

MOHONK PRESERVE, INC.
AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2024 AND 2023

MOHONK PRESERVE, INC

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BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mohonk Preserve, Inc.
New Paltz, NY

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, 2024 and 2023, 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, 2024 and 2023, 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.

2023 Financial Statements - Prior Period Adjustment and Restatements

As discussed in Note 8 to the financial statements, the 2023 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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
May 15, 2025

MOHONK PRESERVE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Cash	\$ 1,668,748	\$ 438,214	\$ 2,106,962
Accounts Receivable	76,542	-	76,542
Contracts and Grants Receivable	358,677	50,604	409,281
Contributions Receivable, net	-	75,352	75,352
Investments - Gift Annuity	-	128,363	128,363
Investments	2,442,973	8,229,558	10,672,531
Prepaid Expenses and Deposits	171,590	-	171,590
Right-of-Use Assets - Operating Leases	3,647	-	3,647
Property and Equipment, Net	9,853,905	-	9,853,905
Land	7,036,395	-	7,036,395
TOTAL ASSETS	\$ 21,612,477	\$ 8,922,091	\$ 30,534,568

LIABILITIES AND NET ASSETS

Liabilities			
Accounts Payable	\$ 189,181	\$ -	\$ 189,181
Gift Annuity Payable	-	95,030	95,030
Accrued Salaries and Related Items	348,810	-	348,810
Security Deposits Payable	2,950	-	2,950
Unearned Revenue	30,621	-	30,621
Lease Liability - Operating Leases	3,717	-	3,717
TOTAL LIABILITIES	575,279	95,030	670,309
Net Assets	21,037,198	8,827,061	29,864,259
TOTAL LIABILITIES AND NET ASSETS	\$ 21,612,477	\$ 8,922,091	\$ 30,534,568

See accompanying notes to financial statements.

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

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	2,523,862	7,357,671	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
TOTAL ASSETS	\$ 21,619,047	\$ 7,906,760	\$ 29,525,807

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
TOTAL LIABILITIES	402,497	57,079	459,576
Net Assets	21,216,550	7,849,681	29,066,231
TOTAL LIABILITIES AND NET ASSETS	\$ 21,619,047	\$ 7,906,760	\$ 29,525,807

See accompanying notes to financial statements.

MOHONK PRESERVE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support			
Memberships	\$ 1,078,588	\$ -	\$ 1,078,588
Contributions	940,392	386,356	1,326,748
Contracts and Grants	278,193	319,603	597,796
Special Event Income	913,304	-	913,304
Total Public Support	<u>3,210,477</u>	<u>705,959</u>	<u>3,916,436</u>
Revenue			
Day Use Fees	778,525	-	778,525
Program Fees	102,445	-	102,445
Rental Income	68,290	-	68,290
Gift Shop Sales	91,671	-	91,671
Other Income	8,013	-	8,013
Interest and Dividends	261,846	72,914	334,760
Gain on Sale of Investments	79,353	115,572	194,925
Unrealized Gain on Investments	861,664	(163,302)	698,362
Investment Fees	(4,370)	(30,000)	(34,370)
Change in Value of Gift Annuity Payable	-	(53,696)	(53,696)
Total Revenue	<u>2,247,437</u>	<u>(58,512)</u>	<u>2,188,925</u>
Net Assets Released from Restrictions	<u>(329,933)</u>	<u>329,933</u>	<u>-</u>
Total Public Support and Revenue	<u>5,127,981</u>	<u>977,380</u>	<u>6,105,361</u>
Expenses			
Program Services	4,086,470	-	4,086,470
Supporting Services	1,220,863	-	1,220,863
Total Expenses	<u>5,307,333</u>	<u>-</u>	<u>5,307,333</u>
Changes in Net Assets	(179,352)	977,380	798,028
Net Assets, Beginning of Year	<u>21,216,550</u>	<u>7,849,681</u>	<u>29,066,231</u>
Net Assets, End of Year	<u><u>\$ 21,037,198</u></u>	<u><u>\$ 8,827,061</u></u>	<u><u>\$ 29,864,259</u></u>

See accompanying notes to financial statements.

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

	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	<u>2,837,833</u>	<u>632,987</u>	<u>3,470,820</u>
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	134,529	215,301	349,830
Gain on Sale of Investments	16,466	51,201	67,667
Unrealized Loss on Investments	286,806	861,748	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	<u>1,467,154</u>	<u>1,071,157</u>	<u>2,538,311</u>
Net Assets Released from Restrictions	<u>411,954</u>	<u>(411,954)</u>	<u>-</u>
Total Public Support and Revenue	<u>4,716,941</u>	<u>1,292,190</u>	<u>6,009,131</u>
Expenses			
Program Services	3,891,272	-	3,891,272
Supporting Services	1,179,876	-	1,179,876
Total Expenses	<u>5,071,148</u>	<u>-</u>	<u>5,071,148</u>
Changes in Net Assets	<u>(354,207)</u>	<u>1,292,190</u>	<u>937,983</u>
Net Assets, Beginning of Year, as previously reported	21,772,395	6,355,853	28,128,248
Prior period adjustment	<u>(201,638)</u>	<u>201,638</u>	<u>-</u>
Net Assets, Beginning of Year, as restated	<u>21,570,757</u>	<u>6,557,491</u>	<u>28,128,248</u>
Net Assets, End of Year	<u><u>\$ 21,216,550</u></u>	<u><u>\$ 7,849,681</u></u>	<u><u>\$ 29,066,231</u></u>

See accompanying notes to financial statements.

MOHONK PRESERVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	PROGRAM SERVICES					SUPPORTING SERVICES			
	Environmental Education	Stewardship	Conservation Programs	Visitor Experience	Total	Management & General	Development & Fundraising	Total	Total
Wages	\$ 582,543	\$ 413,844	\$ 463,985	\$ 814,575	\$ 2,274,947	\$ 171,686	\$ 310,033	\$ 481,719	\$ 2,756,666
Payroll Taxes	42,820	29,995	33,928	61,286	168,029	12,634	22,957	35,591	203,620
Payroll Related Insurance	71,358	64,322	62,064	62,156	259,900	29,406	77,858	107,264	367,164
Pension Expense	18,699	16,893	16,284	14,822	66,698	8,593	19,720	28,313	95,011
Total Wages and Related Expenses	715,420	525,053	576,260	952,839	2,769,574	222,320	430,568	652,887	3,422,461
Contract Services and Consulting	23,798	73,672	4,614	19,317	121,401	2,295	33,905	36,200	157,601
Legal and Accounting	7,994	5,889	11,080	9,218	34,181	2,843	20,515	23,358	57,539
Honoraria	5,022	-	-	-	5,022	-	-	-	5,022
Occupancy	-	79,853	-	-	79,853	-	-	-	79,853
Auto and Truck Expense	-	70,519	-	-	70,519	-	-	-	70,519
Advertising and Promotion	6,700	-	-	-	6,700	-	800	800	7,500
Printing and Publications	18,336	197	-	7,101	25,634	-	6,140	6,140	31,774
Exhibit Supplies and Materials	419	-	-	-	419	-	-	-	419
Insurance	15,949	48,063	16,481	25,422	105,915	7,081	18,013	25,094	131,009
Maintenance Supplies and Materials	-	72,379	-	-	72,379	68	-	68	72,447
Program Supplies	14,117	28,692	19,449	20,637	82,895	243	7,517	7,760	90,655
Office Supplies and Materials	1,613	2,838	2,402	2,571	9,424	768	2,309	3,077	12,501
Information Technology	19,764	29,315	26,363	27,779	103,221	8,268	28,837	37,105	140,326
Dues and Subscriptions	1,092	3,752	7,815	3,684	16,343	30	3,581	3,611	19,954
Telephone and Internet	4,500	8,934	7,311	15,858	36,603	1,819	5,661	7,480	44,083
Postage	9,940	558	414	245	11,157	623	6,064	6,687	17,844
Travel	12,703	3,117	11,958	9,261	37,039	1,050	2,411	3,461	40,500
Special Events	-	-	-	-	-	-	251,667	251,667	251,667
Meetings and Professional Development	3,679	3,900	7,203	4,087	18,869	466	1,960	2,426	21,295
Board of Director's Expense	-	-	-	-	-	250	-	250	250
Contributions	-	-	11,000	2,000	13,000	-	-	-	13,000
Personnel Recruitment	576	1,019	1,374	760	3,729	13	1,162	1,175	4,904
Cost of Sales	-	-	-	40,821	40,821	-	-	-	40,821
Credit Card Fees	4,728	4,879	4,473	23,367	37,447	3,145	22,812	25,957	63,404
Miscellaneous Administration Expense	2,483	2,476	2,303	3,878	11,140	7,142	3,327	10,469	21,609
Real Estate Taxes	-	-	31,274	-	31,274	-	-	-	31,274
Total Expenses Before Depreciation	868,833	965,105	741,774	1,168,845	3,744,559	258,424	847,249	1,105,672	4,850,231
Depreciation	75,422	75,879	70,394	120,218	341,913	30,626	84,564	115,190	457,103
Total Expenses	\$ 944,255	\$ 1,040,984	\$ 812,168	\$ 1,289,063	\$ 4,086,470	\$ 289,050	\$ 931,813	\$ 1,220,863	\$ 5,307,333

See accompanying notes to financial statements.

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

	PROGRAM SERVICES					SUPPORTING SERVICES			
	Environmental Education	Land Stewardship	Conservation Programs	Visitor Experience	Total	Management & General	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	754,726	560,961	534,616	821,641	2,671,944	233,372	441,145	674,517	3,346,461
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
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
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	915,145	925,446	694,703	1,019,538	3,554,832	278,154	793,723	1,071,877	4,626,709
Depreciation	74,221	74,666	77,332	110,221	336,440	32,000	75,999	107,999	444,439
Total Expenses	\$ 989,366	\$ 1,000,112	\$ 772,035	\$ 1,129,759	\$ 3,891,272	\$ 310,154	\$ 869,722	\$ 1,179,876	\$ 5,071,148

See accompanying notes to financial statements.

MOHONK PRESERVE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	(Restated) 2023
Cash Flows From Operating Activities		
Change in Net Assets	\$ 798,028	\$ 937,983
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	457,103	444,439
Gain on Disposal of Property and Equipment	-	(17,466)
Gain on Sale of Investments	(194,925)	(67,667)
Unrealized Gain on Investments	(698,362)	(1,148,554)
Change in Value of Gift Annuity Payable	53,696	27,093
Contributions Restricted for Investment in Endowments	(162,898)	(271,361)
Right-of-use Assets - Operating Leases	(2,826)	780
Lease Liability - Operating Leases	2,896	(780)
Changes in operating assets and liabilities:		
Accounts Receivable	(60,222)	14,347
Other Receivables	20,750	-
Contributions Receivable	(75,352)	50,158
Accrued Interest Receivable	-	102
Contracts and Grants Receivable	(202,414)	-
Prepaid Expenses and Deposits	(46,931)	(21,224)
Accounts Payable	72,555	60,433
Accrued Salaries and Related Items	106,380	(27,696)
Security Deposits Payable	(1,300)	150
Unearned Revenue	(7,749)	12,014
Net Cash Provided (Used) By Operating Activities	<u>58,429</u>	<u>(7,249)</u>
Cash Flows From Investing Activities		
Proceeds from Sale of Investments	600,088	678,036
Purchases of Investments	(491,594)	(938,963)
Purchases of Property and Equipment, and Land	(286,086)	(426,070)
Proceeds from Sale of Property and Equipment	-	7,000
Net Cash Used By Investing Activities	<u>(177,592)</u>	<u>(679,997)</u>
Cash Flows From Financing Activities		
Contributions Restricted for Investment in Endowments	162,898	271,361
Payments of Annuities	(15,745)	(21,568)
Payments on Vehicle Line-of-Credit	-	(58,326)
Net Cash Provided By Financing Activities	<u>147,153</u>	<u>191,467</u>
Net Increase (Decrease) in Cash	27,990	(495,779)
Cash, Beginning of Year	<u>2,078,972</u>	<u>2,574,751</u>
Cash, End of Year	<u><u>\$ 2,106,962</u></u>	<u><u>\$ 2,078,972</u></u>
Supplemental Disclosures		
Donated Securities Immediately Sold	<u>\$ 43,723</u>	<u>\$ 52,770</u>
Interest Paid	<u>\$ -</u>	<u>\$ 964</u>

See accompanying notes to financial statements.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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.

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.

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.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$257,118 and \$204,980 during the years ended December 31, 2024 and 2023, respectively, are included in contributions in the accompanying 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.

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 \$1,847,918 and \$1,844,337 at December 31, 2024 and 2023, respectively. The Preserve does not believe that this results in significant credit risk.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and program fees as of year-end.

There was no credit loss expense for either the year ended December 31, 2024 or 2023.

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 accompanying 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, 2024 and 2023.

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.

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 accompanying 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 accompanying statements of activities. Investment income, including interest, dividends, gains, and losses, is included in the accompanying statements of activities as an increase or decrease in net assets without donor restrictions unless the income is restricted by donor or law.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2024 and 2023.

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.

Advertising and Promotion Expenses

Advertising and promotion expenses are recognized when incurred. Advertising and promotion expenses for the years ended December 31, 2024 and 2023, totaled \$7,500 and \$13,321, 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.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Preserve leases office equipment and determines if an arrangement is a lease at inception. Operating and financing leases are included in right-of-use (ROU) assets and lease liabilities in the accompanying statements of financial position based on their classification at the time of lease commencement. As of December 31, 2024 and 2023, the Preserve does not have any financing leases.

ROU assets represent the Preserve's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. In determining the discount rate used to measure the right-of-use asset and lease liability, The Preserve use rates implicit in the lease, or if not readily available, the Preserve's incremental borrowing rate. The incremental borrowing rate is based on an estimated secured rate comprised of a risk-free rate plus a credit spread as secured by the Preserve's assets. Determining a credit spread as secured by the assets may require significant judgment.

The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Preserve will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term, and for finance leases, as amortization expense and interest expense. The Preserve's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Preserve has elected to account for the lease and non-lease components as a single lease component and to apply the short-term lease exemption to all classes of underlying assets. There were no short-term leases that qualified for exemption as of December 31, 2024 and 2023.

In evaluating contracts to determine if they qualify as a lease, the Preserve considers factors such as if the Preserve has obtained substantially all of the rights to the underlying asset through exclusivity, if the Preserve can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

3. CONTRIBUTIONS RECEIVABLE

Unconditional promises to give at December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Pledges Receivable	\$ 80,000	\$ -
Discounted amount	<u>(4,648)</u>	<u>-</u>
Total	<u><u>\$ 75,352</u></u>	<u><u>\$ -</u></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, 2024 the interest rate was 5.00%.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

3. CONTRIBUTIONS RECEIVABLE (CONTINUED)

Contributions receivable to be collected at December 31, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 30,000	\$ -
One to three years	50,000	-
	<u>80,000</u>	<u>-</u>
Discounted amount	(4,648)	-
Total	<u><u>\$ 75,352</u></u>	<u><u>\$ -</u></u>

4. INVESTMENTS

Investments consisted of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Money Market/Cash Funds	\$ 395,843	\$ 326,779
Bonds (Asset Backed Securities)	682	927
Exchange Traded Products:		
Bond Funds	874,145	746,050
Equity Funds	<u>9,401,861</u>	<u>8,807,777</u>
Total Investments	<u><u>\$ 10,672,531</u></u>	<u><u>\$ 9,881,533</u></u>

Investment income consisted of the following for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 334,760	\$ 349,830
Realized and unrealized gain	<u>893,287</u>	<u>1,216,221</u>
Total Investment Income	<u><u>\$ 1,228,047</u></u>	<u><u>\$ 1,566,051</u></u>

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

5. PROPERTY, EQUIPMENT AND LAND

As of December 31, 2024 and 2023, the Preserve had approximately 8,000 acres of land, including easements. At December 31, 2024 and 2023, property and equipment and land is as follows:

	<u>2024</u>	<u>2023</u>
Land	\$ 7,036,395	\$ 7,036,395
Buildings	\$ 5,309,619	\$ 5,309,619
Land and building improvements	6,999,124	6,941,183
Computers and equipment	701,579	656,621
Automobiles and trucks	638,389	595,311
Exhibits	582,387	582,387
Bridges	1,606,498	1,606,498
Total	15,837,596	15,691,619
Less Accumulated Depreciation	6,426,422	5,969,321
Depreciable Assets, Net	9,411,174	9,722,298
Construction in progress	442,731	302,624
Total Property and Equipment, Net	\$ 9,853,905	\$ 10,024,922

Depreciation expense totaled \$457,103 and \$444,439 during the years ended December 31, 2024 and 2023, respectively.

6. 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, 2024 and 2023 follows:

	<u>2024</u>	<u>2023</u>
Payable, January 1	\$ 57,079	\$ 51,554
Annuity Payments	(15,745)	(21,568)
Increase (Decrease) in Value of Gift Annuity Payable	53,696	27,093
Payable, December 31	\$ 95,030	\$ 57,079

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

6. GIFT ANNUITY PAYABLE (CONTINUED)

During the years ended December 31, 2024 and 2023, 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, 2024 and 2023, investments - gift annuity totaled \$128,363 and \$134,568, respectively, and are separately listed in the accompanying statements of financial position. The assets are principally invested in mutual funds and equity securities.

7. LINES-OF-CREDIT

The Preserves lines-of-credit as of December 31, 2024 and 2023, are summarized as follows:

Revolving on-demand note payable to M&T Bank with maximum credit available of \$2,500,000. The line is payable on demand. Prior to July 2023, the interest rate during the draw period was based on the one-month LIBOR plus 65 basis points; however, with LIBOR being replaced in July 2023 with the Secured Overnight Financing Rate (SOFR), the interest rate during the draw period changed to the daily simple SOFR plus 76 basis points. For the years ended December 31, 2024 and 2023, interest rate during the draw period, including the 76 basis points, was 1.182% and 1.122%, respectively. There was no balance on the line as of December 31, 2024 and 2023. The line is collateralized by investments held in a separate account with a fair market value of \$2,258,536 and \$2,197,930 as of December 31, 2024 and 2023, 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 311 basis points, 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 both December 31, 2024 and 2023, was \$-0-.

8. NET ASSETS

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

	<u>2024</u>	<u>(Restated)</u> <u>2023</u>
Without Donor Restrictions		
Undesignated	\$ 18,190,036	\$ 18,297,781
Board Designated Mohonk Fund	951,148	935,463
Board Designated Endowment	1,896,014	1,983,306
Total Without Donor Restrictions	<u>21,037,198</u>	<u>21,216,550</u>

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

8. NET ASSETS (CONTINUED)

	<u>2024</u>	<u>(Restated)</u> <u>2023</u>
With Donor Restrictions		
Temporary		
Non-Endowment	\$ 686,166	\$ 546,921
Endowment	3,593,547	2,918,310
Permanent		
Endowment	4,547,348	4,384,450
Total With Donor Restrictions	<u>8,827,061</u>	<u>7,849,681</u>
 Total Net Assets	 <u>\$ 29,864,259</u>	 <u>\$ 29,066,231</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, 2024 and 2023.

Prior Period Adjustment:

During the year ended December 31, 2024, management of the Preserve determined that \$201,638 of investments, and the related income, were incorrectly included in net assets without donor restriction instead of net assets with donor restriction. The opening balance of net assets without donor restrictions and net assets with donor restriction along with the related investments have been adjusted to correct this error. There was no impact to total net assets as a result of this prior period adjustment.

Prior Year Reclassifications:

During the year ended December 31, 2024, management of the Preserve restated the accompanying 2023 financial statements as a result of the above prior period adjustment. Unrestricted investments, unrestricted investment related income and ending net assets without donor restriction have all been reduced by \$639,496, while restricted investments, restricted investment related income, and ending net assets with donor restriction have all been increased by the same amount.

During the year ended December 31, 2024, management of the Preserve determined that at the beginning of the 2023 fiscal year the donor restricted net assets - temporary-non-endowment were understated by \$522,851 and that donor restricted net assets - temporary-endowment were overstated by \$522,851. The beginning balances for 2023 in the table in Note 9 have been updated to reflect this restatement. This restatement had no impact on total net assets as of December 31, 2023 or 2022 or the total change in net assets for the year then ended.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

8. NET ASSETS (CONTINUED)

Prior Year Reclassifications:

During the year ended December 31, 2024, management of the Preserve reclassified \$935,463 related to the board designated Mohonk Fund out of undesignated net assets as of December 31, 2023. This reclassification had no impact on total net assets without donor restrictions as of December 31, 2023.

9. 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.

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.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

9. ENDOWMENT FUNDS (CONTINUED)

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, 2024 and 2023, were as follows:

	Without Donor Restrictions Board Designated	With Donor Restrictions Temporary	Permanent	Total
Endowment Funds, January 1, 2024	\$ 1,983,306	\$ 2,918,310	\$ 4,384,450	\$ 9,286,066
Contributions	-	-	162,898	162,898
Investment Income	39,920	158,335	-	198,255
Net Appreciation	133,746	654,721	-	788,467
Released or Transferred for Expenditures	(260,958)	(137,820)	-	(398,778)
Endowment Funds, December 31, 2024	<u>\$ 1,896,014</u>	<u>\$ 3,593,547</u>	<u>\$ 4,547,348</u>	<u>\$ 10,036,909</u>

	Without Donor Restrictions Board Designated	With Donor Restrictions Temporary	Permanent	Total
Endowment Funds, January 1, 2023	\$ 2,157,554	\$ 1,784,307	\$ 3,760,442	\$ 7,702,303
Contributions	-	-	399,117	399,117
Investment Income	160,885	56,299	-	217,184
Net Depreciation	781,053	356,159	-	1,137,212
Released or Transferred for Expenditures	(1,116,186)	721,545	224,891	(169,750)
Endowment Funds, December 31, 2023	<u>\$ 1,983,306</u>	<u>\$ 2,918,310</u>	<u>\$ 4,384,450</u>	<u>\$ 9,286,066</u>

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. BOARD DESIGNATED NET ASSETS

The Preserve's board designated net assets are made up of the Preserve's Mohonk Fund and the board designated endowment (see Notes 8 and 9).

The Preserve's Mohonk Fund is an unrestricted capital fund base used to underpin long-term stability. It generates income for operating and helps cover the cost of capital projects on the land at the Board's determination.

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 2024 and 2023, the Preserve's contribution percentage was 5%. The Preserve contributed \$95,011 and \$105,602 on behalf of eligible employees in 2024 and 2023, 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, 2024 and 2023, the Preserve incurred expenses to Smiley Brother's Inc. and Mohonk Mountain House for goods and services totaling \$66,071 and \$60,263, respectively. Additionally, the Preserve earned revenue for services provided to Smiley Brothers, Inc. and Mohonk Mountain House totaling \$2,050 and \$5,550, respectively, during the years ended December 31, 2024 and 2023. As of December 31, 2024 and 2023, there were no amounts due from Smiley Brothers, Inc.; however, the Preserve owed Smiley Brothers, Inc. \$360 and \$416 as of December 31, 2024 and 2023, 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.

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.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

13. FAIR VALUE MEASUREMENTS (CONTINUED)

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.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value at December 31, 2024 and 2023. There have been no changes in the methodologies used to determine fair value as of December 31, 2024 and 2023.

- The Preserve's money market/cash funds, mutual funds, equities, bonds, and exchange traded products are all valued at the closing price reported on the active market on which the individual security is traded.
- The Preserve's gift annuity payable is valued based on the present value of expected future annuity payments using a discount rate of 2.79% and 4.90% at December 31, 2024 and 2023, respectively, and applicable mortality tables.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Preserve's management believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets and liabilities measured on recurring basis at December 31, 2024 and 2023, are as follows:

	(Level 1)	
	<u>2024</u>	<u>2023</u>
Investments - Gift Annuity		
Money Market/Cash Funds	\$ 57,123	\$ 1,630
Mutual Funds and Equity Securities	<u>71,240</u>	<u>132,938</u>
	<u><u>\$ 128,363</u></u>	<u><u>\$ 134,568</u></u>

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

13. FAIR VALUE MEASUREMENTS (CONTINUED)

	(Level 1)	
	<u>2024</u>	<u>2023</u>
Investments		
Money Market/Cash Funds	\$ 395,843	\$ 326,783
Bonds (Asset Backed Securities)	684	927
Exchange Traded Products:		
Bond Funds	874,145	746,050
Equity Funds	<u>9,401,859</u>	<u>8,807,773</u>
	<u><u>\$ 10,672,531</u></u>	<u><u>\$ 9,881,533</u></u>
	(Level 3)	
	<u>2024</u>	<u>2023</u>
Gift Annuity Payable	<u><u>\$ 95,030</u></u>	<u><u>\$ 57,079</u></u>

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 in the accompanying 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.

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.

MOHONK PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

15. LIQUIDITY (CONTINUED)

	<u>2024</u>	(Restated) <u>2023</u>
Assets without restriction as of December 31	\$ 21,612,477	\$ 21,619,047
Less non-financial assets:		
Prepaid expenses and deposits	171,590	124,659
Property and equipment, net	9,853,905	10,024,922
Land	7,036,395	7,036,395
Right-of-use assets - operating leases	3,647	821
Financial assets without restriction as of December 31	4,546,940	4,432,250
Less unavailable for general expenditures within one year:		
Board designated Mohonk fund, primarily for generating operational income and to cover costs of future capital projects	951,148	935,463
Board designated endowment fund, primarily for long-term investing	1,896,014	1,983,306
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,699,778</u>	<u>\$ 1,513,481</u>

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 was extended to run through December 2029. 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, 2024 and 2023.

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16. LEASES (CONTINUED)

At December 31, 2024, future payments of operating lease liabilities were as follows:

2025	\$	840
2026		840
2027		840
2028		840
2029		840
Thereafter		-
Total Undiscounted Cash Flows		4,200
Less: present value discount		(483)
Total Present Value of Lease Liabilities	\$	<u>3,717</u>

There were \$3,701 and \$-0- right-of-use assets obtained in exchange for operating lease liabilities during the years ended December 31, 2024 and 2023, respectively.

Other information on leases is as follows:

	<u>2024</u>	<u>2023</u>
<u>Operating Lease</u>		
Weighted average remaining lease term (in years)	5.00	1.00
Weighted average discount rate	5.09%	5.09%

17. BENEFICIARY IN CHARITABLE REMAINDER UNITRUST (CRUT)

The Preserve has been named as a beneficiary in a CRUT. As of December 31, 2024, the CRUT has not been settled, and therefore, the amount the Preserve will receive is not determinable and not included in the accompanying 2024 statement of financial position.

18. SUBSEQUENT EVENTS

The Preserve's management has evaluated subsequent events through May 15, 2025, the date on which the financial statements were available to be issued, and determined that there were no subsequent events requiring recording or disclosure.