

**THE BLACK ROCK FOREST CONSORTIUM INC.**  
**(d/b/a Black Rock Forest)**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**



**LUTZ AND GARR**

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
The Black Rock Forest Consortium, Inc.  
(d/b/a Black Rock Forest)

### **Opinion**

We have audited the accompanying financial statements of The Black Rock Forest Consortium, Inc. (d/b/a Black Rock Forest) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Black Rock Forest Consortium, Inc. (d/b/a Black Rock Forest) as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Black Rock Forest Consortium, Inc. (d/b/a Black Rock) Forest 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.

### **Emphasis of Matter**

As discussed in Note 13 to the financial statements, net assets as of October 1, 2022 have been restated to correct certain net asset classifications. 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 The Black Rock Forest Consortium, Inc.'s (d/b/a Black Rock Forest) ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Black Rock Forest Consortium, Inc.'s (d/b/a Black Rock Forest) internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Black Rock Forest Consortium, Inc.'s (d/b/a Black Rock Forest) 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.

*Lotz + Carr, LLP*

**THE BLACK ROCK FOREST CONSORTIUM, INC.**  
(d/b/a Black Rock Forest)

**STATEMENT OF FINANCIAL POSITION**

**SEPTEMBER 30, 2023**

**Assets**

Cash and cash equivalents (Notes 1b and 11)	\$ 280,195
Contributions receivable (Notes 1c and 4)	
Without donor restrictions	17,433
With donor restrictions	17,500
Investments, at fair value (Notes 1d, 1f, 5 and 6)	17,024,343
Other investments (Note 1e)	542,643
Prepaid expenses and other current assets	12,381
Property and equipment, at cost, net of accumulated depreciation (Notes 1g and 7)	1,343,300
<b>Total Assets</b>	<b>\$19,237,795</b>

**Liabilities and Net Assets**

Liabilities	
Accounts payable and accrued expenses	\$ 44,883
Deferred revenue (Notes 1h)	222,848
Total Liabilities	267,731

Commitments and Contingency (Notes 8, 10 and 12)

**Net Assets**

Without Donor Restrictions (Notes 3a and 6)	
Operations	295,473
Property and equipment	1,343,300
Board designated endowments	14,133,882
Total Without Donor Restrictions	15,772,655
With Donor Restrictions (Notes 3b and 6)	
Total Net Assets	3,197,409

<b>Total Liabilities and Net Assets</b>	<b>\$19,237,795</b>
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See notes to financial statements.

**THE BLACK ROCK FOREST CONSORTIUM, INC.**  
(d/b/a Black Rock Forest)

**STATEMENT OF ACTIVITIES**

**YEAR ENDED SEPTEMBER 30, 2023**

	<u>Without Donor Restrictions</u>			<u>With Donor Restrictions</u>	<u>Total</u>
	<u>Operations</u>	<u>Board Designated</u>	<u>Total</u>		
<b>Public Support and Revenue</b>					
Contributions	\$ 747,759	\$ 3,869,663	\$ 4,617,422	\$ 202,043	\$ 4,819,465
Reversal of prior year pledges	-	-	-	(125,000)	(125,000)
Fundraising event, net of direct expense of \$39,763	131,830	-	131,830	-	131,830
Federal Relief Program - Employee Retention Tax Credits (Note 9)	86,610	-	86,610	-	86,610
Membership dues	411,599	-	411,599	-	411,599
Rental income	76,137	-	76,137	-	76,137
Net investment income (Note 5)	6,139	933,361	939,500	326,890	1,266,390
Other income	18,139	-	18,139	-	18,139
	<u>1,478,213</u>	<u>4,803,024</u>	<u>6,281,237</u>	<u>403,933</u>	<u>6,685,170</u>
Net assets released from restrictions					
Grants and contributions	112,464	-	112,464	(112,464)	-
Appropriations to operations (Note 6)	859,507	(746,507)	113,000	(113,000)	-
	<u>2,450,184</u>	<u>4,056,517</u>	<u>6,506,701</u>	<u>178,469</u>	<u>6,685,170</u>
<b>Expenses</b>					
Program Services	<u>1,440,715</u>	<u>-</u>	<u>1,440,715</u>	<u>-</u>	<u>1,440,715</u>
Supporting Services					
Management and general	383,746	-	383,746	-	383,746
Fundraising	329,758	-	329,758	-	329,758
Total Supporting Services	<u>713,504</u>	<u>-</u>	<u>713,504</u>	<u>-</u>	<u>713,504</u>
Total Expenses	<u>2,154,219</u>	<u>-</u>	<u>2,154,219</u>	<u>-</u>	<u>2,154,219</u>
Increase in Net Assets	<u>295,965</u>	<u>4,056,517</u>	<u>4,352,482</u>	<u>178,469</u>	<u>4,530,951</u>
Net assets, beginning of year, as previously stated	4,252,399	5,587,508	9,839,907	4,599,206	14,439,113
Prior period adjustments (Note 13)	<u>(2,909,591)</u>	<u>4,489,857</u>	<u>1,580,266</u>	<u>(1,580,266)</u>	<u>-</u>
Net assets, beginning of year, as restated	<u>1,342,808</u>	<u>10,077,365</u>	<u>11,420,173</u>	<u>3,018,940</u>	<u>14,439,113</u>
<b>Net Assets, End of Year</b>	<u>\$1,638,773</u>	<u>\$14,133,882</u>	<u>\$15,772,655</u>	<u>\$3,197,409</u>	<u>\$18,970,064</u>

**See notes to financial statements.**

**THE BLACK ROCK FOREST CONSORTIUM, INC.**  
**(d/b/a Black Rock Forest)**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED SEPTEMBER 30, 2023**

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total Expenses</u>
		<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
Salaries, payroll taxes and employee benefits	\$1,046,505	\$ 169,948	\$ 225,004	\$394,952	\$1,441,457
Grants	43,896	-	-	-	43,896
Professional fees	-	104,090	-	104,090	104,090
Conferences	6,777	-	-	-	6,777
Travel and meals	4,411	-	-	-	4,411
Office and miscellaneous expenses	91,786	15,088	18,860	33,948	125,734
Printing and postage	2,162	355	444	799	2,961
Utilities	36,923	6,069	7,587	13,656	50,579
Repairs, equipment and maintenance	90,529	14,881	18,602	33,483	124,012
Insurance	44,406	7,300	9,125	16,425	60,831
Event expenses	-	-	35,070	35,070	35,070
Bad debt	-	53,962	-	53,962	53,962
Depreciation	73,320	12,053	15,066	27,119	100,439
Total Expenses	<u>\$1,440,715</u>	<u>\$ 383,746</u>	<u>\$ 329,758</u>	<u>\$713,504</u>	<u>\$2,154,219</u>

See notes to financial statements.

**THE BLACK ROCK FOREST CONSORTIUM, INC.**  
(d/b/a Black Rock Forest)

**STATEMENT OF CASH FLOWS**

**YEAR ENDED SEPTEMBER 30, 2023**

**Cash Flows From Operating Activities**

Increase in net assets	\$4,530,951
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	100,439
Realized loss on investments	28,062
Unrealized gain on investments	(898,315)
Other investments - donated	(542,643)
Bad debt	53,962
Decrease in:	
Contributions receivable	193,317
Prepaid expenses and other current assets	56,382
Decrease in:	
Accounts payable and accrued expenses	(14,335)
Deferred revenue	(33,642)
Net Cash Provided By Operating Activities	<u>3,474,178</u>

**Cash Flows From Investing Activities**

Purchases of property and equipment	(5,658)
Purchases of investments	(3,963,375)
Proceeds from sale of investments	476,380
Net Cash Used By Investing Activities	<u>(3,492,653)</u>

Net decrease in cash and cash equivalents	(18,475)
Cash and cash equivalents, beginning of year	<u>298,670</u>

<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 280,195</u></u>
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See notes to financial statements.

**THE BLACK ROCK FOREST CONSORTIUM , INC.**  
**(d/b/a Black Rock Forest)**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Note 1 - Organization and Summary of Significant Accounting Policies**

a - Organization

The Black Rock Forest Consortium, Inc. (d/b/a Black Rock Forest) (the "Consortium"), is a New York not-for-profit corporation formed in 1989 that advances scientific understanding of the natural world through research, education and conservation. The Consortium manages and operates the Black Rock Forest, a 3,920 acre forest and scientific field station in the Hudson Highlands, sixty miles north of New York City, pursuant to a lease with The Black Rock Forest Preserve, Inc. (the "Preserve"). The Consortium collaborates with its members - universities, schools, scientific and cultural institutions - to pursue and foster scientific inquiry and create education programs for K-16 students.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Consortium considers all highly liquid investments, with an initial maturity of three months or less, to be cash equivalents, except for those short-term investments held with investments as part of the Consortium's long-term investment strategies.

c - Contributions and Contributions Receivable

Contributions are recognized as revenue when they are received, whether in the form of cash or as unconditional pledges. Contributions received with no donor stipulations are considered available for unrestricted use and they are reported as revenue and net assets without donor restrictions. Contributions received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, the underlying net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If the donor restrictions are perpetual in nature, the contribution will be maintained in perpetuity.

Conditional promises to give, that have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

d - Investments

Investments are measured at fair value on a recurring basis in the statement of financial position. Interest, dividends and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Investment income that is limited to specific uses by donor-imposed restrictions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**THE BLACK ROCK FOREST CONSORTIUM , INC.**  
**(d/b/a Black Rock Forest)**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

e - Other Investments

Other investments consist of investments in nonmarketable partnerships, which were received as a contribution. The investment values were recorded based upon the most recent available information provided to the Consortium by the management of the partnerships at the time they were donated.

f - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of the Consortium. Unobservable inputs reflect the Consortium's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances.

Fair value measurements are categorized into three levels as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Consortium has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.

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. All of the Consortium's investments at fair value are classified as Level 1 in the fair value hierarchy.

g - Property and Equipment

Property and equipment are reported at cost if purchased, and at fair value at the date of donation if contributed, and are being depreciated using the straight-line method over the estimated useful life of the related asset.

**THE BLACK ROCK FOREST CONSORTIUM , INC.**  
**(d/b/a Black Rock Forest)**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

**h - Revenue Recognition**

The Consortium has multiple revenue streams that are accounted for as exchange transactions including membership dues, rental and other income. The Consortium recognizes revenue at the point or over the period during which it satisfies the related performance obligations. With the exception of memberships, which is for a period of one year, all of the Consortium's other revenue are from contracts with customers for a distinct performance obligation satisfied at a point in time and do not consist of multiple transactions.

Membership dues are collected at the commencement of the one-year membership period and provide the members with full access to the 3,920-acre Black Rock Forest field station for education, research, meetings, events, and other institutional uses. Accordingly, membership revenue is deferred when received, and recognized as revenue over the applicable membership period.

Rental income is recognized as revenue when the rental takes place.

Other income is recognized in the period that the related goods or services are provided.

**i - Financial Statement Presentation**

The financial statements of the Consortium have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Consortium to report information regarding its financial position and activities according to the following net asset classifications:

**Net Assets Without Donor Restrictions**

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Consortium. These net assets may be used at the discretion of the Consortium's management and Board of Directors.

**Net Assets With Donor Restrictions**

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of the Consortium or the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**THE BLACK ROCK FOREST CONSORTIUM , INC.**  
**(d/b/a Black Rock Forest)**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

j - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to program and supporting functions. Expenses are applied directly to programs, where applicable, on a consistent basis. Certain other expenses are attributable to more than one program or supporting function, and require allocation on a reasonable basis. The expenses that are allocated include salaries, payroll taxes and benefits, which are allocated on the basis of estimates of employee time and effort, and overhead expenses are allocated on salary allocation basis.

k - Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

l - Tax Status

The Black Rock Forest Consortium, Inc. d/b/a Black Rock Forest is a not-for-profit corporation that is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

m - Subsequent Events

The Consortium has evaluated subsequent events through April 29, 2024, the date that the financial statements are considered available to be issued.

**Note 2 - Information Regarding Liquidity and Availability**

The Consortium establishes a budget for each year based on the revenues expected to be available to fund anticipated expenses. The majority of annual revenue is comprised of membership dues, contributions from individuals, foundations and government agencies, and appropriations from endowment accumulated investment income. The Consortium considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

The Consortium regularly monitors liquidity to meet its operating needs and other commitments. Management prepares regular cash flow projections to determine liquidity needs and has a policy to maintain all of its financial assets in cash or cash equivalents, except for those held with investments, so that they are available to cover expenditures as they arise.

**THE BLACK ROCK FOREST CONSORTIUM , INC.**  
**(d/b/a Black Rock Forest)**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Note 2 - Information Regarding Liquidity and Availability (continued)**

The Consortium's financial assets as of September 30, 2023 available to meet cash needs for general expenditures within one year are summarized as follows:

Financial Assets at Year End:	
Cash and cash equivalents	\$ 280,195
Contributions receivable	34,933
Accounts receivable, included with prepaid expenses and other current assets	8,095
Investments, at fair value	<u>17,024,343</u>
Total Financial Assets	17,347,566
Less: Amounts not Available to be Used within One Year:	
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(855,649)
Plus: Net assets with donor restrictions expected to be met in less than one year	90,503
Net assets with donor restrictions for endowments, subject to spending policy and appropriation, in excess of amounts appropriated for expenditure within one year	(2,341,760)
Plus: Amounts appropriated for use within one year	113,000
Net assets restricted by Board, subject to spending policy and appropriation	(14,133,882)
Plus: Amounts appropriated for use within one year	<u>750,000</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 969,778</u>

In addition to these financial assets available within one year, the Consortium maintains board designated endowment funds, in excess of amounts already appropriated for use within one year, of \$13,383,882, which are invested for long-term appreciation and current income. These amounts could be made available at any time to meet cash needs for general expenditures at the discretion of the Board.

**THE BLACK ROCK FOREST CONSORTIUM , INC.**  
(d/b/a Black Rock Forest)

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Note 3 - Net Assets**

a - Net Assets Without Donor Restrictions

Net assets without donor restrictions represent the Consortium's funds that are available for operations, funds invested in property and equipment and board designated endowment funds that are invested in long-term investments to be used to support general operations and other purposes at September 30, 2023.

Operations	\$ 295,473
Invested in property and equipment	1,343,300
Board designated endowments	<u>14,133,882</u>
 Total Net Assets Without Donor Restrictions	 <u>\$15,772,655</u>

William T. Golden Fund

In the 2016 fiscal year, the Consortium established the William T. Golden Fund to ensure a balanced annual operations budget and to build fiscal security. As of September 30, 2023, the balance in this fund was \$7,453,746. For the 2023 fiscal year, the Board appropriated \$533,460 for use in operations.

Educator Fund

In the 2017 fiscal year, the Consortium established the Educator Fund, to be used to hire a science educator to co-develop and broaden curriculum, creating a regional center dedicated to increasing science proficiency and educational innovation. As of September 30, 2023, the balance in this fund was \$2,016,553. For the 2023 fiscal year, the Board appropriated \$59,108 to fund these related expenses.

David N. Redden Conservation Science Fund

In the 2018 fiscal year, the Consortium established the David N. Redden Conservation Science Fund, which is directed primarily toward conservation research and training in Black Rock Forest and the surrounding Hudson Highlands and lower Hudson Valley regions. As of September 30, 2023, the balance in this fund was \$222,433. For the 2023 fiscal year, the Board appropriated \$42,128 to fund these related expenses.

Postdoctoral Fellowship and Higher Education Fund

The Postdoctoral Fellowship and Higher Education Fund was established in 2013 with a goal of ensuring robust future forest and sustainability science research by hiring for successive two year terms a series of Postdoctoral Fellows in forest ecology. A number of individuals and foundations contributed to the successful, multi-year campaign to reach a funding level capable of sustaining such a program, which began in 2020. As of September 30, 2023, the balance in this fund was \$4,441,150. For the 2023 fiscal year, the Board appropriated \$111,811 to fund these related expenses.

**THE BLACK ROCK FOREST CONSORTIUM , INC.**  
(d/b/a Black Rock Forest)

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Note 3 - Net Assets (continued)**

b - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at September 30, 2023:

Subject to expenditure for specific purpose:	
Post-Doctoral Fellowship	\$ 785,149
Conservation	58,819
Research	10,262
Education	<u>1,419</u>
	<u>855,649</u>
Endowments subject to spending policy and and appropriation:	
William S.F. Schuster, Ph.D. Fund for Research - term endowment	209,193
General support	<u>(55,319)</u>
	<u>153,874</u>
Investment in perpetuity:	
General support	<u>2,187,886</u>
Total Endowments	<u>2,341,760</u>
Total Net Assets With Donor Restrictions	<u>\$3,197,409</u>

Endowments with donor restrictions consist of the following:

**General Endowment**

The Consortium established the General Endowment fund to ensure a balanced annual operations budget and to build fiscal security. As of September 30, 2023, the balance in this fund was \$2,132,567. For the 2023 fiscal year, the Board appropriated \$110,000 for use in operations.

**William S.F. Schuster, Ph.D. Fund for Research**

During fiscal year 2022, the Consortium established the William S.F. Schuster, Ph.D. Fund for Research to support future science research at Black Rock Forest. It was founded by generous benefactors to honor three decades of Bill Schuster's consequential leadership of Black Rock Forest, with the goal of raising \$500,000 for a term endowment fund, to ensure that research at Black Rock Forest remains financially supported and continues to make important new discoveries over the long term. As of September 30, 2023, the balance in this fund was \$209,193. For the 2023 fiscal year, the Board appropriated \$3,000 for use in operations.

**THE BLACK ROCK FOREST CONSORTIUM , INC.**  
(d/b/a Black Rock Forest)

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Note 4 - Contributions Receivable**

Contributions receivable at September 30, 2023 are due within one year. Uncollectable contributions receivable are expected to be insignificant.

**Note 5 - Investments at Fair Value**

Investments consist of the following at September 30, 2023:

	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 308,181	\$ 308,181
Mutual Funds:		
Equities	8,527,834	10,522,265
Fixed income	6,526,688	5,487,202
Real estate index funds	<u>738,356</u>	<u>706,695</u>
Total	<u>\$16,101,059</u>	<u>\$17,024,343</u>

Net investment income for the year ended September 30, 2023 is summarized as follows:

Interest and dividends, net of investment fees	\$ 396,137
Realized loss on sale of investments	(28,062)
Unrealized gain on investments	<u>898,315</u>
	<u>\$1,266,390</u>

The following summarizes investments by the levels within the fair value hierarchy used to measure their respective fair values at September 30, 2023:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Measured at Net Asset Value</u>
Cash and cash equivalents	\$ 308,181	\$ 308,181	\$ -	\$ -	\$ -
Mutual Funds:					
Equities	10,522,265	10,522,265	-	-	-
Fixed Income	5,487,202	5,487,202	-	-	-
Real estate index funds	<u>706,695</u>	<u>706,695</u>	-	-	-
Total Investments	<u>\$17,024,343</u>	<u>\$17,024,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**THE BLACK ROCK FOREST CONSORTIUM , INC.**  
**(d/b/a Black Rock Forest)**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Note 6 - Endowment Funds**

The Consortium's endowment consists of four board designated endowment funds without donor restrictions and two donor restricted endowment funds as described in Note 3. As required by U.S. GAAP, 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.

Consistent with New York State Not-for-Profit Corporation Law and the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the Consortium classifies as net assets with donor restrictions, perpetual in nature (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the endowment funds with donor restrictions that is not classified as perpetual in nature is classified as net assets with donor restrictions, subject to spending policy and appropriation, until those amounts are appropriated for expenditure by the Consortium.

In accordance with NYPMIFA, the Consortium considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (i) the duration and preservation of the endowment fund;
- (ii) the purposes of the Consortium and the endowment fund;
- (iii) general economic conditions;
- (iv) the possible effect of inflation and deflation;
- (v) the expected total return from income and the appreciation of investments;
- (vi) other resources of the Consortium;
- (vii) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Consortium; and
- (viii) the investment policy of the Consortium

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**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Note 6 - Endowment Funds (continued)**

The Consortium's invested endowment funds composition, by type of fund and net asset classification, are summarized as follows at September 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
	<u>Board Designated</u>	<u>Term Endowment and Investment Above Gift Amount</u>	<u>Investment in Perpetuity</u>	
Donor-restricted endowment funds	\$ -	\$136,374	\$2,187,886	\$ 2,324,260
Board designated endowment funds	<u>14,133,882</u>	<u>-</u>	<u>-</u>	<u>14,133,882</u>
Total Endowment Funds	<u>\$14,133,882</u>	<u>\$136,374</u>	<u>\$2,187,886</u>	<u>\$16,458,142</u>

Changes in the Consortium's endowment funds for the year ended September 30, 2023 are summarized as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
	<u>Board Designated</u>	<u>Term Endowment and Investment Below Gift Amount</u>	<u>Investment in Perpetuity</u>	
Endowment funds, beginning of year, as restated (Note 13)	\$10,077,365	\$ (53,213)	\$2,187,886	\$12,212,038
Net investment income	933,361	243,173	-	1,176,534
Contributions received	3,869,663	59,414	-	3,929,077
Appropriation to operations	<u>(746,507)</u>	<u>(113,000)</u>	<u>-</u>	<u>(859,507)</u>
Endowment Funds, End of Year	<u>\$14,133,882</u>	<u>\$136,374</u>	<u>\$2,187,886</u>	<u>\$16,458,142</u>

At September 30, 2023, contributions receivable for the Consortium's term endowment was \$17,500.

The Consortium has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets.

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**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Note 6 - Endowment Funds (continued)**

The overall investment objective for the entire endowment portfolio is to maintain an average long-term total return, net of management fees, in excess of inflation (as measured by the Consumer Price Index). Actual returns in any given year may vary from this amount.

Under Consortium's investment policy, endowment assets are invested in mutual and exchange traded funds and according to asset allocation guidelines defined and monitored by the Investment Committee of the Board of Directors.

The Consortium has a general spending policy of appropriating for distribution for the year ended September 30, 2023, 5% of the fair value of the rolling average balance of the twelve prior quarters. In establishing this policy, the Consortium considered the long-term expected return on its endowments. Accordingly, over the long-term, the Consortium expects the current spending policy to allow its endowment assets to maintain their purchasing power.

The fair value of assets associated with individual donor restricted endowment funds may fall below the level required to be retained as a fund of perpetual duration. As of September 30, 2023, an endowment fund with an original total gift value of \$2,187,886 had a total fair value of \$2,132,567. As of September 30, 2023, deficiency of \$55,319 was reported as net assets with donor restrictions. This shortfall resulted from unfavorable market fluctuations.

**Note 7 - Property and Equipment**

Property and equipment consist of the following at September 30, 2023:

	<u>Life</u>	<u>Amount</u>
Leasehold improvements	20 - 39 years	\$1,132,268
Furniture and fixtures	5 - 10 years	429,163
Computers and software	5 years	<u>374,915</u>
		1,936,346
Less: Accumulated depreciation		<u>(593,046)</u>
		<u>\$1,343,300</u>

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**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Note 8 - Retirement Plan**

The Consortium maintains a 401(k) plan for all eligible employees. Participants may defer a portion of their annual compensation in accordance with the limits established by the Internal Revenue Code. The Consortium made contributions to the plan totaling \$58,424 during the year ended September 30, 2023.

**Note 9 - Federal Relief Program - Employee Retention Tax Credits**

The Coronavirus Aid, Relief and Economic Security ("CARES") Act enacted in 2020 allowed eligible employers to claim employee retention tax credits for qualified wages paid after March 12, 2020 through the first three quarters of 2021. The Consortium qualified for the credit based on partially suspended operations due to government mandated closures and reduced capacity requirements, and a decrease in gross receipts.

**Note 10 - Contingency**

Government supported projects are subject to audit by the applicable government agencies.

**Note 11 - Concentration of Credit Risk**

The Consortium maintains bank accounts at one financial institution, which are insured up to applicable limits by the Federal Deposit Insurance Corporation. Balances at times exceed insured amounts.

**Note 12 - Related Party Transactions**

The Consortium and The Black Rock Forest Preserve, Inc. (the "Preserve") have two common members of the Board of Directors. The Preserve leases the Forest, Center and Lodge to the Consortium pursuant to a 20-year lease which requires an annual rental payment of \$1 and expires October 9, 2029. The Consortium is required to pay certain operating costs of the property, as outlined in the agreement.

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**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Note 13 - Prior Period Adjustments**

Net assets as of October 1, 2022 have been restated for the following:

	<u>Without Donor Restrictions</u>			
	<u>Operating</u>	<u>Board Designated Endowments</u>	<u>With Donor Restrictions</u>	<u>Total</u>
To reclassify investment loss on donor restricted endowment funds previously recognized as without donor restrictions	\$ 175,626	\$ -	\$ (175,626)	\$ -
To reclassify board designated endowment funds previously recognized as net assets with donor restrictions	-	1,499,435	(1,499,435)	-
To reclassify net investment earnings on board designated endowment funds previously recognized as operating net assets without donor restrictions	(2,990,422)	2,990,422	-	-
To reclassify investment earnings on funds with donor restrictions previously recognized as operating net assets without donor restrictions	<u>(94,795)</u>	<u>-</u>	<u>94,795</u>	<u>-</u>
	<u>\$ (2,909,591)</u>	<u>\$ 4,489,857</u>	<u>\$ (1,580,266)</u>	<u>\$ -</u>