



**Scenic Hudson, Inc. and
Consolidated Subsidiaries**

**Consolidated Financial Statements
and Supplementary Information
(Together with Independent Auditors' Report)**

Years Ended June 30, 2024 and 2023

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION (Together with Independent Auditors' Report)

JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Scenic Hudson, Inc. and Consolidated Subsidiaries
Poughkeepsie, NY

Opinion

We have audited the consolidated financial statements of Scenic Hudson, Inc. and Consolidated Subsidiaries (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 27 through 34 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CBIZ CPAs P.C.¹

New York, NY
November 21, 2024

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents (Notes 2C, 3 and 14)	\$ 58,937,069	\$ 73,268,901
Promises to give and grants receivable, net (Notes 2D, 2E, 2M, 3 and 4)	13,074,043	8,825,031
Investments, at fair value (Notes 2F, 7, 8 and 12B)	237,599,864	225,965,488
Prepaid expenses and other assets	5,069,791	5,160,614
Land, property and equipment, net (Notes 2G and 5)	18,877,581	9,180,886
Land areas and conservation easements, at cost (Notes 2J and 6)	70,498,819	69,530,278
Right-of-use assets - operating leases (Notes 2L and 11)	<u>371,574</u>	<u>621,176</u>
TOTAL ASSETS	<u>\$ 404,428,741</u>	<u>\$ 392,552,374</u>
LIABILITIES		
Accounts payable and accrued expenses (Note 10)	\$ 2,607,874	\$ 4,655,136
Notes payable, net (Notes 2D, 8 and 12B)	2,792,346	2,654,233
Operating lease liabilities (Notes 2L and 11)	<u>395,074</u>	<u>650,182</u>
TOTAL LIABILITIES	<u>5,795,294</u>	<u>7,959,551</u>
COMMITMENTS AND CONTINGENCIES (Note 12)		
NET ASSETS (Notes 2B and 13)		
Without donor restrictions:		
Operating net assets	37,066,377	35,578,010
Board designated - other endowment (Notes 13A and 13C)	34,522,526	31,626,625
Board designated - easement enforcement fund (Notes 13A and 13C)	947,710	884,594
Board designated - HHFT (Notes 13A and 13C)	3,367,949	2,890,848
Non-controlling member's interest in consolidated subsidiary	5,000	-
Land areas and conservation easements, at cost	<u>66,786,473</u>	<u>65,956,045</u>
Total net assets without donor restrictions	<u>142,696,035</u>	<u>136,936,122</u>
With donor restrictions (Note 13B):		
Endowment (Note 13C)	197,858,030	185,118,500
Easement enforcement	45,875	45,875
Other net assets with donor restrictions	<u>58,033,507</u>	<u>62,492,326</u>
Total net assets with donor restrictions	<u>255,937,412</u>	<u>247,656,701</u>
TOTAL NET ASSETS	<u>398,633,447</u>	<u>384,592,823</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 404,428,741</u>	<u>\$ 392,552,374</u>

The accompanying notes are an integral part of these consolidated financial statements.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	For the Year Ended June 30, 2024			For the Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total 2024	Without Donor Restrictions	With Donor Restrictions	Total 2023
OPERATING REVENUES, GAINS AND SUPPORT (Note 2H):						
Contributions (Note 2D)	\$ 3,614,246	\$ 8,432,618	\$ 12,046,864	\$ 5,860,653	\$ 13,081,743	\$ 18,942,396
In-kind contributions (Notes 2D, 8 and 15)	-	-	-	303,415	-	303,415
Government grants (Note 2D)	501,204	-	501,204	473,499	-	473,499
Endowment allocations used to meet spending policy (Note 13)	10,484,000	-	10,484,000	10,548,000	-	10,548,000
Investment activity other than endowment earnings	3,090,323	-	3,090,323	1,865,628	-	1,865,628
Other revenues	16,873	-	16,873	181,891	-	181,891
Gain on sale of program-related investments in land areas (Note 6)	-	-	-	26,388	-	26,388
Special events, net of direct expenses of \$210,571 and \$212,017, respectively (Note 9)	451,818	-	451,818	539,829	-	539,829
Net assets released from restrictions (Note 13)	12,891,437	(12,891,437)	-	11,700,180	(11,700,180)	-
Total Operating Revenues, Gains and Support	31,049,901	(4,458,819)	26,591,082	31,499,483	1,381,563	32,881,046
OPERATING EXPENSES (Note 2I):						
Program services	24,983,399	-	24,983,399	22,105,073	-	22,105,073
Management and general	2,178,394	-	2,178,394	1,868,429	-	1,868,429
Fundraising	1,569,315	-	1,569,315	1,462,942	-	1,462,942
Total Operating Expenses	28,731,108	-	28,731,108	25,436,444	-	25,436,444
NET OPERATING ACTIVITIES	2,318,793	(4,458,819)	(2,140,026)	6,063,039	1,381,563	7,444,602
NON-OPERATING ACTIVITIES (Note 2H):						
Bequests and additions to Board designated funds (Note 2H)	137,813	-	137,813	2,750,000	-	2,750,000
Donor funds reallocated to with donor restriction (Note 13C)	-	-	-	(6,580,806)	6,580,806	-
Special endowment appropriation (Note 13)	-	-	-	-	(2,482,000)	(2,482,000)
Non-operating transfer to donor restricted net assets (Note 13)	-	-	-	(45,875)	2,527,875	2,482,000
Investment activity (Note 7)	4,371,307	22,150,530	26,521,837	2,897,978	21,477,972	24,375,950
Endowment allocations used to meet spending policy (Note 13)	(1,073,000)	(9,411,000)	(10,484,000)	(1,058,000)	(9,490,000)	(10,548,000)
NET NON-OPERATING ACTIVITIES	3,436,120	12,739,530	16,175,650	(2,036,703)	18,614,653	16,577,950
CHANGES IN TOTAL NET ASSETS	5,754,913	8,280,711	14,035,624	4,026,336	19,996,216	24,022,552
Non-controlling members' capital contributions/distributions	5,000	-	5,000	-	-	-
Net Assets - Beginning of Year	136,936,122	247,656,701	384,592,823	132,909,786	227,660,485	360,570,271
NET ASSETS - END OF YEAR	\$ 142,696,035	\$ 255,937,412	\$ 398,633,447	\$ 136,936,122	\$ 247,656,701	\$ 384,592,823

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	For the Year Ended June 30, 2024				For the Year Ended June 30, 2023			
	Program Services	Management and General	Fundraising	Total 2024	Program Services	Management and General	Fundraising	Total 2023
Salaries	\$ 5,550,974	\$ 1,356,202	\$ 960,353	\$ 7,867,529	\$ 5,313,034	\$ 1,127,532	\$ 862,142	\$ 7,302,708
Payroll taxes and employee benefits (Note 10)	1,432,452	350,806	253,671	2,036,929	1,347,308	301,072	270,311	1,918,691
Total salaries and related costs	6,983,426	1,707,008	1,214,024	9,904,458	6,660,342	1,428,604	1,132,453	9,221,399
Conservation easements and monitoring costs (Note 2J)	1,903,546	-	-	1,903,546	838,363	-	-	838,363
Land project expenses (Note 2J)	12,370,503	-	-	12,370,503	10,059,279	-	-	10,059,279
Grants and contributions	4,000	-	-	4,000	472,940	-	-	472,940
Property taxes	174,707	-	-	174,707	208,791	-	-	208,791
Occupancy and insurance (Notes 2L and 11)	543,627	34,986	45,235	623,848	526,895	22,737	40,495	590,127
Consultants and experts	1,494,563	15,111	713	1,510,387	1,362,215	6,929	16,315	1,385,459
Legal and audit	76,809	119,564	-	196,373	348,870	94,849	-	443,719
Employee travel and training	149,159	31,218	9,303	189,680	110,177	34,942	10,814	155,933
Office and other expenses	243,137	144,128	286,685	673,950	283,968	128,228	285,438	697,634
Program management and public outreach costs	840,964	74,139	223,926	1,139,029	1,096,485	86,850	189,444	1,372,779
Interest (Notes 2D and 8)	138,113	-	-	138,113	91,505	-	-	91,505
Depreciation and amortization (Note 5)	60,845	13,458	-	74,303	45,243	15,290	-	60,533
Bad debt expense	-	38,782	-	38,782	-	50,000	-	50,000
Subtotal	24,983,399	2,178,394	1,779,886	28,941,679	22,105,073	1,868,429	1,674,959	25,648,461
Less: expenses deducted directly from revenues on the consolidated statements of activities (Note 9)	-	-	(210,571)	(210,571)	-	-	(212,017)	(212,017)
TOTAL	\$ 24,983,399	\$ 2,178,394	\$ 1,569,315	\$ 28,731,108	\$ 22,105,073	\$ 1,868,429	\$ 1,462,942	\$ 25,436,444

The accompanying notes are an integral part of these consolidated financial statements.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 14,035,624	\$ 24,022,552
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	74,303	60,533
Change in discount on promises to give and grants receivable	573,002	378,703
Realized gain on sales of investments	(4,630,434)	(5,120,925)
Unrealized gain on investments	(19,959,536)	(17,874,790)
Gain on sale of land areas and conservation easements	-	(26,388)
In-kind contribution for imputed interest on notes payable	-	(303,415)
Amortization of imputed interest on notes payable	138,113	91,505
Amortization expense/non-cash lease expense	243,645	183,529
Bad debt expense	<u>38,782</u>	<u>50,000</u>
Subtotal	(9,486,501)	1,461,304
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Promises to give and grants receivable	(4,860,796)	(3,559,277)
Prepaid expenses and other assets	90,823	243,868
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(2,047,262)	2,751,080
Principal paid/change in operating liabilities	<u>(249,151)</u>	<u>(154,523)</u>
Net Cash (Used in) Provided by Operating Activities	<u>(16,552,887)</u>	<u>742,452</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	32,657,517	39,728,867
Purchases of investments	(19,701,923)	(30,741,109)
Acquisitions of property and equipment	(9,770,998)	(1,631,310)
Acquisitions of land areas	(968,541)	(6,581,478)
Proceeds from sales of land areas	<u>-</u>	<u>796,805</u>
Net Cash Provided by Investing Activities	<u>2,216,055</u>	<u>1,571,775</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Members' capital contributions	5,000	-
Proceeds from notes payable	<u>-</u>	<u>1,500,000</u>
Net Cash Provided by Financing Activities	<u>5,000</u>	<u>1,500,000</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(14,331,832)	3,814,227
Cash and Cash Equivalents - Beginning of Year	<u>73,268,901</u>	<u>69,454,674</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 58,937,069</u>	<u>\$ 73,268,901</u>

The accompanying notes are an integral part of these consolidated financial statements.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The consolidated financial statements of Scenic Hudson, Inc., The Scenic Hudson Land Trust, Inc. (the “Land Trust”), Hudson Highlands Fjord Trail, Inc., Northside Junction, LLC, Northside Junction Master Tenant, LLC, Parker Fall Kill, LLC and Fall Kill Brookside, LLC (collectively, the “Organization”) have been prepared by consolidating each entity’s financial statements with those of their consolidated subsidiaries as explained below. All material intercompany transactions and balances have been eliminated in the consolidation.

Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc.

Scenic Hudson, Inc. (“SH”) and The Land Trust (collectively, “Scenic Hudson” or “we”) each are not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and have been designated as organizations which are not private foundations. They are incorporated under the laws of the State of New York (the “State”) and are exempt from State and local income and sales taxes. The Land Trust is a Type I supporting organization of Scenic Hudson, Inc., as defined under IRC 509(a)(3). Each organization is accountable to its own governing Board of Directors.

Operations and staff are housed within SH; and SH provides the Land Trust with the services of its employees, office space and general administrative support through a Services Agreement. The Land Trust, which has no employees, was founded exclusively for the benefit of and to serve the purposes of SH, to the extent that those purposes relate to acquiring and holding land in the Hudson River Valley, in order to preserve and protect such land for the benefit of the public, including transferring lands to federal, state and local governments and other not-for-profit organizations. Accordingly, the Land Trust acquires conservation easements and normally holds title to program-related investments in land and parks owned by the Organization.

Scenic Hudson helps people and communities preserve land and farms and creates parks where people experience the outdoors and enjoy the Hudson River. Scenic Hudson also brings together people, businesses and government to protect the river and natural resources that are the engines of the Hudson Valley’s local economies.

Today, in the face of new challenges and the effects of climate change, Scenic Hudson is dedicated to making the Hudson Valley a great place to live, work and play. Scenic Hudson’s focus is on strengthening and maximizing benefits all can enjoy from the region’s great assets—beautiful open spaces, working farms, and vibrant cities and town centers.

Promoting Regional Identity

We make the Hudson Valley more attractive to residents and employers by helping to create a shared sense of place and stewardship that is recognized far beyond the Hudson Valley’s borders. We protect world-class scenic beauty; conserve family farms that supply fresh food to local and New York City consumers and drive a growing farm-to-table movement; create parks offering recreation and inviting spaces for people to gather; and mobilize people to speak out against threats to the Hudson River and other irreplaceable natural assets that make the valley a great place to live and visit.

Building Community

We ensure that our work benefits all the region’s residents, urban and rural, especially as demographic shifts continue. We respond to local concerns in diverse communities by partnering with residents and providing them with the expertise to turn neglected natural areas into safe places to exercise, relax, join with family and friends, and teach children about wildlife. In addition to uniting neighborhoods in a shared purpose, carrying out these initiatives affords much-needed skill-building opportunities for teens and has the potential to attract new investment and jobs—the key for revitalizing our cities.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Strengthening Resiliency

We further climate-change adaptation and resilience in our land conservation and community planning work and develop new climate-mitigation policies consistent with our conservation values. We provide guidance for riverfront communities to adapt to and mitigate rising sea levels and other climate-change impacts and develop strategies for embracing renewable energy without sacrificing core assets—iconic views, farmland, critical habitat, cultural/historic resources—that residents and visitors cherish. We help wildlife adapt by conserving lands containing irreplaceable (and flood-resistant) habitat and migration pathways. We also create and manage our parks to serve as models of resiliency.

Hailed as “one of the nation’s most vigorous regional environmental organizations,” Scenic Hudson has been preserving and restoring the Hudson River and its world-class landscapes since its founding in 1963. Since its initial victory halting a hydroelectric plant from defacing Storm King Mountain, considered the birth of the modern grassroots environmental movement, Scenic Hudson has worked with residents and communities to create economic opportunities while opening riverfronts to the public and safeguarding the region’s inspiring natural beauty. Today, with more than 25,000 supporters, Scenic Hudson is the largest environmental group focused on the Hudson River Valley. To date, Scenic Hudson has created or enhanced more than 65 parks, preserves and historic sites up and down the Hudson River, conserved more than 160 family farms and protected more than 53,000 acres.

Contributions and investment income constitute Scenic Hudson’s primary sources of revenue to achieve its mission and vision. From time to time, Scenic Hudson is the recipient of government grants, which leverage these primary revenue sources and other third-party funding.

Beacon Waterfront, LLC (“BWF”, formed on September 21, 2007), Wiccopee Farm, LLC (“Wiccopee”, formed January 31, 2018), Slopeline, LLC (“Slopeline”, formed July 10, 2018), and Quarry Waters, LLC (“Quarry Waters”, formed September 25, 2019) each are New York Limited Liability Companies that are disregarded entities of the Land Trust for federal and state tax purposes. The activities of BWF, Wiccopee, Slopeline, and Quarry Waters are included in the Land Trust column in the accompanying supplementary consolidating information.

Hudson Highlands Fjord Trail, Inc.

Hudson Highlands Fjord Trail, Inc. (“HHFT”) is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and has been designated as an organization which is not a private foundation. HHFT is incorporated under the laws of the State of New York and is exempt from State and local income and sales taxes. HHFT is a Type I supporting organization of Scenic Hudson, Inc., as defined under IRC 509(a)(3) and is accountable to its own governing Board of Directors.

HHFT operates as an independent subsidiary of Scenic Hudson in furtherance of its primary purpose to develop and operate an accessible, walkable and bikeable linear public park spanning 7.5 miles between New York’s Village of Cold Spring and City of Beacon known as the “Fjord Trail.” Notwithstanding the foregoing, SH provides HHFT with the services of its employees and general administrative support through a Services Agreement. HHFT was founded exclusively for the benefit of and to serve the purposes of Scenic Hudson, to the extent that those purposes are consistent with those of HHFT.

Pollepel Island View, LLC (“Pollepel”), a New York Limited Liability Company, was formed on October 25, 2023 and organized with HHFT as its sole member. Pollepel is a disregarded entity of HHFT for federal and state tax purposes, therefore the activities of Pollepel are included in the HHFT column in the accompanying supplementary consolidating information.

Contributions, government grants and investment income constitute HHFT’s primary sources of revenue.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Other Consolidated Subsidiaries

Northside Junction, LLC (“Northside Junction”), a New York Limited Liability Company, was formed on June 17, 2020 and organized as a partnership for the purpose of acquiring, rehabilitating, maintaining, leasing and selling or otherwise disposing of its interest in real property located in Poughkeepsie, NY (the “Property”). The Property will be renovated as a historic rehabilitation project to generate federal historic tax credits (“HTCs”) and State historic tax credits (“NY HTCs” and collectively with the HTCs, the “Tax Credits”) in accordance with Sections 47 and 50 of the IRC and Section 210-B-26 of the Laws of New York, respectively. Northside Junction is further intended to enter into one or more Brownfield Site Cleanup Agreement(s) and to be a Volunteer, as defined in Section 27-1405(1)(b) of the State of New York Environmental Conservation Law (the “ECL”), under the New York State Department of Environmental Conservation Brownfield Cleanup Program (“BCP”) in accordance with Title 14 of Article 27 of the ECL. The historic rehabilitation and brownfield cleanup of the Property are collectively referred to as the “Project” or “Northside Hub.” Northside Junction has elected to be taxed as a partnership for Federal and State taxes.

On February 1, 2024, Northside Junction as the lessor, and Northside Junction Master Tenant, LLC (“Master Tenant”) as the lessee, executed a Master Lease Agreement (the “Master Lease”) and HTC Pass-Through Agreement, pursuant to which Northside Junction elected under Section 50(d) of the IRC and Section 1.48-4 of the Treasury Regulations to pass-through to Master Tenant the Tax Credits to which Northside Junction is otherwise entitled in connection with its rehabilitation of the Property. As of June 30, 2024, there were no substantial activities.

Master Tenant, a New York Limited Liability Company, was formed on November 13, 2023. The primary purpose of Master Tenant is to lease, hold, maintain, operate, and sell or otherwise dispose of its leasehold interest in the Property in accordance with Sections 47 and 50 of the IRC and Sections 606(o), 210-B(26), or 1511(y) of the Tax Law of the State of New York.

Fall Kill Brookside, LLC (“Fall Kill”), a New York Limited Liability Company, was formed on June 17, 2020, and organized with Scenic Hudson as its sole member. Fall Kill holds a 0.01% interest in Northside Junction. Fall Kill has elected to be taxed as a corporation for Federal and State taxes.

Parker Fall Kill, LLC (“Parker”), a New York Limited Liability Company, was formed on June 17, 2020, and organized with the Land Trust as its sole member. Parker holds a 99.99% interest in Northside Junction and a 1% interest in Master Tenant for which it serves as the managing member. Parker has elected to be taxed as a corporation for Federal and State taxes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Accounting and Use of Estimates*

The Organization’s consolidated financial statements have been prepared on the accrual basis of accounting. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

B. *Basis of Presentation*

The Organization reports net assets, revenues, gains and losses based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions – represents resources available for support of the Organization’s operations over which the Board of Directors (the “Board”) has discretionary control and not subject to donor (or certain grantor) restrictions. A description of certain of the net assets without donor restrictions of the Organization follows:

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
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JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Operating net assets – this represents the remaining net assets without donor restrictions of the Organization after removing the land areas and conservation easements, at cost, held by the Land Trust and HHFT, and Board designated net assets (see Note 13A).
- Land areas and conservation easements, at cost – this represents the Land Trust's and HHFT's land areas and conservation easements, at cost (see Note 6), less the notes payable (see Note 8) associated with the land areas.
- Non-controlling members' interests in consolidated subsidiaries are shown as a component of net assets without donor restrictions and members' equity in the consolidated statements of financial position. The share of income or loss of the consolidated subsidiaries attributed to the non-controlling members' interest is shown as a component of the change in net assets without donor restrictions in the consolidated statement of activities.
- Net Assets With Donor Restrictions – represents net assets subject to donor-imposed restrictions. Some donor-restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donors stipulate that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2024 and 2023, the Organization's net assets with donor restrictions did not include any amounts that must remain intact in perpetuity.

This accounting treatment does not apply to LLC subsidiaries Northside Junction, Fall Kill and Parker consolidated herein.

C. *Cash Equivalents*

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, except for those short-term investments managed by the Organization's investment managers as part of its long-term investment strategies.

D. *Promises to Give and Grants Receivable/Contributions and Government Grants*

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional contributions and promises to give, those with a measurable performance or other barrier and a right of return, are not recognized as support until the conditions on which they depend are substantially met. Earned revenue yet to be billed under grant agreements in excess of advances is reported as pledges and grants receivable. Grant and contract receipts in excess of revenue recognized are presented as deferred revenue.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Government grants are not recognized as support until the conditions on which they depend, a measurable performance barrier and right of return, are substantially met. Government grant receipts in excess of revenue recognized are presented as refundable advances, when applicable.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated services are recognized in the consolidated financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization records contributed services at their fair value on the date received. The Organization recorded no in-kind contributions related to interest expense savings for the year ended June 30, 2024 and approximately \$303,000 for the year ended June 30, 2023. Such amounts are reflected as contributions in the accompanying consolidated statements of activities and netted against loans payable. The Organization also records contribution revenue and a discount for imputed interest on non-interest-bearing notes and loans when the proceeds are received. The notes payable are reported in the consolidated statements of financial position, net of unamortized discount, and the discount is amortized to interest expense over the terms of the notes payable (see Note 8).

Many volunteers, including the Board, have made significant contributions of time in furtherance of the Organization's policies and programs. The value of this contributed time does not meet the criteria of recognition and therefore is not reflected in the accompanying consolidated financial statements.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift.

E. *Allowance for Uncollectible Promises to Give and Grants Receivable*

The Organization determines whether an allowance for uncollectible promises to give and grants receivable should be provided based on prior years' experience and management's analysis of specific promises to give and grants made. As of both June 30, 2024 and 2023, the Organization determined an allowance of \$50,000 was appropriate.

F. *Investments*

The Organization reports investments at fair value in the accompanying consolidated statements of financial position. Interest, dividends and gains and losses on investments are reflected in the consolidated statements of activities as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law. Investment income and gains restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the income and gains are recognized.

Investments are stated at fair value, as defined in Notes 2K and 7. Money market funds, equities and fixed income securities are reported at publicly quoted market prices. Investments in commingled funds and alternative investments are recorded at net asset value, as determined by the general partners or investment manager. Such funds may trade in derivative instruments that involve varying degrees of market risk including credit exposure, liquidity and interest rates. Due to the level of risk associated with securities and the level of uncertainty related to changes in their value, it is possible that market conditions could have a near-term material effect on balances reported in the accompanying consolidated statements of financial position and activities.

As more fully described in Note 13, it is the Organization's policy to make an annual appropriation to support the acquisition of land areas and conservation easements, as well as other operating activities, at the discretion of the Board, of an amount equal to a designated percentage of the average asset fair values of the respective endowments at the end of a rolling twelve fiscal quarter period. For the years ended June 30, 2024 and 2023, the appropriation amounted to 5% of the average asset fair value for the rolling twelve fiscal quarter periods ended December 31, 2022 and 2021, respectively.

G. *Property and Equipment*

Property and equipment is capitalized by the Organization, provided its cost is \$5,000 or more and its useful life is three years or more. Property and equipment is recorded at cost. Depreciation and amortization is provided on a straight-line basis over the estimated life of the asset or, in the case of leasehold improvements, the term of the lease, whichever is shorter.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. *Operating and Non-Operating Activities*

The Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs, excluding purchases of program-related investments in land areas in fee which are recorded at cost, and supporting activities. Operating activities include an authorized investment income allocation from the donor-restricted endowment (see Note 13B) and all contributions, except for bequests greater than \$10,000 and additions to the easement enforcement fund. All activities related to the Board designated endowment and easement enforcement fund are recognized as non-operating activities.

I. *Functional Allocation of Expenses*

The cost of providing the various programs and supporting services has been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries, payroll taxes and employee benefits, occupancy, office-related expenses and equipment are allocated on the basis of estimated time and effort or square footage. Insurance, consultants and experts, legal and audit, employee training, public outreach, interest, depreciation and amortization are allocated directly to the program or supporting function benefited.

J. *Land Areas and Conservation Easements*

Purchased land areas are recorded at cost. Donated land areas are recognized at fair market value at the date of the contribution. Land project expenses, such as park development and management costs, are expensed in the period incurred. Purchased easements are expensed in the period acquired.

Contributions for the purpose of purchasing land areas or conservation easements are included in net assets with donor restrictions at year-end if the purchase of the land area or conservation easement has not been completed.

The Organization recognizes that it is the responsibility of the donor to report the appraised value of a donated conservation easement to the Internal Revenue Service; the Organization does not participate in the appraisal or reporting of these values.

K. *Fair Value Measurements*

Fair value measurements are based on 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 order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 7.

L. *Leases*

The Organization determines if an arrangement is or contains a lease at inception. The leases include right-of-use ("ROU") assets and lease liabilities in the consolidated statements of financial position. The ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term.

M. *Recently Enacted Accounting Standards*

Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, was adopted for the year ended June 30, 2024. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. Financial assets held by the Organization that are subject to the guidance in ASU 2016-03. The adoption of this ASU was not considered material to the consolidated financial statements.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. *Reclassification*

Certain items on the June 30, 2023 consolidated statement of functional expenses have been reclassified to conform to the June 30, 2024 presentation. These changes had no impact on the change in net assets for the year ended June 30, 2023.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they become due, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, promises to give, annual appropriations from its Board designated and donor-restricted endowment funds (see Note 13) and a line of credit (see Note 12B).

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing program activities, as well as services undertaken to support those activities, but excludes discretionary capital expenditures (such as the purchase of fee interests in land and conservation easements). Because the Organization only commits to such discretionary capital expenditures when resources are available, it does not need to maintain or manage liquidity in respect of such expenditures; instead, following a commitment, funds are restricted or earmarked for such committed capital expenditure. Funds restricted or committed to discretionary capital expenditures are not included in funds constituting liquidity available for general expenditures.

Financial assets available for such general expenditures, that is, without donor or other restrictions limiting their use, or with donor restrictions the Organization reasonably believes will be met within one year of the consolidated statements of financial position date, comprised the following as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 58,937,069	\$ 73,268,901
Less: cash and cash equivalents with donor restrictions not available for general expenditure	(38,515,034)	(36,359,704)
Less: cash internally restricted for specific programs	(4,021,618)	(5,882,005)
Available portion of payout on donor-restricted endowments for use over the next fiscal year	3,461,300	3,275,140
Payout on Board designated endowments over the next fiscal year	1,089,000	1,073,000
Promises to give for general expenditure due in less than one year	<u>4,924,119</u>	<u>3,836,600</u>
	<u><u>\$ 25,874,836</u></u>	<u><u>\$ 39,211,932</u></u>

As part of its liquidity management plan, the Organization invests cash in excess of anticipated operating needs and other obligations in short-term investments, including certificates of deposit and money market funds. Occasionally, the Board designates a portion of any operating surplus to the Board Designated Endowment (see Note 13C).

As more precisely described in Notes 13A and 13B, the Board Designated Endowment is subject to a spending rate to be determined annually by the Board. Although the Organization does not intend to spend from the Board Designated Endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval), these amounts could be made available if necessary.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 – PROMISES TO GIVE AND GRANTS RECEIVABLE

Promises to give and grants receivable were as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Without donor restrictions	\$ 4,924,119	\$ 3,845,131
Restricted to future programs and periods	<u>8,149,924</u>	<u>4,979,900</u>
Total	<u>\$ 13,074,043</u>	<u>\$ 8,825,031</u>

Promises to give and grants receivable were scheduled to be collected as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 4,924,119	\$ 3,836,600
One to five years	<u>9,196,907</u>	<u>5,462,412</u>
	14,121,026	9,299,012
Less: Reserve for uncollectible receivables	(50,000)	(50,000)
Less: Discount to net present value	<u>(996,983)</u>	<u>(423,981)</u>
Total	<u>\$ 13,074,043</u>	<u>\$ 8,825,031</u>

Promises to give and grants receivable due after one year are discounted to net present value using the risk-adjusted discount rate in effect on the date of the gifts. A discount of \$996,983 and \$423,981 was applied to unconditional promises to give as of June 30, 2024 and 2023, respectively, based on risk-adjusted discount rates between 0.33% and 4.72%, and 0.13% and 4.72%, respectively.

NOTE 5 – LAND, PROPERTY AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

Property and equipment consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>	<u>Estimated Useful Lives</u>
Land	\$ 3,836,806	\$ 3,836,806	
Furniture and equipment	69,899	69,899	3-7 Years
Transportation equipment	525,208	474,629	4-5 Years
Leasehold improvements	<u>23,910</u>	<u>23,910</u>	5 Years
Total cost	619,017	568,438	
Less: accumulated depreciation and amortization	<u>(420,553)</u>	<u>(346,250)</u>	
Net book value of property and equipment	198,464	222,188	
Construction in progress	<u>14,842,311</u>	<u>5,121,892</u>	
Total	<u>\$ 18,877,581</u>	<u>\$ 9,180,886</u>	

Depreciation and amortization expense amounted to \$74,303 and \$60,533 for the years ended June 30, 2024 and 2023, respectively.

Construction in progress includes pre-development and construction costs for the Project. Total costs are estimated to be approximately \$47,325,000 and the project is targeted for completion in the Summer of 2025 (See Note 16).

NOTE 6 – LAND AREAS AND CONSERVATION EASEMENTS

Land areas and conservation easements consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Land areas, at cost	\$ 70,498,819	\$ 69,530,278
Less: reserve for impairment	<u>-</u>	<u>-</u>
Net book value	<u>\$ 70,498,819</u>	<u>\$ 69,530,278</u>

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
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JUNE 30, 2024 AND 2023

NOTE 6 – LAND AREAS AND CONSERVATION EASEMENTS (Continued)

Land areas, at cost, consist of land held for conservation or for transfer/resale.

During the years ended June 30, 2024 and 2023, the Organization acquired land areas for a total of \$968,541 and \$6,581,478, respectively.

During the year ended June 30, 2023, the Organization sold 1 property with a carrying value of \$770,417 to a private third party for fair market value, resulting in a net gain of \$26,388. No similar sales were made during the year ended June 30, 2024. These gains are included in the accompanying consolidated statement of activities as gain on sale of program-related investments in land areas.

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

As noted in Note 2F, investments are reported at fair value. 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. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described below:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. Investments in this category generally include corporate debt and less liquid securities, such as securities traded on certain foreign exchanges. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.
- Level 3: Inputs that are unobservable for the asset or liability and that include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments in this category generally include equity and debt positions in private companies.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The Organization assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer.

All assets carried at fair value have been valued using a market approach. There were no changes in the valuation techniques during the current year. The following are the valuation techniques used by the Organization to measure different financial instruments at fair value and the level within the fair value hierarchy in which the financial instrument is categorized:

- Investments in securities traded on a national securities exchange are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.
- Investments in pooled investment funds are valued at fair value based on the applicable percentage ownership of the investment funds' net assets as of the measurement date, as reported to the Organization by the investment fund. The majority of investment funds value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the investment funds, which may include private placements and other securities for which prices are not readily available, are determined by the management or sponsor of the respective investment funds and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. These financial instruments are classified as net asset value (NAV). NAV is used as the practical expedient to estimate the fair value of the underlying investments, which have not been classified in the fair value hierarchy.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
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NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The fair value of the Organization's investments in investment funds generally represents the amount the Organization would expect to receive if it were to liquidate its investment in the investment fund, excluding any redemption charges that may apply.

The following table presents the Organization's fair value hierarchy for those assets measured at fair value as of June 30, 2024:

Description	2024 Fair Value Measurements Using	
	Quoted Prices in Active Markets for Identical Assets Level 1	Total
Money Market Funds	\$ 6,590,939	\$ 6,590,939
Total Money Market Funds	<u>6,590,939</u>	<u>6,590,939</u>
Equity Securities		
U.S. Mutual Funds	363,324	363,324
U.S. Regulated Equity Securities	<u>68,254,831</u>	<u>68,254,831</u>
Total Equity Securities	<u>68,618,155</u>	<u>68,618,155</u>
Fixed Income		
Corporate Debt and Treasuries	<u>29,666,842</u>	<u>29,666,842</u>
Total Fixed Income	<u>29,666,842</u>	<u>29,666,842</u>
Total Investments at Fair Value	<u>\$ 104,875,936</u>	<u>104,875,936</u>
Investments Measured at Net Asset Value (a):		
Ex-U.S. Commingled Funds		38,810,795
Global Commingled Funds		61,089,897
Alternative Investment Funds		<u>32,823,236</u>
Total investments measured at Net Asset Value		<u>132,723,928</u>
Total Investments		<u>\$ 237,599,864</u>

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following table presents the Organization's fair value hierarchy for those assets measured at fair value as of June 30, 2023:

Description	2023 Fair Value Measurements Using	
	Quoted Prices in Active Markets for Identical Assets Level 1	Total
Money Market Funds	\$ 5,482,265	\$ 5,482,265
Total Money Market Funds	5,482,265	5,482,265
Equity Securities		
U.S. Mutual Funds	250,786	250,786
U.S. Regulated Equity Securities	67,738,293	67,738,293
Total Equity Securities	67,989,079	67,989,079
Fixed Income		
Corporate Debt and Treasuries	28,305,744	28,305,744
Total Fixed Income	28,305,744	28,305,744
Total Investments at Fair Value	\$ 101,777,088	101,777,088
Investments Measured at Net Asset Value (a):		
Ex-U.S. Commingled Funds		66,064,084
Global Commingled Funds		37,215,266
Alternative Investment Funds		20,909,050
Total investments measured at Net Asset Value		124,188,400
Total Investments		\$ 225,965,488

- (a) In accordance with FASB Accounting Standards Codification ("ASC") Topic 820-10, "Fair Value Measurement," certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient, have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes the Organization's investments valued at NAV at June 30, 2024:

<u>Investment Objective</u>	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently permitted)</u>	<u>Redemption Notice Period</u>
Long-only securities	\$ 17,561,108	\$ -	Monthly	10 business days
Long-only securities	48,049,213	-	Quarterly	30 days notice
Multi-strategy	5,029,181	-	Monthly	60 days notice
Multi-strategy	10,373,071	-	Semi-Monthly	
Multi-strategy	8,456,195	-	Quarterly	
Multi-strategy	15,448,607	-	Semi-Annual	
Blockchain fund of funds	4,213,759	1,990,000	Not Permitted	
Private Equity	23,592,794	19,701,410	Not Permitted	
Total	<u>\$ 132,723,928</u>	<u>\$ 21,691,410</u>		

The Organization's investments in certain funds have liquidity restraints due to lock-up periods. The aggregate fair value of these investments subject to lock-ups was \$40,434,106 with unfunded commitments of \$19,586,293 as of June 30, 2024.

The components of the net return on investments as reported in the accompanying consolidated statements of activities included the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 2,726,889	\$ 2,308,168
Realized gains	4,630,434	5,120,925
Unrealized gains	19,959,536	17,874,790
Investment fees	(794,045)	(926,789)
Foreign tax	<u>(977)</u>	<u>(1,144)</u>
Total investment activity, net	<u>\$ 26,521,837</u>	<u>\$ 24,375,950</u>

Certain investments serve as collateral for the Organization's notes payable and line of credit as further described in Notes 8 and 12B, respectively.

NOTE 8 – NOTES PAYABLE

In fiscal year 2018, the Organization secured a loan of approximately \$631,000 from a third party to purchase land. The repayment of such loan is to be in the form of a credit against the purchase price of such property subject to compliance with certain conditions set forth in a conditional contract of sale with such third party. The loan bears no interest (except in the event of default as defined by the agreement) and is unsecured, as a general obligation of the Organization.

In fiscal year 2020, the Organization secured a loan of \$187,500 from a nonprofit organization to purchase land. The repayment of such loan is to be in the form of a credit against the purchase price of such property subject to compliance with certain conditions set forth in a conditional contract of sale with such third party. The loan bears no interest (except in the event of default as defined by the agreement) and is unsecured, as a general obligation of the Organization.

During the fiscal year ended June 30, 2022, the Organization secured an interest-free loan from a foundation in the amount of \$750,000 to acquire land, which is due during fiscal year 2027. The loan is secured by a security interest in investment accounts held by the Organization.

During the fiscal year ended June 30, 2023, the Organization secured a loan from a foundation in the amount of \$1,500,000 to acquire land, which is due during fiscal year 2028. The loan bears no interest and is secured by a security interest in investment accounts held by the Organization.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
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JUNE 30, 2024 AND 2023

NOTE 8 – NOTES PAYABLE (Continued)

Imputed interest on the loans mentioned in this note was calculated at effective rates between 2.65% and 7.5%, determined at the time of the initiation of each such loan. An in-kind contribution of \$0 and \$303,415 was recognized for the interest free loan secured during the years ended June 30, 2024 and 2023, respectively. The imputed interest is being amortized over the life of the loans and is recognized as interest expense each year the loan is outstanding. Imputed interest expense related to the loans, including the full amount of unamortized interest expense related to loans repaid prior to their maturity dates, amounted to \$138,113 and \$91,505, respectively, for the years ended June 30, 2024 and 2023.

The loan payable balances as of June 30 consisted of the following:

	<u>2024</u>	<u>2023</u>
Principal balance	\$ 3,068,436	\$ 3,068,436
Less: imputed interest	<u>(276,090)</u>	<u>(414,203)</u>
	<u>\$ 2,792,346</u>	<u>\$ 2,654,233</u>

Repayments of the notes payable are anticipated as follows for the fiscal years ended June 30:

2025	\$ -
2026	-
2027	894,531
2028	<u>2,173,905</u>
	<u>\$ 3,068,436</u>

The outstanding loans are collateralized by investment accounts holding cash and equity securities with a fair value of approximately \$3,656,000 and \$3,452,000 as of June 30, 2024 and 2023, respectively.

NOTE 9 – SPECIAL EVENTS INCOME

A gala event was held by the Organization during the years ended June 30, 2024 and 2023. Special events income, net of costs of direct benefit to donors, such as meals and facilities rentals, are included in special events income in the accompanying consolidated statement of activities.

Special events income consisted of the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Proceeds from special events	\$ 662,389	\$ 751,846
Less: cost of direct benefits to donors	<u>(210,571)</u>	<u>(212,017)</u>
Special events income, net	<u>\$ 451,818</u>	<u>\$ 539,829</u>

NOTE 10 – PENSION PLANS

The Organization has a tax deferred annuity 403(b) plan for eligible employees. The Organization contributes 6% of eligible employees' salaries to the plan and a matching contribution of up to 2% for those employees who contribute to the plan. The cost to the Organization for this plan for the years ended June 30, 2024 and 2023 amounted to \$491,150 and \$435,664, respectively.

The Organization also offers a deferred compensation arrangement under Section 457(b) of the IRC for key employees. The Organization does not make any contributions to the 457(b) plan. The Organization and certain key employees are also parties to a 457(f) plan. The Organization contributed \$185,000 and \$135,000 to the 457(f) plan for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, the Organization's liability related to the 457(f) plan amounted to \$568,333 and \$383,333, respectively, and such amounts are included in accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 11 – LEASES

On October 27, 2022, the Organization signed a long-term lease agreement for its primary office space located in Poughkeepsie, NY, with terms commencing on November 1, 2022, and expiring on December 1, 2025. The lease calls for payment of a fixed rent throughout the term of the agreement.

On April 12, 2022, the Organization signed a long-term lease agreement for its workshop space located in New Paltz, NY, with terms commencing on February 15, 2022, and expiring on December 15, 2025. The lease calls for payment of a fixed rent throughout the term of the agreement.

On January 5, 2023, the Organization signed a 12-month lease agreement for program-related use located in Poughkeepsie, NY, with terms commencing on January 1, 2023, and expiring on December 1, 2023. The lease calls for payment of a fixed rent throughout the term of the agreement. The lease was renewed for an additional twelve months as of December 18, 2023.

As of June 30, 2024, in accordance with FASB ASC Topic 842, the Organization recognized right-of-use assets equal to \$371,574 and lease liabilities of \$395,074 as reflected in the consolidated statement of financial position. As of June 30, 2023, in accordance with FASB ASC Topic 842, the Organization recognized right-of-use assets equal to \$621,176 and lease liabilities of \$650,182 as reflected in the consolidated statement of financial position. The lease liabilities were calculated utilizing the risk-free rate in effect as of the date of adoption, July 1, 2022, ranging from 2.85% - 4.72%, depending on the remaining life of the leases.

Amounts recognized in the consolidated financial statements and other lease metrics for the years ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease expense	<u>\$ 271,636</u>	<u>\$ 231,532</u>
Cash paid for amounts included in the measurement of lease liabilities for operating leases:		
Operating cash flows	<u>\$ 21,048</u>	<u>\$ 28,999</u>
Weighted-average remaining lease term (in months):		
Operating leases	16.60	27.70
Weighted-average discount rate:		
Operating leases	4.05%	4.02%

Future minimum payments for non-cancelable operating leases for the years ending after June 30, 2024 are as follows:

2025	\$ 273,992
2026	<u>133,125</u>
Total lease payments	407,117
Less: Present value discount	<u>(12,043)</u>
Present value of lease liabilities	<u>\$ 395,074</u>

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Government Supported Programs

Government supported programs are subject to audit by the granting agency. The Organization expects that any changes that could result from the audits would not have a material impact on the consolidated financial statements.

B. Line of Credit

The Organization has a line of credit with a bank with a maximum borrowing amount of \$5,000,000 maturing May 2025. Interest is at the one-month Secured Overnight Financing Rate ("SOFR") plus 2.6%. The Organization has pledged certain of its investments as collateral for the borrowings on the line of credit in an amount equal to twice the outstanding borrowings for a maximum collateral amount of \$10,000,000. As of June 30, 2024 and 2023, there were no borrowings outstanding. There were no borrowings from the line as of November 21, 2024.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 12 – COMMITMENTS AND CONTINGENCIES (Continued)

C. Legal

The Organization is a party to various lawsuits or complaints generally arising in the ordinary course of business. The Organization believes it has adequate insurance to cover any material damages and, accordingly, such litigation will not have a material adverse effect on its financial condition.

D. Rehabilitation Tax Credits

Northside Junction is expected to generate HTC's under IRC Section 47. Pursuant to the Master Lease and HTC Pass-Through Agreement, Master Tenant is eligible to claim HTC's generated from the Property. HTC's are available for use ratably over five years from the date the rehabilitation is placed in service and are equal to 20% of the qualified rehabilitation expenditures with respect to any certified historic structure. To qualify for HTC's, Northside Junction must comply with various federal requirements. The requirements include, but are not limited to, the Property being listed as a certified historic structure in the National Register of Historic Places or located in a registered historic district and certified by the Secretary of the Interior as being of historic significance to the district, and the rehabilitation being performed in a manner consistent with standards established by the Secretary of the Interior. Because HTC's are subject to complying with certain requirements, there can be no assurance that the aggregate amount of rehabilitation credits will be realized and failure to meet all such requirements may result in generating a lesser amount of HTC's than the expected amount.

Northside Junction is also expected to generate NY HTC's under Sections 606(oo), 210-B(26), and 1511(y) of the Tax Law of the State of New York. Pursuant to the Master Lease and HTC Pass-Through Agreement, Master Tenant is eligible to claim NY HTC's generated from the Property. State HTC's are available as of the date the rehabilitation is placed in service and are generally equal to the lesser of 20% of the qualified rehabilitation expenditures with respect to any certified historic structure or \$5,000,000. To qualify for NY HTC's, Northside Junction must comply with various requirements set forth by the State of New York. Because State HTC's are subject to complying with certain requirements, there can be no assurance that the aggregate amount of State HTC's will be realized and failure to meet all such requirements may result in generating a lesser amount of State HTC's than the expected amount.

As of June 30, 2024, the Project was in process and therefore no Tax Credits have been passed through to the Master Tenant pursuant to the Master Lease and HTC Pass-Through Agreement.

E. Uncertain Income Tax Positions

The Organization believes it had no uncertain income tax positions as of June 30, 2024 and 2023 in accordance with FASB ASC Topic 740 "Income Taxes", which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 13 – RESTRICTIONS ON NET ASSETS

A. Board Designated Net Assets

Board designated net assets, included within net assets without donor restrictions as "Board designated – other endowment" in the accompanying consolidated statements of financial position, are used to account for funds set aside by Scenic Hudson's Board (the "Board Designated Endowment"), as well as investment income earned on those funds, to be used as determined upon approval by the Board. Endowment allocations of \$1,025,000 and \$1,009,000, designated as "endowment allocations used to meet spending policy" in the accompanying consolidated statements of activities, were appropriated from the Board Designated Endowment to support operations for the years ended June 30, 2024 and 2023, respectively.

In fiscal year 2004, the Board established a Board designated easement enforcement fund. The Board designated the fund as a reserve to pay legal and other easement monitoring costs that may be incurred to defend the Organization's contractual rights and privileges established through conservation easements owned. Endowment allocations of \$48,000 and \$49,000, designated as "endowment allocations used to meet spending policy" in the accompanying consolidated statements of activities, were appropriated from the easement enforcement fund to support operations for the years ended June 30, 2024 and 2023, respectively. The easement enforcement fund net asset balance amounted to \$947,710 and \$884,594 for the as of June 30, 2024 and 2023, respectively.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 13 – RESTRICTIONS ON NET ASSETS (Continued)

In fiscal year 2022, the Board established the Organizational Sustainability Fund ("OSF"). The OSF was established as a reserve to ensure the long-term sustainability of the Organization's operating budget. The initial capital contribution of \$9,125,000 was made through two separate and distinct events effective as of June 30, 2023: \$6,400,000 of the initial OSF capital contribution was made through the allocation of proceeds from the sale of property and the remaining \$2,725,000 came from a bequest. The OSF is not subject to an annual spending rate. Management must request Board authorization to draw from the fund on an as-needed basis. There were no drawdowns for the years ended June 30, 2024 and 2023.

Hudson Highlands Fjord Trail, Inc. (HHFT) has established and holds a board-designated "quasi-endowment" fund (i.e., an endowment fund where spending is not limited to future income and investment earnings) exclusively dedicated to supporting future operating and maintenance costs of the Hudson Highlands Fjord Trail (the "Operating and Maintenance Fund"). The Operating and Maintenance Fund had a value of \$3,367,949 and \$2,890,848 as of June 30, 2024 and 2023, respectively. HHFT has received donor-restricted gifts to the fund from multiple donors, including a 2021 grant from its supported organization. The original value of certain donations to such fund by the supported organization may revert to the supported organization, but only in circumstances where HHFT no longer is responsible for operating and maintaining the Hudson Highlands Fjord Trail. HHFT intends to grow such fund as its operating and maintenance obligations grow with the completion of each phase of the Fjord Trail project. Such fund is not intended to be sole or primary source of funding to pay operating and maintenance costs of the Fjord Trail, which are expected to be met in significant part in the usual manner, i.e., by application of annual contributions or earned revenues.

B. *Net Assets with Donor Restrictions*

The Organization was the recipient of an endowment established in accordance with the Order Approving Plan of Dissolution and Distribution issued by the Supreme Court of the State of New York dated June 14, 2001, which distributed the assets of the Lila Acheson and DeWitt Wallace Fund for the Hudson Highlands. The endowment is known as the Lila Acheson and DeWitt Wallace Hudson Valley Land Preservation Endowment (the "Wallace Endowment"). Up to 20% of the original fair value of the endowment, valued on the date of distribution, may be spent for certain specified purposes provided that certain conditions are satisfied. The original value of the endowment was established at the fair value of assets on the dates of transfer, consistent with the terms of the endowment agreement. The assets had a fair value of \$124,225,420 on the dates of transfer.

The Wallace Endowment is classified as net assets with donor restrictions due to the Organization's ability to spend a percentage of the Wallace Endowment, as established by the Board, so long as the spending policy is in accordance with the spending policy adopted for other endowments of the Organization. The Board of Directors approved that amounts released for spending from the Board Designated Endowment and the Wallace Endowment for the years ended June 30, 2024 and 2023, shall be an amount equal to 5% of the average asset fair values of the respective endowments, at the end of the rolling twelve fiscal quarters ending December 31, 2022 and 2021, and that management may withdraw these amounts at their discretion to meet program needs. Accordingly, endowment allocations of \$9,158,000 and \$9,231,000, designated as "endowment allocations used to meet spending policy" in the accompanying consolidated statements of activities, were appropriated from the Wallace Endowment to support operations for the years ended June 30, 2024 and 2023, respectively.

Scenic Hudson maintains the Kathryn W. Davis Fund for Park Planning and Community Land Use, funded with \$5,000,000 from the Foundation which is to be used to support the Organization's staff, consultants, and other costs for park design, park management and/or acquisition and land use planning. During the year ended June 30, 2014, the Organization received the funds from the Foundation to establish an endowment fund for this restricted purpose. Spending from this fund shall be calculated in the same manner as all other endowment funds maintained by the Organization. Accordingly, endowment allocations of \$253,000 and \$259,000, designated as "endowment allocations used to meet spending policy" in the accompanying consolidated statements of activities, were appropriated from this donor-restricted endowment to support the restricted purpose described above for the years ended June 30, 2024 and 2023, respectively.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 13 – RESTRICTIONS ON NET ASSETS (Continued)

Net assets with donor restrictions consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Scenic Hudson, Inc.:		
Restricted to future programs and periods	\$ 11,404,784	\$ 7,375,966
Restricted to Northside Hub	45,000	-
Kathryn W. Davis Fund for Park Planning and Community Land Use Endowment	<u>5,210,692</u>	<u>4,862,688</u>
	<u>16,660,476</u>	<u>12,238,654</u>
The Scenic Hudson Land Trust, Inc.:		
Lila Acheson and DeWitt Wallace Hudson Valley Land Preservation Endowment	192,647,338	180,255,812
Easement enforcement Fund	45,875	45,875
Land acquisitions and other land preservation and Conservation expenses	94,429	1,411,621
Restricted to Northside Hub	<u>18,105,468</u>	<u>17,694,919</u>
	<u>210,893,110</u>	<u>199,408,227</u>
Hudson Highlands Fjord Trail, Inc.:		
Phase 1 Construction	<u>28,383,826</u>	<u>36,009,820</u>
Total net assets with donor restrictions	<u>\$ 255,937,412</u>	<u>\$ 247,656,701</u>

During the years ended June 30, 2024 and 2023, the Organization released net assets with donor restrictions by satisfying donor-imposed restrictions either by incurring expenses or due to the passage of time.

Scenic Hudson and the Land Trust have received funding and commitments with public and private donor stipulations in support of the Northside Hub rehabilitation project of \$45,000 and \$18,105,469, respectively, as of June 30, 2024, and \$0 and \$17,694,919, respectively, as of June 30, 2023. Contributions received for the Project will be released from restriction upon the Project being placed in service. Proceeds from such contributions are transferred to the project via the HTC Bridge Loan and Sponsor Equity Loan, subject to a disbursing agreement.

During the fiscal year ended June 30, 2022, HHFT recognized \$45,000,000 of donor restricted revenue, representing the receipt of funds for Phase I construction of the Fjord trail. During the years ended June 30, 2024 and 2023, the donor authorized the Organization to release a portion of the restricted donated revenue in the amounts of \$7,625,994 and \$8,990,180, respectively.

C. *Endowment Net Assets*

The Organization recognized that New York State adopted as law the New York Prudent Management of Institutional Funds Act ("NYPMIFA") on September 17, 2010. NYPMIFA replaced the prior law which was the Uniform Management of Institutional Funds Act ("UMIFA"). NYPMIFA created a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted endowment fund's fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered without donor restrictions are reflected as net assets with donor restrictions until appropriated.

FASB ASC Topic 958-205 ("ASC 958-205") provides guidance on the net asset classifications of donor-restricted endowment funds for a not-for-profit organization that is subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). ASC 958-205 also improves disclosure about an organization's endowment funds, whether or not the organization is subject to UPMIFA.

The Organization maintains several endowment funds as further described in Notes 13A and 13B. However, such Board designated and donor-restricted endowment funds are not subject to the appropriation provisions of NYPMIFA, and therefore, the Organization has implemented only the disclosure guidance provided for in ASC 958-205.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 13 – RESTRICTIONS ON NET ASSETS (Continued)

In accordance with U.S. GAAP, organizations are required to disclose any deterioration of the fair value of assets associated with donor-restricted endowment funds that fall below the level the donor requires the Organization to retain in perpetuity. The Organization had no donor-restricted endowment funds required to be maintained in perpetuity as of June 30, 2024 and 2023.

The Organization's endowment investment policy is to invest primarily in a mix of equities, fixed income securities and alternative investments based on an asset allocation consistent with prudent levels of risk and the desire to preserve the real value of the endowment in terms of its ability to support the Organization's activities over time. The Organization recognizes that the endowment allows for consideration of investment strategies involving a sustainable future. In this context, the Organization seeks to align investments with its mission either through direct investment or by avoiding certain sectors and/or markets. This strategy is monitored regularly in accordance with the aforementioned return objectives. The Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Annual spending from the endowment funds is described in Notes 2F, 13A and 13B.

Changes in endowment net assets for the year ended June 30, 2024 were as follows:

	Board Designated - Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 35,402,067	\$ 185,164,375	\$ 220,566,442
Investment activity:			
Interest and dividends	495,477	2,230,436	2,725,913
Realized gains	849,930	3,780,504	4,630,434
Unrealized gains	3,660,059	16,299,476	19,959,535
Investment fees	(144,272)	(649,773)	(794,045)
Total return on investments	4,861,194	21,660,643	26,521,837
Bequests and additions to Board designated fund and net assets with donor restrictions	137,811	-	137,811
Endowment earnings (loss) allocated to other endowment funds	(601,004)	601,004	-
Net transfer to Easement Enforcement Fund	111,117	(111,117)	-
Endowment earnings used to meet spending policy for Board designated funds (Note 13A)	(1,073,000)	(253,000)	(1,326,000)
Endowment earnings used to meet spending policy policy for Wallace Endowment (Note 13B)	-	(9,158,000)	(9,158,000)
	<u>3,436,118</u>	<u>12,739,530</u>	<u>16,175,648</u>
Endowment net assets, end of year	<u>\$ 38,838,185</u>	<u>\$ 197,903,905</u>	<u>\$ 236,742,090</u>

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 13 – RESTRICTIONS ON NET ASSETS (Continued)

Changes in endowment net assets for the year ended June 30, 2023 were as follows:

	Board Designated - Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 23,591,409	\$ 175,612,527	\$ 199,203,936
Investment activity:			
Interest and dividends	315,685	1,992,490	2,308,175
Realized gains	660,573	4,202,664	4,863,237
Unrealized gains	2,504,959	15,627,512	18,132,471
Investment fees	(126,375)	(801,558)	(927,933)
Total return on investments	3,354,842	21,021,108	24,375,950
Bequests and additions to Board designated fund and net assets with donor restrictions	10,016,555	-	10,016,555
Endowment earnings (loss) allocated to other endowment funds	(565,495)	565,495	-
Net transfer to Easement Enforcement Fund	62,756	(62,755)	1
Special endowment appropriation	-	(2,482,000)	(2,482,000)
Endowment earnings used to meet spending policy for Board designated funds (Note 13)	(1,058,000)	(259,000)	(1,317,000)
Endowment earnings used to meet spending policy policy for Wallace Endowment (Note 13B)	-	(9,231,000)	(9,231,000)
	<u>11,810,658</u>	<u>9,551,848</u>	<u>21,362,506</u>
Endowment net assets, end of year	\$ <u>35,402,067</u>	\$ <u>185,164,375</u>	\$ <u>220,566,442</u>

NOTE 14 – CONCENTRATION OF CREDIT RISK

Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. The FDIC provides deposit insurance coverage up to \$250,000 per depositor. As of June 30, 2024 and 2023, there was approximately \$2,719,000 and \$3,880,000, respectively, of cash and cash equivalents held with one bank that exceeded FDIC limits.

In addition, the Organization had cash in money market funds held with one bank that were not insured by the FDIC, which amounted to approximately \$16,668,000 and \$20,263,000 as of June 30, 2024 and 2023, respectively.

NOTE 15 – IN-KIND CONTRIBUTIONS

There were no in-kind contributions for the year ended June 30, 2024.

In-kind contributions for the year ended June 30, 2023 consisted of the following:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Imputed interest on interest-free loan	<u>\$ 303,415</u>	Loan to purchase land areas	No associated donor restriction	Current interest rate

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 16 – RELATED PARTY TRANSACTIONS

The Northside Hub is a Poughkeepsie, NY, solar-powered, carbon-neutral commercial project consisting of 50,000 square feet that will breathe new life into a vital piece of Poughkeepsie's history that has sat contaminated and vacant for 20 years. Directly across from the eastern entrance to the Walkway over the Hudson, the space will be transformed to a vibrant, multi-purpose office and community hub that will feature an innovative, low-energy heating and cooling system and set a national precedent for the merging of historic preservation and efficiency. From 1923 – 2002, the Property was home to the Standard Gage Company (the "Company"), which played a vital role in making precision tools and instruments essential to the war causes in World War 1 and World War 2. President Franklin D. Roosevelt visited the Property in 1943, recognizing the Company with a national award for manufacturing excellence. At its height, the Company employed 600 workers, providing jobs for generations of people on Poughkeepsie's Northside. The Project, with a total cost of approximately \$47,325,000, including acquisition of the Property, is targeting completion in the Summer of 2025 and is funded by equity investments, other federal and local government funding, and two sponsor loans from SHLT. The aggregate amount of the two sponsor loans are \$47,325,000 and includes bridge funding for third party sources.

On February 1, 2024, the Land Trust, as lender, and Parker, as borrower, executed an Amended and Restated Promissory Note ("Sponsor Equity Loan") in the amount of \$38,449,208, bearing no interest and restating a similar promissory note executed January 13, 2021. Sponsor Equity Loan proceeds shall be advanced, subject to a disbursement agreement, and Parker shall use such proceeds to make capital contributions to Northside Junction to fund the rehabilitation of the Project. As of June 30, 2024 and 2023, the Land Trust advanced \$11,250,715 and \$9,395,688 of such proceeds, respectively. The transactions and balances have been eliminated in the consolidation.

On February 1, 2024, the Land Trust, as lender, and Northside Junction, as borrower, entered into a loan agreement ("HTC Bridge Loan" or the "HTC Loan") under which the Land Trust will provide \$8,875,535 of bridge proceeds for the Tax Credits. HTC Bridge Loan proceeds shall be advanced as required, subject to a disbursement agreement, to pay costs related to the construction of the Project. The HTC Loan bears interest at a rate of 10% per annum, compounded annually, commencing on the date funds are advanced. Under the HTC Bridge Loan Agreement, the Land Trust shall set aside a portion of the loan proceeds to establish an interest reserve, which shall be used to make HTC Loan interest payments. As of June 30, 2024, the Land Trust advanced \$6,810,098 of HTC Bridge Loan Proceeds and has established an interest reserve of \$96,973. The transactions and balances have been eliminated in the consolidation.

On February 1, 2024, Scenic Hudson, as Developer, and Northside Junction, as Owner, entered into a Development Agreement. Under the Development Agreement, Scenic Hudson is entitled to a developer fee of \$5,778,001 which is earned ratably over the course of the Project and anticipated to be payable out of net cash flow pursuant to the Amended and Restated Master Tenant Operating Agreement ("MT Operating Agreement") and Development Agreement. During the year ended June 30, 2024, Scenic Hudson recognized developer fees of \$2,311,200. The transactions and balances have been eliminated in the consolidation.

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through November 21, 2024, the date the consolidated financial statements were available to be issued.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023

	As of June 30, 2024										As of June 30, 2023								
	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Hudson Highlands Fjord Trail, Inc.	Parker Falkkill, LLC	Falkkill Brookside, LLC	Northside Junction, LLC	Northside Junction Master Tenant, LLC	Pollepel Island View, LLC	Consolidating Eliminations	Consolidated Total 2024	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Hudson Highlands Fjord Trail, Inc.	Parker Falkkill, LLC	Northside Junction, LLC	Falkkill Brookside, LLC	Consolidating Eliminations	Consolidated Total 2023	
ASSETS																			
Cash and cash equivalents	\$ 10,210,082	\$ 23,855,482	\$ 24,642,091	\$ -	\$ -	\$ 229,414	\$ -	\$ -	\$ -	\$ 58,937,069	\$ 11,651,279	\$ 27,523,904	\$ 33,417,014	\$ -	\$ 676,704	\$ -	\$ -	\$ 73,268,901	
Promises to give and grants receivable, net	10,035,089	2,988,954	50,000	-	-	-	-	-	-	13,074,043	5,616,720	3,185,753	-	-	22,558	-	-	8,825,031	
Investments, at fair value	33,447,658	201,034,256	3,117,950	-	-	-	-	-	-	237,599,864	28,851,028	194,373,612	2,740,848	-	-	-	-	225,965,488	
Due from related party	4,715,672	46,625	-	-	-	-	-	-	(4,765,297)	-	4,104,360	46,206	-	-	-	-	-	(4,150,566)	
Prepaid expenses and other assets	114,277	240,591	4,714,923	-	-	-	116,092	-	5,069,791	128,891	235,756	4,795,967	-	-	-	-	-	5,260,618	
Program-related loan receivable from for-profit subsidiary	4,218	12,185,979	-	-	-	-	-	-	(12,190,197)	-	384	9,395,688	-	-	-	-	-	215,654	
Historic tax credit bridge loan receivable	-	6,810,098	-	-	-	-	-	-	(6,810,098)	-	-	-	-	-	-	-	-	(9,396,072)	
Development fee receivable	2,311,200	-	-	-	-	-	-	-	(2,311,200)	-	-	-	-	-	-	-	-	-	
Land, property and equipment, net	33,199	134,716	30,549	-	-	21,087,080	-	-	(2,407,963)	16,877,581	48,490	135,507	38,191	-	8,958,698	-	-	9,180,886	
Land areas and conservation easements, at cost	920,000	64,678,145	4,900,674	-	-	-	-	-	-	70,498,819	920,000	63,709,604	4,900,674	-	-	-	-	69,530,278	
Investment in Northside Junction, LLC	-	-	-	11,139,623	4,218	-	-	-	(11,143,841)	-	-	-	-	9,395,688	-	384	(9,396,072)	-	
Investment in Northside Junction Master Tenant, LLC	-	-	-	111,092	-	-	-	-	(111,092)	-	-	-	-	-	-	-	-	-	
Right-of-use assets - operating leases	259,332	112,242	-	-	-	-	-	-	-	371,574	436,711	184,465	-	-	-	-	-	621,176	
TOTAL ASSETS	\$ 62,050,727	\$ 312,090,088	\$ 37,456,187	\$ 11,250,715	\$ 4,218	\$ 21,316,494	\$ 116,092	\$ -	\$ (39,855,780)	\$ 404,428,741	\$ 51,757,863	\$ 298,790,495	\$ 45,892,694	\$ 9,395,688	\$ 9,657,960	\$ 384	\$ (22,942,710)	\$ 392,552,374	
LIABILITIES																			
Accounts payable and accrued expenses	\$ 925,313	\$ 1,025,160	\$ 657,401	\$ -	\$ -	\$ 116,092	\$ -	\$ -	\$ (116,092)	\$ 2,807,874	\$ 993,231	\$ 1,431,236	\$ 1,968,781	\$ -	\$ 261,888	\$ -	\$ -	\$ 4,655,136	
Due to related party	-	4,624,009	141,288	-	-	935,263	-	-	(5,700,560)	-	-	4,027,995	122,571	-	-	-	-	(4,150,566)	
Project sponsor equity loan payable	-	-	-	11,250,715	4,218	-	-	-	(11,254,933)	-	-	-	-	9,395,688	-	384	(9,396,072)	-	
Historic tax credit bridge loan payable	-	-	-	-	-	6,810,098	-	-	(6,810,098)	-	-	-	-	-	-	-	-	-	
Notes payable, net	-	2,792,346	-	-	-	-	-	-	2,792,346	-	-	2,654,233	-	-	-	-	-	2,654,233	
Development fee payable	-	-	-	-	-	2,311,200	-	-	(2,311,200)	-	-	-	-	-	-	-	-	-	
Operating lease liabilities	282,403	112,671	-	-	-	-	-	-	395,074	465,003	185,179	-	-	-	-	-	-	650,162	
TOTAL LIABILITIES	1,207,716	8,554,186	798,689	11,250,715	4,218	10,172,653	-	-	(26,192,883)	5,795,294	1,458,234	8,298,643	2,091,352	9,395,688	261,888	384	(13,546,638)	7,959,551	
NET ASSETS/MEMBERS' EQUITY																			
Without donor restrictions:																			
Operating net assets	9,660,009	29,712,520	5,049	-	-	11,143,841	111,092	-	(13,566,134)	37,066,377	6,434,350	29,143,660	-	-	-	-	-	35,578,010	
Board designated - other endowment	34,522,526	-	-	-	-	-	-	-	-	34,522,526	31,626,625	-	-	-	-	-	-	31,626,625	
Board designated - easement enforcement fund	-	947,710	-	-	-	-	-	-	-	947,710	-	884,594	-	-	-	-	-	884,594	
Board designated - HHFT	-	-	3,367,949	-	-	-	-	-	-	3,367,949	-	-	2,890,848	-	-	-	-	2,890,848	
Reserve for historic tax credit bridge loan interest	-	96,763	-	-	-	-	-	-	(96,763)	-	-	-	-	-	-	-	-	-	
Non-controlling member's interest in consolidated subsidiary	-	-	-	-	-	-	5,000	-	-	5,000	-	-	-	-	-	-	-	-	
Land areas and conservation easements, at cost	-	61,885,799	4,900,674	-	-	-	-	-	-	66,786,473	-	61,055,371	4,900,674	-	-	-	-	65,956,045	
Total net assets without donor restrictions	44,182,535	92,642,792	8,273,672	-	-	11,143,841	116,092	-	(13,662,897)	142,696,035	38,060,975	91,083,625	7,791,522	-	-	-	-	136,936,122	
With donor restrictions:																			
Endowment	5,210,692	192,647,338	-	-	-	-	-	-	-	197,858,030	4,862,688	180,255,812	-	-	-	-	-	185,118,500	
Easement enforcement	-	45,875	-	-	-	45,875	-	-	-	45,875	-	-	-	-	-	-	-	45,875	
Other net assets with donor restrictions	11,449,784	18,199,897	28,383,826	-	-	-	-	-	-	58,033,507	7,375,965	19,106,540	36,009,820	-	-	-	-	62,492,326	
Total net assets with donor restrictions	16,660,476	210,893,110	28,383,826	-	-	-	-	-	-	255,937,412	12,238,654	199,408,227	36,009,820	-	-	-	-	247,656,701	
TOTAL NET ASSETS	60,843,011	303,535,902	36,657,498	-	-	11,143,841	116,092	-	(13,662,897)	398,633,447	50,299,629	290,491,852	43,801,342	-	-	-	-	384,592,823	
Members' equity from capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,396,072	-	(9,396,072)	-	
TOTAL NET ASSETS/MEMBERS' EQUITY	60,843,011	303,535,902	36,657,498	-	-	11,143,841	116,092	-	(13,662,897)	398,633,447	50,299,629	290,491,852	43,801,342	-	9,396,072	-	(9,396,072)	384,592,823	
TOTAL LIABILITIES AND NET ASSETS	\$ 62,050,727	\$ 312,090,088	\$ 37,456,187	\$ 11,250,715	\$ 4,218	\$ 21,316,494	\$ 116,092	\$ -	\$ (39,855,780)	\$ 404,428,741	\$ 51,757,863	\$ 298,790,495	\$ 45,892,694	\$ 9,395,688	\$ 9,657,960	\$ 384	\$ (22,942,710)	\$ 392,552,374	

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Hudson Highlands Fjord Trail, Inc.	Parker Fallkill, LLC	Fallkill Brookside, LLC	Northside Junction, LLC	Northside Junction Master Tenant, LLC	Consolidating Eliminations	Consolidated 2024 Total
WITHOUT DONOR RESTRICTIONS									
OPERATING REVENUES, GAINS AND SUPPORT:									
Contributions	\$ 6,558,919	\$ 7,000	\$ 110,468	\$ -	\$ -	\$ -	\$ -	\$ (3,062,141)	\$ 3,614,246
Government grants	62,557	438,647	-	-	-	-	-	-	501,204
Endowment allocations used to meet spending policy	1,278,000	9,206,000	-	-	-	-	-	-	10,484,000
Investment activity other than endowment earnings	509,155	1,184,061	1,397,107	-	-	-	-	-	3,090,323
Other revenues	2,311,500	101,038	12,298	-	-	-	-	(2,407,963)	16,873
Special events, net of direct expenses	451,818	-	-	-	-	-	-	-	451,818
Net assets released from restrictions	3,619,943	1,645,500	7,625,994	-	-	-	-	-	12,891,437
Total Operating Revenues, Gains and Support	14,791,892	12,582,246	9,145,867	-	-	-	-	(5,470,104)	31,049,901
OPERATING EXPENSES:									
Program services	8,573,525	10,800,090	8,543,578	-	-	-	-	(2,933,794)	24,983,399
Management and general	1,546,948	218,192	526,434	-	-	-	-	(113,180)	2,178,394
Fundraising	1,445,760	67,914	70,807	-	-	-	-	(15,166)	1,569,315
Total Operating Expenses	11,566,233	11,086,196	9,140,819	-	-	-	-	(3,062,140)	28,731,108
NET OPERATING ACTIVITY	3,225,659	1,496,050	5,048	-	-	-	-	(2,407,964)	2,318,793
NON-OPERATING ACTIVITIES:									
Bequests and additions to Board designated funds	37,813	-	100,000	-	-	-	-	-	137,813
Investment activity	3,883,088	111,117	377,102	-	-	-	-	-	4,371,307
Endowment allocations used to meet spending policy	(1,025,000)	(48,000)	-	-	-	-	-	-	(1,073,000)
NET NON-OPERATING ACTIVITY	2,895,901	63,117	477,102	-	-	-	-	-	3,436,120
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	6,121,560	1,559,167	482,150	-	-	-	-	(2,407,964)	5,754,913
Net assets without donor restrictions - Beginning of Year	38,060,975	91,083,625	7,791,522	-	-	9,396,072	-	-	146,332,194
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	44,182,535	92,642,792	8,273,672	-	-	9,396,072	-	(2,407,964)	152,087,107
MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES									
Non-controlling members' capital contributions/distributions	-	-	-	-	-	-	5,000	-	5,000
Members' capital contributions/Distributions	-	-	-	-	-	1,747,769	111,092	(1,858,861)	-
TOTAL MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES	-	-	-	-	-	1,747,769	116,092	(1,858,861)	5,000
WITH DONOR RESTRICTIONS									
OPERATING REVENUES, GAINS AND SUPPORT:									
Contributions, net of costs of direct benefits to donors	\$ 7,693,761	\$ 738,857	-	-	-	-	-	-	8,432,618
Net assets released from restrictions	(3,619,943)	(1,645,500)	(7,625,994)	-	-	-	-	-	(12,891,437)
	4,073,818	(906,643)	(7,625,994)	-	-	-	-	-	(4,458,819)
NON-OPERATING ACTIVITIES:									
Investment activity	601,004	21,549,526	-	-	-	-	-	-	22,150,530
Endowment allocations used to meet spending policy	(253,000)	(9,158,000)	-	-	-	-	-	-	(9,411,000)
NET NON-OPERATING ACTIVITY	348,004	12,391,526	-	-	-	-	-	-	12,739,530
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	4,421,822	11,484,883	(7,625,994)	-	-	-	-	-	8,280,711
Net assets with donor restrictions - Beginning of Year	12,238,654	199,408,227	36,009,820	-	-	-	-	(9,396,072)	238,260,629
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	16,660,476	210,893,110	28,383,826	-	-	-	-	(9,396,072)	246,541,340
CHANGES IN TOTAL NET ASSETS	10,543,382	13,044,050	(7,143,844)	-	-	1,747,769	116,092	(4,266,825)	14,040,624
Net assets/members' equity - Beginning of Year	50,299,629	290,491,852	43,801,342	-	-	9,396,072	-	(9,396,072)	384,592,823
NET ASSETS/MEMBER EQUITY - END OF YEAR	\$ 60,843,011	\$ 303,535,902	\$ 36,657,498	\$ -	\$ -	\$ 11,143,841	\$ 116,092	\$ (13,662,897)	\$ 398,633,447

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Hudson Highlands Fjord Trail, Inc.	Parker Fallkill, LLC	Fallkill Brookside, LLC	Northside Junction, LLC	Consolidating Eliminations	Consolidated 2023 Total
WITHOUT DONOR RESTRICTIONS								
OPERATING REVENUES, GAINS AND SUPPORT:								
Contributions, net of costs of direct benefits to donors	\$ 7,015,450	\$ 1,911,873	\$ 7,630	\$ -	\$ -	\$ -	\$ (3,074,300)	\$ 5,860,653
In-kind services	-	303,415	-	-	-	-	-	303,415
Government grants	143,750	329,749	-	-	-	-	-	473,499
Endowment allocations used to meet spending policy	1,268,000	9,280,000	-	-	-	-	-	10,548,000
Investment activity other than endowment earnings	76,731	639,325	1,149,572	-	-	-	-	1,865,628
Other revenues	153,835	13,188	14,868	-	-	-	-	181,891
Gain on sale of land areas	-	26,388	-	-	-	-	-	26,388
Special events, net of direct expenses	539,829	-	-	-	-	-	-	539,829
Net assets released from restrictions	2,615,000	95,000	8,990,180	-	-	-	-	11,700,180
Total Operating Revenues, Gains and Support	11,812,595	12,598,938	10,162,250	-	-	-	(3,074,300)	31,499,483
OPERATING EXPENSES:								
Program services:	8,865,680	7,899,318	8,252,267	-	-	-	(2,912,192)	22,105,073
Management and general	1,390,516	206,820	422,360	-	-	-	(151,267)	1,868,429
Fundraising	1,343,935	67,841	62,007	-	-	-	(10,841)	1,462,942
Total Operating Expenses	11,600,131	8,173,979	8,736,634	-	-	-	(3,074,300)	25,436,444
NET OPERATING ACTIVITY	212,464	4,424,959	1,425,616	-	-	-	-	6,063,039
NON-OPERATING ACTIVITIES:								
Bequests and additions to Board designated funds	2,750,000	-	-	-	-	-	-	2,750,000
Transfers to/from board designated endowment	6,400,000	(6,400,000)	-	-	-	-	-	-
Donor funds reallocated to with donor restriction	-	(6,580,806)	-	-	-	-	-	(6,580,806)
Non-operating transfer to donor restricted net assets	-	(45,875)	-	-	-	-	-	(45,875)
Investment activity	2,447,971	108,631	341,376	-	-	-	-	2,897,978
Endowment allocations used to meet spending policy	(1,009,000)	(49,000)	-	-	-	-	-	(1,058,000)
NET NON-OPERATING ACTIVITY	10,588,971	(12,967,050)	341,376	-	-	-	-	(2,036,703)
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	10,801,435	(8,542,091)	1,766,992	-	-	-	-	4,026,336
Net assets without donor restrictions - Beginning of Year	27,259,540	99,625,716	6,024,530	-	-	12,396,072	(12,396,072)	132,909,786
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	38,060,975	91,083,625	7,791,522	-	-	12,396,072	(12,396,072)	136,936,122
MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES								
Members' capital contributions	-	-	-	-	-	(3,000,000)	3,000,000	-
TOTAL MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES	-	-	-	-	-	(3,000,000)	3,000,000	-
WITH DONOR RESTRICTIONS								
OPERATING REVENUES, GAINS AND SUPPORT:								
Contributions, net of costs of direct benefits to donors	4,638,430	8,443,313	-	-	-	-	-	13,081,743
Net assets released from restrictions	(2,615,000)	(95,000)	(8,990,180)	-	-	-	-	(11,700,180)
	2,023,430	8,348,313	(8,990,180)	-	-	-	-	1,381,563
NON-OPERATING ACTIVITIES:								
Donor funds reallocated to with donor restriction	-	6,580,806	-	-	-	-	-	6,580,806
Special endowment appropriation	-	(2,482,000)	-	-	-	-	-	(2,482,000)
Non-operating transfer to donor restricted net assets	-	2,527,875	-	-	-	-	-	2,527,875
Investment activity	565,495	20,912,477	-	-	-	-	-	21,477,972
Endowment allocations used to meet spending policy	(259,000)	(9,231,000)	-	-	-	-	-	(9,490,000)
NET NON-OPERATING ACTIVITY	306,495	18,308,158	-	-	-	-	-	18,614,653
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	2,329,925	26,656,471	(8,990,180)	-	-	-	-	19,996,216
Net assets with donor restrictions - Beginning of Year	9,908,729	172,751,756	45,000,000	-	-	-	-	227,660,485
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	12,238,654	199,408,227	36,009,820	-	-	-	-	247,656,701
CHANGES IN TOTAL NET ASSETS	13,131,360	18,114,380	(7,223,188)	-	-	(3,000,000)	3,000,000	24,022,552
Net assets/members' equity - Beginning of Year	37,168,269	272,377,472	51,024,530	-	-	12,396,072	(12,396,072)	360,570,271
NET ASSETS/MEMBER EQUITY - END OF YEAR	\$ 50,299,629	\$ 290,491,852	\$ 43,801,342	\$ -	\$ -	\$ 9,396,072	\$ (9,396,072)	\$ 384,592,823

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(SCENIC HUDSON, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	For the Year Ended June 30, 2024				For the Year Ended June 30, 2023			
	Program Services	Management and General	Fundraising	Total 2024	Program Services	Management and General	Fundraising	Total 2023
Salaries	\$ 5,070,923	\$ 1,028,673	\$ 905,172	\$ 7,004,768	\$ 5,003,546	\$ 882,982	\$ 821,352	\$ 6,707,880
Payroll taxes and employee benefits	1,323,153	280,402	241,813	1,845,368	1,282,977	250,239	261,832	1,795,048
Total salaries and related costs	6,394,076	1,309,075	1,146,985	8,850,136	6,286,523	1,133,221	1,083,184	8,502,928
Occupancy	258,938	34,986	45,235	339,159	271,022	22,737	40,495	334,254
Consultants and experts	899,002	15,111	713	914,826	997,823	6,929	16,315	1,021,067
Legal and audit	36,046	43,279	-	79,325	45,646	21,849	-	67,495
Employee travel and training	142,729	26,004	9,303	178,036	103,938	34,529	10,814	149,281
Office - general	243,137	31,845	76,114	351,096	283,968	46,237	73,421	403,626
Program and public outreach costs	597,765	73,190	167,410	838,365	876,760	59,724	119,706	1,056,190
Depreciation and amortization	1,832	13,458	-	15,290	-	15,290	-	15,290
Bad debt expense	-	-	-	-	-	50,000	-	50,000
TOTAL	\$ 8,573,525	\$ 1,546,948	\$ 1,445,760	\$ 11,566,233	\$ 8,865,680	\$ 1,390,516	\$ 1,343,935	\$ 11,600,131

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(THE SCENIC HUDSON LAND TRUST, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	For the Year Ended June 30, 2024				For the Year Ended June 30, 2023			
	Program Services	Management and General	Fundraising	Total 2024	Program Services	Management and General	Fundraising	Total 2023
Conservation easements and monitoring costs	\$ 1,903,546	\$ -	\$ -	\$ 1,903,546	\$ 833,244	\$ -	\$ -	\$ 833,244
Land project expenses	5,259,361	-	-	5,259,361	3,043,829	-	-	3,043,829
Program and business management services	3,026,938	114,129	67,914	3,208,981	2,957,015	147,320	67,841	3,172,176
Grants and contributions	4,000	-	-	4,000	472,940	-	-	472,940
Property taxes	146,399	-	-	146,399	194,134	-	-	194,134
Insurance	240,332	-	-	240,332	232,494	-	-	232,494
Legal and audit fees	30,026	65,281	-	95,307	28,914	59,500	-	88,414
Interest	138,113	-	-	138,113	91,505	-	-	91,505
Depreciation and amortization	51,375	-	-	51,375	45,243	-	-	45,243
Bad debt expense	-	38,782	-	38,782	-	-	-	-
TOTAL	\$ 10,800,090	\$ 218,192	\$ 67,914	\$ 11,086,196	\$ 7,899,318	\$ 206,820	\$ 67,841	\$ 8,173,979

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(HUDSON HIGHLANDS FJORD TRAIL, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	For the Year Ended June 30, 2024				For the Year Ended June 30, 2023			
	Program Services	Management and General	Fundraising	Total 2024	Program Services	Management and General	Fundraising	Total 2023
Salaries	\$ 480,051	\$ 327,529	\$ 55,181	\$ 862,761	\$ 318,415	\$ 275,623	\$ 40,790	\$ 634,828
Payroll taxes and employee benefits	109,299	70,404	11,858	191,561	64,331	50,833	8,479	123,643
Total salaries and related costs	589,350	397,933	67,039	1,054,322	382,746	326,456	49,269	758,471
Consultants and experts	595,561	-	-	595,561	364,392	-	-	364,392
Legal and audit fees	10,737	11,004	-	21,741	274,310	13,500	-	287,810
Program and public outreach costs	150,055	-	3,768	153,823	165,975	-	12,738	178,713
Occupancy and insurance	44,357	-	-	44,357	23,379	-	-	23,379
Employee travel and training	6,430	5,214	-	11,644	6,239	413	-	6,652
Office expenses	-	112,283	-	112,283	-	81,991	-	81,991
Land project expenses	7,111,142	-	-	7,111,142	7,015,450	-	-	7,015,450
Property taxes	28,308	-	-	28,308	14,657	-	-	14,657
Conservation easements and monitoring costs	-	-	-	-	5,119	-	-	5,119
Depreciation and amortization	7,638	-	-	7,638	-	-	-	-
TOTAL	\$ 8,543,578	\$ 526,434	\$ 70,807	\$ 9,140,819	\$ 8,252,267	\$ 422,360	\$ 62,007	\$ 8,736,634

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
SCHEDULES OF LAND AREAS AND CONSERVATION EASEMENTS
AS OF JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Scenic Hudson, Inc.:		
Hyde Park - Morgan Estate	\$ 920,000	\$ 920,000
Scenic Hudson Land Trust, Inc.:		
Esopus Meadows Point, River Road	1,010,803	1,010,803
Esopus, River Road, Waskew/EMEC	267,274	267,274
Four Mile Point Road, Cocksackie (Four Mile Point)	217,955	217,955
Ramshorn Marsh, Catskill - Blenner	237,484	237,484
Ramshorn Marsh, Catskill - Vincent	402,002	402,002
Black Creek - Route 9W, Esopus	2,840,009	2,840,009
Esopus, River Road	714,583	714,583
Poet's Walk/Astor Cove I/Mandara	1,726,922	1,726,922
Esopus Meadows Point, Mazza	164,320	164,320
Shaupeneak Ridge, Esopus	989,779	989,779
Ramshorn Marsh, Catskill - Iten	167,468	167,468
Beacon Terminal, Madam Brett	320,886	320,886
Foundry Cove (Marin), Cold Spring	523,062	523,062
Foundry Cove (Spevak), Cold Spring	1,924,329	1,924,329
Beacon Waterfront - Garrett Storm	881,296	881,296
Beacon Waterfront - Kellam	781,805	781,805
King James Weyant, Ft Montgomery	272,040	272,040
Shaupeneak Ridge, Additions	91,303	91,303
Wappingers Greenway	229,920	229,920
Fishkill Base of Mt. Beacon	443,510	443,510
Beacon Waterfront - Cohen	1,608,552	1,608,552
Stockport - Saurusaits	75,172	75,172
Snake Hill - New Windsor	1,092,921	1,092,921
Binnen Kill - Chi	413,472	413,472
Beacon - University Settlement Camp	36,001	36,001
Hyde Park - Clear View Acres (Dominican Camp)	1,269,218	1,269,218
Hyde Park - Golden	410,825	410,825
Black Creek - Gordon	1,108,701	1,108,701
Foundry Cove (Kemble), Cold Spring	188,372	188,372
Illinois Mountain	1,355,217	1,355,217
Esopus Meadows Point, Patchoros	513,447	513,447
FDR Viewshed - WA Lloyd	2,117,223	2,117,223
Black Creek - Mahairas	141,977	141,977
FDR Viewshed - Murilo	964,368	964,368
Shaupeneak Ridge - Laties	714,137	714,137
Black Creek - Matera	393,401	393,401
Franny Reese State Park - Djirdjirian	88,363	88,363
Shaupeneak Ridge, Venditti	26,598	26,598
South Bay - Dansky	578,185	578,185
Oiana View Shed - ALDD Co. Inc.	929,190	929,190
Esopus, River Road - Esopus Lakes (Silver Realty)	3,569,367	3,569,367
Shaupeneak Ridge, Rosen Frog Hollow Farm	513,473	513,473
South Bay - 4269 Route 9	226,168	226,168
Hohenstein/Bronck Island	420,072	420,072
Esopus Meadows - DeCicco	44,865	44,865
Esopus Meadows - Gordon	1,220,433	1,220,433
Shaupeneak Ridge, Arnika	1,028,735	1,028,735
NBR Enterprises LLC	388,860	388,860
Lower Esopus River Watch	64,428	64,428
Esopus River Road - Esopus Lakes (Barner)	508,201	508,201
Esopus River Road - Bohan	14,521	14,521
Shaupeneak Ridge - Tax Parcel	37,526	37,526
Waste Management	801,727	801,727
Christian Brothers - Esopus	46,408	46,408
Paparelli	63,149	63,149
Olson Property	69,743	69,743
Popo/Rothlein	4,293,404	4,293,404
Shanok Property	150,488	150,488
Dominican Sisters - Falling Waters	2,581,387	2,581,387
Illinois Mountain - Alsdorf	59,105	59,105
Orsi-Dickerson	10,599	10,599
Lambert	640,187	640,187
Wally Property	418,603	418,603
Muise Property	13,956	13,956
Kalin Property	1,243,197	1,243,197
Catskill Creek LLC	562,071	562,071
Ayers	112,346	112,346
Lake Valhalla	-	-
Gordon LLC	484,197	484,197
Stockport Flats/Krizar	943,000	943,000
Firmbach	110,899	110,899
Heritage Acres	4,101,084	4,101,084
Kincart	268,085	268,085
Rivit Creek	315,828	315,828
Longhitano	1,047,408	1,047,408
Aloe	1,636,034	1,636,034
AT&T	77,588	77,588
Furnari	344,342	344,342
Divney	982,575	982,575
DBTL Realty Corp	842,971	842,971
Hickman	74,112	74,112
Lucas Property	124,688	124,688
Nicolato Property	428,511	-
Higgs Property	540,030	-
Plotkin	5,021,684	5,021,684
	<u>64,678,145</u>	<u>63,709,604</u>
Hudson Highlands Fjord Trail, Inc.:		
Dutchess Manor	3,044,962	3,044,962
14 Coris Lane	420,606	420,606
8 Hartsook (Matthews)	1,435,106	1,435,106
	<u>4,900,674</u>	<u>4,900,674</u>
Land areas and conservation easements, at cost	<u>\$ 70,498,819</u>	<u>\$ 68,530,278</u>

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
SOURCES AND USES OF FUNDS AND OTHER KEY FINANCIAL INFORMATION
AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
SOURCES OF FUNDS:		
Contributions without donor restrictions	\$ 4,115,450	\$ 6,334,152
Releases of contributions with donor restrictions	12,891,437	11,700,180
Endowment earnings used to meet spending policy	10,484,000	10,548,000
Proceeds from sales of natural land areas and improvements	-	796,805
Other revenues	<u>3,107,196</u>	<u>2,047,519</u>
Total Sources of Funds	<u>30,598,083</u>	<u>31,426,656</u>
USES OF FUNDS:		
Purchases of natural land areas and improvements (in fee)	968,541	6,581,478
Program services expenses:		
Purchases of conservation easements and easement monitoring costs	1,903,546	838,363
Park construction and management	12,370,503	10,059,279
Salaries and related benefits	6,983,426	6,669,269
Other	3,725,924	4,538,162
Supporting services expenses	<u>3,747,709</u>	<u>3,331,371</u>
Total Uses of Funds	<u>29,699,649</u>	<u>32,017,922</u>
NET SOURCES AND USES OF FUNDS	<u>\$ 898,434</u>	<u>\$ (591,266)</u>
OTHER KEY FINANCIAL INFORMATION:		
Land areas and conservation easements, at cost - beginning of year	\$ 69,530,278	\$ 63,719,217
Purchases of natural land areas and improvements (in fee)	968,541	6,581,478
Sales/donations of property interests to state and local governmental agencies and unaffiliated nonprofit entities at cost	<u>-</u>	<u>(770,417)</u>
Land areas and conservation easements, at cost - end of year	<u>\$ 70,498,819</u>	<u>\$ 69,530,278</u>