	206,867
Other Receivable	20,750	-	20,750
Investments - Gift Annuity	-	255,529	255,529
Investments	3,051,528	5,231,896	8,283,424
Prepaid Expenses and Deposits	103,435	-	103,435
Right-of-Use Assets - Operating Leases	1,601	-	1,601
Property and Equipment, Net	10,032,825	-	10,032,825
Land	7,036,395	-	7,036,395
TOTAL ASSETS	\$ 22,189,097	\$ 6,407,407	\$ 28,596,504

LIABILITIES AND NET ASSETS

Liabilities			
Accounts Payable	\$ 56,193	\$ -	\$ 56,193
Gift Annuity Payable	-	51,554	51,554
Notes Payable	58,326	-	58,326
Accrued Salaries and Related Items	270,126	-	270,126
Security Deposits Payable	4,100	-	4,100
Unearned Revenue	26,356	-	26,356
Lease Liability - Operating Leases	1,601	-	1,601
TOTAL LIABILITIES	416,702	51,554	468,256
Net Assets	21,772,395	6,355,853	28,128,248
TOTAL LIABILITIES AND NET ASSETS	\$ 22,189,097	\$ 6,407,407	\$ 28,596,504

See accompanying notes to financial statements.

MOHONK PRESERVE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support			
Memberships	\$ 1,070,372	\$ -	\$ 1,070,372
Contributions	694,740	404,403	1,099,143
Contracts and Grants	197,649	223,517	421,166
Special Event Income	865,072	-	865,072
Bequests	10,000	5,067	15,067
Total Public Support	2,837,833	632,987	3,470,820
Revenue			
Day Use Fees	668,705	-	668,705
Program Fees	194,284	-	194,284
Rental Income	64,870	-	64,870
Gift Shop Sales	78,220	-	78,220
Other Income	7,708	-	7,708
Interest and Dividends	255,300	94,530	349,830
Gain on Sale of Investments	49,183	18,484	67,667
Unrealized Gain on Investments	772,814	375,740	1,148,554
Investment Fees	(1,900)	(30,000)	(31,900)
Change in Value of Gift Annuity Payable	-	(27,093)	(27,093)
Gain on Disposal of Property and Equipment	17,466	-	17,466
Total Revenue	2,106,650	431,661	2,538,311
Net Assets Released from Restrictions	411,954	(411,954)	-
Total Public Support and Revenue	5,356,437	652,694	6,009,131
Expenses			
Program Services	3,891,272	-	3,891,272
Supporting Services	1,179,876	-	1,179,876
Total Expenses	5,071,148	-	5,071,148
Changes in Net Assets	285,289	652,694	937,983
Net Assets, Beginning of Year	21,772,395	6,355,853	28,128,248
Net Assets, End of Year	\$ 22,057,684	\$ 7,008,547	\$ 29,066,231

See accompanying notes to financial statements.

MOHONK PRESERVE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support			
Memberships	\$ 1,053,142	\$ -	\$ 1,053,142
Contributions	610,866	530,788	1,141,654
Contracts and Grants	734,684	237,217	971,901
Special Event Income	721,036	-	721,036
Bequests	20,283	-	20,283
Total Public Support	<u>3,140,011</u>	<u>768,005</u>	<u>3,908,016</u>
Revenue			
Day Use Fees	688,370	-	688,370
Program Fees	490,185	-	490,185
Rental Income	74,760	-	74,760
Gift Shop Sales	64,274	-	64,274
Other Income	1,778	-	1,778
Interest and Dividends	133,913	47,623	181,536
Gain on Sale of Investments	97,187	44,294	141,481
Unrealized Loss on Investments	(1,648,660)	(586,295)	(2,234,955)
Investment Fees	(8,436)	(28,026)	(36,462)
Change in Value of Gift Annuity Payable	-	18,437	18,437
Gain on Disposal of Property and Equipment	9,836	-	9,836
Total Revenue	<u>(96,793)</u>	<u>(503,967)</u>	<u>(600,760)</u>
Net Assets Released from Restrictions	<u>628,944</u>	<u>(628,944)</u>	<u>-</u>
Total Public Support and Revenue	<u>3,672,162</u>	<u>(364,906)</u>	<u>3,307,256</u>
Expenses			
Program Services	3,705,752	-	3,705,752
Supporting Services	1,235,198	-	1,235,198
Total Expenses	<u>4,940,950</u>	<u>-</u>	<u>4,940,950</u>
Changes in Net Assets	<u>(1,268,788)</u>	<u>(364,906)</u>	<u>(1,633,694)</u>
Net Assets, Beginning of Year, as previously stated	23,578,156	6,183,786	29,761,942
Prior year restatement	(536,973)	536,973	-
Net Assets, Beginning of Year, as restated	<u>23,041,183</u>	<u>6,720,759</u>	<u>29,761,942</u>
Net Assets, End of Year	<u>\$ 21,772,395</u>	<u>\$ 6,355,853</u>	<u>\$ 28,128,248</u>

See accompanying notes to financial statements.

MOHONK PRESERVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	PROGRAM SERVICES					SUPPORTING SERVICES			
	Environmental Education	Stewardship	Conservation Programs	Visitor Experience	Total	Management & General	Development & Fundraising	Total	Total
Wages	\$ 608,591	\$ 437,452	\$ 406,277	\$ 695,271	\$ 2,147,591	\$ 175,829	\$ 317,677	\$ 493,506	\$ 2,641,097
Payroll Taxes	44,967	31,548	29,559	52,553	158,627	12,593	23,354	35,947	194,574
Payroll Related Insurance	80,038	72,655	78,282	59,737	290,712	35,478	78,998	114,476	405,188
Pension Expense	21,130	19,306	20,498	14,080	75,014	9,472	21,116	30,588	105,602
Total Wages and Related Expenses	<u>754,726</u>	<u>560,961</u>	<u>534,616</u>	<u>821,641</u>	<u>2,671,944</u>	<u>233,372</u>	<u>441,145</u>	<u>674,517</u>	<u>3,346,461</u>
Contract Services and Consulting	31,348	32,717	10,969	26,745	101,779	7,668	20,989	28,657	130,436
Legal and Accounting	6,868	5,372	6,090	7,930	26,260	10,550	20,754	31,304	57,564
Honoraria	4,705	-	-	-	4,705	-	-	-	4,705
Occupancy	-	72,910	-	-	72,910	-	-	-	72,910
Auto and Truck Expense	-	66,987	475	-	67,462	-	-	-	67,462
Advertising and Promotion	13,321	-	-	-	13,321	-	-	-	13,321
Printing and Publications	17,778	198	-	5,681	23,657	-	5,852	5,852	29,509
Exhibit Supplies and Materials	-	-	-	-	-	-	-	-	-
Insurance	13,461	41,102	15,621	19,990	90,174	5,804	14,518	20,322	110,496
Maintenance Supplies and Materials	-	71,952	-	-	71,952	-	-	-	71,952
Program Supplies	11,227	22,482	7,229	20,933	61,871	120	5,075	5,195	67,066
Office Supplies and Materials	1,910	2,312	2,267	3,414	9,903	1,121	2,496	3,617	13,520
Information Technology	18,107	18,342	23,913	27,076	87,438	7,769	26,466	34,235	121,673
Dues and Subscriptions	1,036	5,849	24,352	3,841	35,078	170	5,695	5,865	40,943
Telephone and Internet	3,895	7,829	7,415	11,695	30,834	1,405	3,308	4,713	35,547
Postage	7,155	172	169	253	7,749	616	5,639	6,255	14,004
Travel	16,964	2,500	6,161	5,385	31,010	646	657	1,303	32,313
Special Events	-	-	-	-	-	-	214,930	214,930	214,930
Meetings and Professional Development	3,072	2,740	4,570	5,582	15,964	1,430	1,103	2,533	18,497
Board of Director's Expense	-	-	-	-	-	98	-	98	98
Contributions	-	2,500	10,000	-	12,500	-	-	-	12,500
Personnel Recruitment	2,444	876	3,092	1,102	7,514	-	17	17	7,531
Interest Expense	-	964	-	-	964	-	-	-	964
Cost of Sales	-	-	-	33,712	33,712	-	-	-	33,712
Credit Card Fees	4,770	4,386	5,164	20,620	34,940	2,036	22,383	24,419	59,359
Bad Debt Expense	-	-	-	-	-	-	-	-	-
Miscellaneous Administration Expense	2,358	2,295	2,438	3,938	11,029	5,349	2,696	8,045	19,074
Real Estate Taxes	-	-	30,162	-	30,162	-	-	-	30,162
Total Expenses Before Depreciation	<u>915,145</u>	<u>925,446</u>	<u>694,703</u>	<u>1,019,538</u>	<u>3,554,832</u>	<u>278,154</u>	<u>793,723</u>	<u>1,071,877</u>	<u>4,626,709</u>
Depreciation	74,221	74,666	77,332	110,221	336,440	32,000	75,999	107,999	444,439
Total Expenses	<u>\$ 989,366</u>	<u>\$ 1,000,112</u>	<u>\$ 772,035</u>	<u>\$ 1,129,759</u>	<u>\$ 3,891,272</u>	<u>\$ 310,154</u>	<u>\$ 869,722</u>	<u>\$ 1,179,876</u>	<u>\$ 5,071,148</u>

See accompanying notes to financial statements.

MOHONK PRESERVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	PROGRAM SERVICES					SUPPORTING SERVICES			
	Environmental Education	Land Stewardship	Conservation Programs	Visitor Experience	Total	Management & General	Fundraising	Total	Total
Wages	\$ 537,374	\$ 419,706	\$ 434,501	\$ 621,552	\$ 2,013,133	\$ 179,484	\$ 308,952	\$ 488,436	\$ 2,501,569
Payroll Taxes	39,795	30,038	32,079	47,208	149,120	12,530	22,704	35,234	184,354
Payroll Related Insurance	73,067	65,676	66,092	66,992	271,827	40,422	104,915	145,337	417,164
Pension Expense	15,090	13,334	13,413	11,815	53,652	8,383	21,797	30,180	83,832
Total Wages and Related Expenses	665,326	528,754	546,085	747,567	2,487,732	240,819	458,368	699,187	3,186,919
Contract Services and Consulting	30,703	45,288	44,466	13,802	134,259	4,336	28,214	32,550	166,809
Legal and Accounting	8,224	7,830	9,097	8,999	34,150	3,892	19,428	23,320	57,470
Honoraria	4,649	-	-	-	4,649	-	-	-	4,649
Occupancy	-	68,576	-	-	68,576	-	-	-	68,576
Auto and Truck Expense	210	70,448	-	-	70,658	-	-	-	70,658
Advertising and Promotion	3,647	-	-	-	3,647	-	-	-	3,647
Printing and Publications	25,620	25	80	5,250	30,975	-	11,640	11,640	42,615
Exhibit Supplies and Materials	1,231	-	-	-	1,231	-	-	-	1,231
Insurance	9,156	32,468	10,635	16,301	68,560	4,883	13,554	18,437	86,997
Maintenance Supplies and Materials	-	141,863	-	20,098	161,961	-	-	-	161,961
Program Supplies	11,433	14,312	5,141	18,090	48,976	103	205	308	49,284
Office Supplies and Materials	1,602	2,212	2,077	3,462	9,353	1,180	2,776	3,956	13,309
Information Technology	16,890	7,499	18,525	40,077	82,991	8,343	26,943	35,286	118,277
Dues and Subscriptions	2,035	4,671	9,727	2,814	19,247	138	5,696	5,834	25,081
Telephone and Internet	3,326	15,005	6,499	1,300	26,130	1,241	3,277	4,518	30,648
Postage	8,960	240	249	382	9,831	696	8,303	8,999	18,830
Travel	19,525	470	6,475	5,688	32,158	223	512	735	32,893
Special Events	-	-	-	-	-	-	194,194	194,194	194,194
Meetings and Professional Development	1,643	1,048	3,677	1,858	8,226	418	453	871	9,097
Board of Director's Expense	14	40	14	-	68	629	20	649	717
Contributions	-	2,000	10,000	-	12,000	-	-	-	12,000
Personnel Recruitment	4,334	2,086	2,637	1,763	10,820	361	1,377	1,738	12,558
Interest Expense	-	2,686	-	-	2,686	-	-	-	2,686
Cost of Sales	-	-	-	28,740	28,740	-	-	-	28,740
Credit Card Fees	4,216	3,519	4,470	19,358	31,563	2,248	21,117	23,365	54,928
Credit Loss Expense	-	-	-	-	-	484	-	484	484
Miscellaneous Administration Expense	(88)	147	173	787	1,019	12,368	498	12,866	13,885
Real Estate Taxes	-	-	29,782	-	29,782	-	-	-	29,782
Total Expenses Before Depreciation	822,656	951,187	709,809	936,336	3,419,988	282,362	796,575	1,078,937	4,498,925
Depreciation	78,336	47,807	70,314	89,307	285,764	43,383	112,878	156,261	442,025
Total Expenses	\$ 900,992	\$ 998,994	\$ 780,123	\$ 1,025,643	\$ 3,705,752	\$ 325,745	\$ 909,453	\$ 1,235,198	\$ 4,940,950

See accompanying notes to financial statements.

MOHONK PRESERVE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash Flows From Operating Activities		
Change in Net Assets	\$ 937,983	\$ (1,633,694)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	444,439	442,025
Credit Loss Expense	-	484
Gain on Disposal of Property and Equipment	(17,466)	(9,836)
Gain on Sale of Investments	(67,667)	(141,481)
Unrealized (Gain) Loss on Investments	(1,148,554)	2,234,955
Change in Value of Gift Annuity Payable	27,093	(18,437)
Contributions Restricted for Investment in Endowments	(271,361)	(369,763)
Right-of-use assets - operating leases	780	1,601
Lease liability - operating leases	(780)	(1,601)
Changes in operating assets and liabilities:		
Accounts Receivable	14,347	46,093
Contributions Receivable	50,158	79,502
Accrued Interest Receivable	102	-
Contracts and Grants Receivable	-	(166,293)
Prepaid Expenses and Deposits	(21,224)	(280)
Accounts Payable	60,433	3,304
Accrued Salaries and Related Items	(27,696)	5,609
Security Deposits Payable	150	-
Unearned Revenue	12,014	15,855
Net Cash Provided (Used) By Operating Activities	(7,249)	488,043
Cash Flows From Investing Activities		
Proceeds from Sale of Investments	678,036	566,495
Purchases of Investments	(938,963)	(302,663)
Purchases of Property and Equipment, and Land	(426,070)	(341,453)
Proceeds from Sale of Property and Equipment	7,000	10,000
Net Cash Used By Investing Activities	(679,997)	(67,621)
Cash Flows From Financing Activities		
Contributions Restricted for Investment in Endowments	271,361	369,763
Payments of Annuities	(21,568)	(20,746)
Proceeds from Vehicle Line-of-Credit	-	80,759
Payments on Vehicle Line-of-Credit	(58,326)	(22,433)
Net Cash Provided By Financing Activities	191,467	407,343
Net Increase (Decrease) in Cash	(495,779)	827,765
Cash, Beginning of Year	2,574,751	1,746,986
Cash, End of Year	\$ 2,078,972	\$ 2,574,751
Supplemental Disclosures		
Donated Securities Immediately Sold	\$ 52,770	\$ 30,754
Interest Paid	\$ 964	\$ 2,686

See accompanying notes to financial statements.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. NATURE OF ACTIVITIES AND TAX STATUS

Founded in 1978, Mohonk Preserve, Inc. (“the Preserve”) is the largest member and visitor supported nature preserve in New York State. The Preserve’s mission is to protect the northern Shawangunk Ridge and inspire people to care for, enjoy, and explore the natural world. The mission is accomplished through core program services: environmental education, land stewardship and protection, and conservation science. Funding for the Preserve’s purposes is primarily provided through public support.

The Preserve is a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, is classified as a public charity, and is not subject to income taxes on income received for exempt purposes. No provision for income taxes has been made in the financial statements. The Preserve follows statutory requirements for income tax accounting and avoids risks with tax positions that may be challenged upon examination. Management believes liability from taxing authority examination, if any, would not have a material effect on the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Preserve are presented using the accrual basis of accounting and reflect all significant receivables, payables and other liabilities. Revenues are recognized when earned and expenses are recognized when incurred.

Adoption of New Accounting Standard

In June 2016 the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren’t measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. Financial assets held by the Preserve subject to the guidance in FASB ASC 326 were accounts receivable. The Preserve adopted the standard effective January 1, 2023. There was no material impact to the financial statements as a result of adopting FASB ASC 326.

Basis of Presentation - Net Asset Classes

In accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification 958, *Not-for-Profit Entities*, the Preserve presents information regarding its financial position and activities based upon the existence or absence of donor-imposed restrictions according to two classes of net assets:

Without Donor Restrictions - net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

With Donor Restrictions - net assets subject to donor/externally imposed or legal stipulations that can either be fulfilled by actions of the Preserve and/or the passage of time, or are required to be maintained permanently.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Public support, consisting principally of memberships, contributions, and contracts and grants, including unconditional promises to give, is recognized as revenue in the period in which the public support is received, and is recorded as without donor restrictions or with donor restrictions depending on the existence of restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Conditional promises to give are not recognized until the conditions on which they depend are met.

Membership in the Preserve generally allows the member access to the Preserve's land for one year. The price of the membership is dependent on the level of access. All membership sales are final. Memberships are not refundable or exchangeable, and are not for resale. The full year of access to benefits is conferred at the time of purchase, whether or not a member elects to use them. The Preserve recognizes revenue from membership sales at the time of purchase. Preserve membership levels relating to long-term memberships, totaling \$204,980 and \$195,464 during the years ended December 31, 2023 and 2022, respectively, are included in contributions on the Statements of Activities.

Revenue from contracts and grants are primarily considered to be contribution transactions, the majority of which are cost-reimbursable grants. Revenue was recognized when eligible cost reimbursement expenses are incurred. The Preserve has elected the "simultaneous release" accounting policy option such that grants received and used within the same period are reported in net assets without donor restrictions.

Special event net income is recognized in the year in which the event is conducted.

Day use fees, program fees and gift shop sales are recognized as earned, which is when goods or services are provided to customers at an amount (transaction price) that reflects the consideration to which the Preserve expects to be entitled in exchange for those goods or services. Obligations for these services are generally provided at a point in time and are not left unsatisfied at the end of the reporting period.

Cash and Cash Equivalents

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.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Preserve maintains its cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation. At times, the Preserve's cash may exceed federally insured limits. Amounts exceeding insured limits totaled \$1,844,337 and \$2,342,524 at December 31, 2023 and 2022, respectively. The Preserve does not believe that this results in significant credit risk.

Accounts, Contracts and Grants Receivable and Allowance for Credit Losses

Historically, there is no accounts receivable for membership revenue. Receivables from contracts and grants are accounted for under contribution guidance, and therefore, management has determined that an allowance for credit losses is not necessary. Accounts receivable balances represent amounts due the Preserve for unpaid rent, program fees, and COBRA payments as of year-end.

For the years ended December 31, 2023 and 2022, there was credit loss expense of \$-0- and \$484, respectively.

Contributions Receivable

Contributions receivable consist of unconditional promises to give that are expected to be collected in future years. Contributions receivable are recorded at the present value of their estimated future cash flows. The discount on these amounts is computed using a risk-free interest rate effective as of the end of the year. Amortization of the discount is included in contributions in the Statements of Activities.

Contributions receivable are reviewed for collectability and a provision for uncollectible promises to give is recorded based on management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors. Management does not believe that any allowance for uncollectible promises to give is necessary as of December 31, 2023 and 2022.

Beneficial Interest in Trust

Prior to December 31, 2022, the Preserve's beneficial interest in a fund with the Community Foundations of the Hudson Valley (Foundation) was recognized as an asset without donor restrictions. The Foundation was the legal owner of fund assets and had the right to manage, control and conduct affairs of the fund and to modify any direction, restriction or condition and the timing of distributions from the fund. The beneficial interest in trust account was closed during 2022.

Charitable Gift Annuities

Under charitable gift annuity contracts, the Preserve receives irrevocable title to contributed assets and agrees to make fixed period payments over various periods, generally the remaining life of the donor. Contributed assets are recorded at fair value at date of receipt and a liability is established for the present value of future annuity payments. The assets to fund these liabilities are maintained in a separate account and are included as an investment on the Statements of Financial Position.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charitable Gift Annuities

At the date the annuity is entered into, the excess of contributed assets over the annuity liability is recorded as a contribution. Any subsequent gain or loss resulting from the computation of the liability for the present value of future annuity payments is recorded as a change in the value of gift annuity payable. Upon termination of the annuity contract, any remaining liability is recognized as a change in the value of gift annuity payable in the Statements of Activities.

Investments

Investments consist of cash and money market funds, bonds, and exchange-traded products. Investments are reflected on the Statements of Financial Position at fair value based on published market prices. Unrealized gains and losses resulting from changes in fair value are reflected in the Statements of Activities. Investment income, including interest, dividends, gains, and losses, is included in the Statements of Activities as an increase or decrease in net assets without donor restrictions unless the income is restricted by donor or law.

Property and Equipment and Land

Property and equipment and land that is purchased is recorded at cost. Donated property and equipment and land is recorded at fair value at the date of donation. Property and equipment and land additions and improvements acquired at a cost greater than \$1,000 are capitalized. Expenditures for maintenance and repairs are charged to operations when incurred. Gains and losses from sales or other dispositions of property and equipment and land are included in current operations. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the respective assets (3 to 40 years).

Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Preserve has determined that no impairment of its property and equipment existed at December 31, 2023 and 2022.

Functional Expense Allocation

The costs of providing programs and activities have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Expenses are charged directly to program or supporting services based on direct expenditures incurred. Certain categories of expenses are attributable to more than one program or supporting service. Significant expenses that are allocated include wages and related expenses and depreciation. Wages and related expenses are allocated based on the time and effort worked per program. All other cost allocations are a percentage of total gross wages allocated among the programs and supporting services benefited.

Voluntary Contributions

While the Preserve is exempt from property tax on the land it owns for public access and conservation purposes, it is organizational policy to make annual voluntary contributions to the municipality in which the public conservation areas that it owns are located.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising and Promotion Expenses

Advertising and promotion expenses are recognized when incurred. Advertising and promotion expenses for the years ended December 31, 2023 and 2022 totaled \$13,321 and \$3,647, respectively.

Donated Goods and Services

Contributions of donated noncash assets, if any, are recorded at their fair values in the period received.

The Preserve receives donated services from a substantial number of volunteers who have contributed a considerable number of hours to the Preserve's program services and fundraising campaigns. However, those services did not meet the criteria for recognition and have not been recognized in the financial statements.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. During the year ended December 31, 2023, management reevaluated the program structure and classification presented in the Statements of Functional expenses. The 2022 Statement of Functional Expenses was reformatted to reflect this change. There was no change to total functional expenses or change in net assets for the year ended December 31, 2022, as a result of these reclassifications.

3. CONTRIBUTIONS RECEIVABLE

Unconditional promises to give at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Capital Campaign	\$ -	\$ 48,000
Annual Fund Contribution	-	4,000
	<hr/>	<hr/>
	-	52,000
Discounted amount	-	(1,842)
Total	<hr/> <u>\$ -</u>	<hr/> <u>\$ 50,158</u>

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, 2023 and 2022, the interest rate was 0.00% and 3.99%, respectively. Contributions receivable to be collected at December 31, 2023 and 2022, are as follows:

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

3. CONTRIBUTIONS RECEIVABLE (CONTINUED)

	<u>2023</u>	<u>2022</u>
Less than one year	\$ -	\$ 52,000
One to three years	-	-
	-	52,000
Discounted amount	-	(1,842)
Total	<u>\$ -</u>	<u>\$ 50,158</u>

4. BENEFICIAL INTEREST IN TRUST

Prior to the year ended December 31, 2022, the Preserve's assets at the Community Foundations of the Hudson Valley (Foundation) were held in an endowment pool. The Foundation invested the endowment pool assets in a portfolio consisting principally of domestic and international equity funds, and fixed income investments. This account was closed during 2022. The following table provides a summary of changes in fair value for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Balance as of January 1	\$ -	\$ 390,537
Realized and Unrealized Losses	-	(64,880)
Interest, Dividends and Capital Gain Distributions	-	6,258
Grant Expense	-	(327,613)
Management Fee Expense	-	(4,302)
	-	-
Balance as of December 31	<u>\$ -</u>	<u>\$ -</u>

5. INVESTMENTS

Investments consisted of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Money Market/Cash Funds	\$ 326,779	\$ 274,691
Bonds (Asset Backed Securities)	927	1,157
Exchange Traded Products:		
Bond Funds	746,050	615,070
Equity Funds	8,807,777	7,392,506
Total Investments	<u>\$ 9,881,533</u>	<u>\$ 8,283,424</u>

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

5. INVESTMENTS (CONTINUED)

Investment income consisted of the following for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 349,830	\$ 181,536
Realized and unrealized gain (loss)	<u>1,216,221</u>	<u>(2,093,474)</u>
Total Investment Income (Loss)	<u>\$ 1,566,051</u>	<u>\$ (1,911,938)</u>

6. PROPERTY AND EQUIPMENT AND LAND

As of December 31, 2023 and 2022, the Preserve had approximately 8,000 acres of land, including easements. At December 31, 2023 and 2022, property and equipment and land is as follows:

	<u>2023</u>	<u>2022</u>
Land	<u>\$ 7,036,395</u>	<u>\$ 7,036,395</u>
Buildings	\$ 5,309,619	\$ 5,314,073
Land and building improvements	6,941,183	7,153,775
Computers and equipment	656,621	622,704
Automobiles and trucks	595,311	626,173
Exhibits	582,387	585,387
Bridges	<u>1,606,498</u>	<u>1,592,192</u>
Total	<u>15,691,619</u>	<u>15,894,304</u>
Less Accumulated Depreciation	<u>5,969,321</u>	<u>5,907,794</u>
Depreciable Assets, Net	<u>9,722,298</u>	<u>9,986,510</u>
Construction in progress	<u>302,624</u>	<u>46,315</u>
Total Property and Equipment, Net	<u>\$ 10,024,922</u>	<u>\$ 10,032,825</u>

Depreciation expense totaled \$444,439 and \$442,025 during the years ended December 31, 2023 and 2022, respectively.

7. GIFT ANNUITY PAYABLE

Gift annuity payable represents the actuarial present value of amounts due under annuity agreements paid over various periods, generally the life of the donor. Present value is based on applicable mortality tables and discount rates. Changes in the gift annuity payable during the years ended December 31, 2023 and 2022 follows:

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

7. GIFT ANNUITY PAYABLE (CONTINUED)

	<u>2023</u>	<u>2022</u>
Payable, January 1	\$ 51,554	\$ 90,737
Annuity Payments	(21,568)	(20,746)
Increase (Decrease) in Value of Gift Annuity Payable	<u>27,093</u>	<u>(18,437)</u>
Payable, December 31	<u>\$ 57,079</u>	<u>\$ 51,554</u>

During the years ended December 31, 2023 and 2022, no new charitable gift annuities were received. At the end of a specified time, the remaining assets are available for the Preserve's use. The Preserve 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 Preserve 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.

As of December 31, 2023 and 2022, investments - gift annuity totaled \$134,568 and \$255,529, respectively, and are separately listed on the Statements of Financial Position. The assets are principally invested in mutual funds and equity securities.

8. DEBT

Lines-of-credit are summarized as follows:

Revolving on-demand note payable to M&T Bank with maximum credit available of \$2,500,000. The loan is payable on demand. For the year ended December 31, 2022, the interest rate during the draw period is variable at the one-month LIBOR plus 65 basis points, adjusted daily. The interest rate at December 31, 2022 was 3.15%. LIBOR was discontinued in July 2023, and was replaced by the Secured Overnight Financing Rate (SOFR). For the year ended December 31, 2023, the interest rate was variable at the Daily Simple SOFR plus 76 basis points (1.122% as of December 31, 2023). There was no balance on this loan as of December 31, 2023 and 2022. The loan is collateralized by investments held in a separate account with a fair market value of \$2,197,930 and \$2,053,196 as of December 31, 2023 and 2022, respectively.

Revolving demand note payable to M&T Bank to provide financing up to \$300,000 for the acquisition of vehicles, equipment and capital needs of the Preserve. The financing has a maximum five-year term and amortization per draw. The interest rate is equal to the daily simple Secured Overnight Financing Rate (SOFR) plus 311bps, with a SOFR index floor of 0%. Monthly payments of principal and interest are required. The financing is collateralized by a first security interest in the specific assets acquired as well as a UCC filing on all business assets. The balance outstanding at December 31, 2023 and 2022 was \$0- and \$58,326, respectively.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

9. NET ASSETS

The net assets of the Preserve by class are as follows:

	<u>2023</u>	<u>2022</u>
Without Donor Restrictions		
Undesignated	\$ 19,233,244	\$ 19,614,841
Board Designated Endowment	2,824,440	2,157,554
Total Without Donor Restrictions	<u>22,057,684</u>	<u>21,772,395</u>
With Donor Restrictions		
Temporary		
Non-Endowment	25,210	288,254
Endowment	2,598,887	2,307,157
Permanent		
Endowment	4,384,450	3,760,442
Total With Donor Restrictions	<u>7,008,547</u>	<u>6,355,853</u>
 Total Net Assets	 <u>\$ 29,066,231</u>	 <u>\$ 28,128,248</u>

Board designated endowment is a capital base without restrictions to support long-term stability. Net assets with temporary donor restrictions are available for program services which are disclosed in Note 1. Net assets with permanent donor restrictions are restricted to investment in perpetuity, the income from which is used for program and supporting services. No net assets with permanent donor restrictions were less than their original value at December 31, 2023 and 2022.

10. ENDOWMENT FUNDS

The Preserve's endowment includes both funds with donor restrictions and funds designated by the Board of Directors to function as endowments. 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 Preserve has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring each person responsible for managing and investing an institutional fund to 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.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

10. ENDOWMENT FUNDS (CONTINUED)

In addition to the eight factors set forth above, the governing board must consider the purposes of the Preserve 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 Preserve'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 Preserve'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 to rebalance the Preserve's portfolio in order to bring the fund into compliance with NYPMIFA, and to take into consideration the Preserve's other circumstances, including, for example, its distribution requirements and/or general liquidity needs.

Spending Policy

Funds with permanent restrictions are principally invested in exchange traded products. Distributions for operating and programmatic expenses are determined annually by management based upon an approved policy. The distribution policy allows for a calculated draw based on the most recent twenty quarters' average market value of the investments.

Return Objectives and Risk Parameters

Investment objectives focus on generating a return to cover inflation, and preserving and enhancing over time, the purchasing power of investments while minimizing investment risk in the portfolio. Total return, utilizing a balanced portfolio, is the primary goal of the Preserve. Total return is expected to meet industry benchmarks by fund asset class and includes income, plus realized and unrealized gains and losses on fund assets, less investment fees. Risk exposure and returns are regularly evaluated by management.

The composition of endowment net assets and the changes in endowment net assets for the year ended December 31, 2023 and 2022, were as follows:

	Without Donor Restrictions Board Designated		With Donor Restrictions		Total
			Temporary	Permanent	
Endowment Funds, January 1, 2023	\$ 2,157,554		\$ 2,307,157	\$ 3,760,442	\$ 8,225,153
Contributions	-		-	399,117	399,117
Investment Income	160,885		56,299	-	217,184
Net Appreciation	781,053		356,159	-	1,137,212
Released or Transferred for Expenditures	(275,052)		(120,728)	224,891	(170,889)
Endowment Funds, December 31, 2023	<u>\$ 2,824,440</u>		<u>\$ 2,598,887</u>	<u>\$ 4,384,450</u>	<u>\$ 9,807,777</u>

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

10. ENDOWMENT FUNDS (CONTINUED)

	Without Donor Restrictions Board Designated	With Donor Restrictions		
		Temporary	Permanent	Total
Endowment Funds, January 1, 2022	\$ 4,003,224	\$ 2,353,924	\$ 3,378,179	\$ 9,735,327
Contributions	-	(500)	374,763	374,263
Investment Income	103,106	13,354	-	116,460
Net Depreciation	(1,258,601)	(403,273)	-	(1,661,874)
Released or Transferred for Expenditures	(690,175)	343,652	7,500	(339,023)
Endowment Funds, December 31, 2022	<u>\$ 2,157,554</u>	<u>\$ 2,307,157</u>	<u>\$ 3,760,442</u>	<u>\$ 8,225,153</u>

11. PENSION PLAN

The Preserve 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 Preserve, who work at least 1,000 hours annually, and who are employed on the last day of the plan year. The plan provides that the Preserve will contribute a percentage of each eligible employee's annual wages. During 2023 and 2022, the Preserve's contribution percentage was 5%. The Preserve contributed \$105,602 and \$83,832 on behalf of eligible employees in 2023 and 2022, respectively.

12. RELATED PARTY TRANSACTIONS

Two members of the Preserve's Board of Directors have ownership interests in Smiley Brothers, Inc., which operates a resort hotel, Mohonk Mountain House, adjoining the Preserve's property. During the years ended December 31, 2023 and 2022, the Preserve incurred expenses to Smiley Brother's Inc. and Mohonk Mountain House for goods and services totaling \$60,263 and \$60,868, respectively. Additionally, the Preserve earned revenue for services provided to Smiley Brothers, Inc. and Mohonk Mountain House totaling \$5,550 and \$6,370, respectively, during the years ended December 31, 2023 and 2022. As of December 31, 2023 and 2022, there were no amounts due from Smiley Brothers, Inc.; however, the Preserve owed Smiley Brothers, Inc. \$416 and \$-0- as of December 31, 2023 and 2022, respectively.

During the year ended December 31, 2003, in order to provide access to their properties, the Preserve entered into three license agreements with Smiley Brothers, Inc. In two of the agreements, the 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 the Preserve's visitors and the public. In the third, the 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.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

13. FAIR VALUE MEASUREMENTS

The Preserve complies with FASB ASC Topic 820-10, *Fair Value Measurements* (FASB ASC 820-10), which provides a framework for measuring fair value under generally accepted accounting principles. FASB ASC 820-10 applies to all financial instruments that are being measured and reported on a fair value basis. As defined in FASB ASC 820-10, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Preserve uses various methods, assumptions, and inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Preserve utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Based on the observability of inputs used in the valuation techniques, the Preserve ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following categories:

Level 1 Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2 Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no changes in the fair value methodologies used at December 31, 2023 and 2022.

	(Level 1)	
	<u>2023</u>	<u>2022</u>
Investments - Gift Annuity		
Money Market/Cash Funds	\$ 1,630	\$ 2,880
Mutual Funds and Equity Securities	132,938	248,985
Other	-	3,664
	\$ 134,568	\$ 255,529

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

13. FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value measurements for assets and liabilities at fair value on a recurring basis at December 31, 2023 and 2022 were determined based on the following:

	(Level 1)	
	<u>2023</u>	<u>2022</u>
Investments		
Money Market/Cash Funds	\$ 326,783	\$ 274,691
Bonds (Asset Backed Securities)	927	1,157
Exchange Traded Products:		
Bond Funds	746,050	615,070
Equity Funds	8,807,773	7,392,506
	\$ 9,881,533	\$ 8,283,424
	(Level 3)	
	<u>2023</u>	<u>2022</u>
Gift Annuity Payable	\$ 57,079	\$ 51,554

The fair value of the gift annuity payable is determined through level three inputs. The Preserve values the liability based on the present value of expected future annuity payments using a discount rate of 4.90% and 2.33% at December 31, 2023 and 2022, respectively, and applicable mortality tables.

14. RISKS AND UNCERTAINTIES

The Preserve invests in various investment securities that are exposed to different risks such as interest rate, credit and market volatility risks. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Preserve's account balances and amounts reported on the Statements of Financial Position.

15. LIQUIDITY

As part of the Preserve's liquidity management, it invests cash in excess of daily requirements in short-term investments (cash and cash equivalents, including cash/money market funds held in investment accounts). Occasionally, the Board designates a portion of any operating surplus to its Mohonk Fund. This is an established board-designated fund where the governing board has the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside of the typical life cycle of converting financial assets to cash or settling financial liabilities.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

15. LIQUIDITY (Continued)

The following reflects the Preserve's financial assets as of the Statement of Financial Position date, including amounts not available within one year of the Statement of Financial Position date.

	<u>2023</u>	<u>2022</u>
Assets without restriction as of December 31	\$ 22,460,181	\$ 22,189,097
Less non-financial assets:		
Prepaid expenses and deposits	124,659	103,435
Property and equipment, net	10,024,922	10,032,825
Land	7,036,395	7,036,395
Right-of-use Assets - Operating leases	821	1,601
Financial assets without restriction as of December 31	5,273,384	5,014,841
Less unavailable for general expenditures within one year:		
Board designated endowment fund, primarily for long-term investing	2,824,440	2,157,554
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,448,944	\$ 2,857,287

16. LEASES

The Preserve determines whether a contract contains a lease at the inception of a contract by determining if the contract conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration, and only reassess its determination if the terms and conditions of the agreement are changed.

The Preserve leases a postage meter. The lease expires in December 2024. The incremental borrowing rate utilized to calculate these lease liabilities was based on the information available at the commencement date, as most leases do not provide an implicit borrowing rate. The Preserve's operating lease does not contain any material guarantees or restrictive covenants.

The Preserve does not have any sublease activities. This lease is included in right-of-use assets - operating leases and lease liability-operating leases in the accompanying Statements of Financial Position. Operating lease expense under this lease is included in office supplies and materials on the Statements of Functional Expenses and was \$840 for both the years ended December 31, 2023 and 2022.

At December 31, 2023, future payments of operating lease liabilities were as follows:

2024	\$ 840
2025 - 2028	-
Total Undiscounted Cash Flows	840
Less: present value discount	(19)
Total Present Value of Lease Liabilities	\$ 821

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16. LEASES (CONTINUED)

There were no right-of-use assets obtained in exchange for operating lease liabilities during the year ended December 31, 2023.

Other information on leases is as follows:

<u>Operating Lease</u>	
Weighted average remaining lease term	1.00 years
Weighted average discount rate	5.09%

17. BENEFICIARY IN CHARITABLE REMAINDER UNITRUST (CRUT)

The Preserve has been named as a beneficiary in a CRUT. As of December 31, 2023, the CRUT has not been settled, and therefore, the amount the Preserve will receive is not determinable and not included in the 2023 Statement of Financial Position.

18. SUBSEQUENT EVENTS

The Preserve's management has evaluated subsequent events through April 23, 2024, the date on which the financial statements were available to be issued, and determined that there were no subsequent events requiring recording or disclosure.