



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

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

June 30, 2023 and 2022

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES

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

JUNE 30, 2023 AND 2022

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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, 2023 and 2022, 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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *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 28 through 35 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.

Mayer Hoffman McCann CPAs

New York, NY
March 22, 2024

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents (Notes 2C and 14)	\$ 73,268,901	\$ 69,454,674
Promises to give and grants receivable, net (Notes 2D, 2E and 4)	8,825,031	5,694,457
Investments, at fair value (Notes 2F, 7, 8 and 12B)	225,965,488	211,957,531
Prepaid expenses and other assets	5,160,614	5,404,482
Land, property and equipment, net (Notes 2G and 5)	9,180,886	7,610,109
Land areas and conservation easements, at cost (Notes 2J and 6)	69,530,278	63,719,217
Right-of-use assets - operating leases (Notes 2L, 2M and 11)	621,176	-
TOTAL ASSETS	\$ 392,552,374	\$ 363,840,470
LIABILITIES		
Accounts payable and accrued expenses (Note 10)	\$ 4,655,136	\$ 1,904,056
Notes payable, net (Notes 2D, 8 and 12B)	2,654,233	1,366,143
Operating lease liabilities (Notes 2L, 2M and 11)	650,182	-
TOTAL LIABILITIES	7,959,551	3,270,199
COMMITMENTS AND CONTINGENCIES (Note 12)		
NET ASSETS (Note 13B)		
Without donor restrictions:		
Operating net assets	35,578,010	47,885,303
Board designated - other endowment (Notes 13A and 13C)	31,626,625	20,171,099
Board designated - easement enforcement fund (Notes 13A and 13C)	884,594	870,838
Board designated - HHFT (Notes 13A and 13C)	2,890,848	2,549,472
Land areas and conservation easements, at cost	65,956,045	61,433,074
Total net assets without donor restrictions	136,936,122	132,909,786
With donor restrictions (Note 13B):		
Endowment (Note 13C)	185,118,500	175,612,527
Easement enforcement	45,875	-
Other net assets with donor restrictions	62,492,326	52,047,958
Total net assets with donor restrictions	247,656,701	227,660,485
TOTAL NET ASSETS	384,592,823	360,570,271
TOTAL LIABILITIES AND NET ASSETS	\$ 392,552,374	\$ 363,840,470

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	For the Year Ended June 30, 2023			For the Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total 2023	Without Donor Restrictions	With Donor Restrictions	Total 2022
OPERATING REVENUES, GAINS AND SUPPORT (Note 2H):						
Contributions (Notes 2D and 9)	\$ 5,860,653	\$ 13,081,743	\$ 18,942,396	\$ 4,457,000	\$ 49,630,048	\$ 54,087,048
In-kind contributions (Notes 2D, 8 and 15)	303,415	-	303,415	50,279	-	50,279
Government grants (Notes 2D and 12C)	473,499	-	473,499	35,154	-	35,154
Endowment allocations used to meet spending policy (Note 13)	10,548,000	-	10,548,000	9,794,000	-	9,794,000
Investment activity other than endowment earnings	1,865,628	-	1,865,628	45,260	-	45,260
Other revenues	181,891	-	181,891	3,000	-	3,000
Gain on sale of program-related investments in land areas (Note 6)	26,388	-	26,388	3,005,251	-	3,005,251
Special events, net of direct expenses of \$212,017 in 2023 (Note 9)	539,829	-	539,829	-	-	-
Net assets released from restrictions (Note 13)	11,700,180	(11,700,180)	-	10,620,307	(10,620,307)	-
Total Operating Revenues, Gains and Support	<u>31,499,483</u>	<u>1,381,563</u>	<u>32,881,046</u>	<u>28,010,251</u>	<u>39,009,741</u>	<u>67,019,992</u>
OPERATING EXPENSES (Note 2I):						
Program services:	22,105,073	-	22,105,073	15,779,216	-	15,779,216
Management and general	1,868,429	-	1,868,429	1,340,078	-	1,340,078
Fundraising	1,462,942	-	1,462,942	1,337,412	-	1,337,412
Total Operating Expenses	<u>25,436,444</u>	<u>-</u>	<u>25,436,444</u>	<u>18,456,706</u>	<u>-</u>	<u>18,456,706</u>
NET OPERATING ACTIVITY	<u>6,063,039</u>	<u>1,381,563</u>	<u>7,444,602</u>	<u>9,553,545</u>	<u>39,009,741</u>	<u>48,563,286</u>
NON-OPERATING ACTIVITIES (Note 2H):						
Bequests and additions to Board designated funds (Note 2H)	2,750,000	-	2,750,000	263,133	-	263,133
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)	2,897,978	21,477,972	24,375,950	(4,433,049)	(33,858,433)	(38,291,482)
Endowment allocations used to meet spending policy (Note 13)	(1,058,000)	(9,490,000)	(10,548,000)	(950,000)	(8,844,000)	(9,794,000)
NET NON-OPERATING ACTIVITY	<u>(2,036,703)</u>	<u>18,614,653</u>	<u>16,577,950</u>	<u>(5,119,916)</u>	<u>(42,702,433)</u>	<u>(47,822,349)</u>
CHANGES IN TOTAL NET ASSETS	<u>4,026,336</u>	<u>19,996,216</u>	<u>24,022,552</u>	<u>4,433,629</u>	<u>(3,692,692)</u>	<u>740,937</u>
Net Assets - Beginning of Year	<u>132,909,786</u>	<u>227,660,485</u>	<u>360,570,271</u>	<u>128,476,157</u>	<u>231,353,177</u>	<u>359,829,334</u>
NET ASSETS - END OF YEAR	<u>\$ 136,936,122</u>	<u>\$ 247,656,701</u>	<u>\$ 384,592,823</u>	<u>\$ 132,909,786</u>	<u>\$ 227,660,485</u>	<u>\$ 360,570,271</u>

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	For the Year Ended June 30, 2023			For the Year Ended June 30, 2022				
	Program Services	Management and General	Fundraising	Total 2023	Program Services	Management and General	Fundraising	Total 2022
Salaries	\$ 5,313,034	\$ 1,127,532	\$ 862,142	\$ 7,302,708	\$ 4,920,330	\$ 739,461	\$ 853,149	\$ 6,512,940
Payroll taxes and employee benefits (Note 10)	<u>1,347,308</u>	<u>301,072</u>	<u>270,311</u>	<u>1,918,691</u>	<u>1,361,090</u>	<u>199,627</u>	<u>254,070</u>	<u>1,814,787</u>
Total salaries and related costs	6,660,342	1,428,604	1,132,453	9,221,399	6,281,420	939,088	1,107,219	8,327,727
Conservation easements and monitoring costs (Note 6)	838,363	-	-	838,363	454,888	-	-	454,888
Land project expenses (Note 2J)	10,059,279	-	-	10,059,279	5,185,019	-	-	5,185,019
Grants and contributions	472,940	-	-	472,940	131,746	-	-	131,746
Property taxes	208,791	-	-	208,791	363,275	-	-	363,275
Occupancy and insurance (Notes 2L and 11)	526,895	22,737	40,495	590,127	496,302	50,571	50,571	597,444
Consultants and experts	1,362,215	6,929	16,315	1,385,459	708,203	104,120	-	812,323
Legal and audit	348,870	94,849	-	443,719	103,040	82,972	-	186,012
Employee travel and training	110,177	34,942	10,814	155,933	61,553	8,526	10,851	80,930
Office and other expenses	283,968	128,228	285,438	697,634	307,941	27,350	34,809	370,100
Program management and public outreach costs	1,096,485	86,850	189,444	1,372,779	1,517,778	91,036	133,962	1,742,776
Interest (Notes 2D and 8)	91,505	-	-	91,505	146,521	-	-	146,521
Depreciation and amortization (Note 5)	45,243	15,290	-	60,533	21,530	15,927	-	37,457
Bad debt expense	-	<u>50,000</u>	-	<u>50,000</u>	-	<u>20,488</u>	-	<u>20,488</u>
Subtotal	22,105,073	1,868,429	1,674,959	25,648,461	15,779,216	1,340,078	1,337,412	18,456,706
Less: expenses deducted directly from revenues on the consolidated statements of activities	<u>-</u>	<u>-</u>	<u>(212,017)</u>	<u>(212,017)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 22,105,073</u>	<u>\$ 1,868,429</u>	<u>\$ 1,462,942</u>	<u>\$ 25,436,444</u>	<u>\$ 15,779,216</u>	<u>\$ 1,340,078</u>	<u>\$ 1,337,412</u>	<u>\$ 18,456,706</u>

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 24,022,552	\$ 740,937
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	60,533	37,457
Change in discount on promises to give and grants receivable	378,703	(30,788)
Realized gain on sales of investments	(4,863,237)	(5,133,085)
Unrealized (gain) loss on investments	(18,132,471)	44,918,084
Gain on sale of land areas and conservation easements	(26,388)	(3,005,251)
In-kind contribution for imputed interest on notes payable	(303,415)	(50,279)
Amortization of imputed interest on notes payable	91,505	144,125
Amortization expense/non-cash lease expense	183,529	-
Bad debt expense	50,000	20,488
	1,461,311	37,641,688
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Promises to give and grants receivable	(3,559,277)	142,640
Prepaid expenses and other assets	243,868	(5,044,076)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	2,751,080	118,090
Principal paid/change in operating liabilities	(154,523)	-
Net Cash Provided by Operating Activities	742,459	32,858,342
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	39,728,867	24,624,499
Purchases of investments	(30,741,116)	(22,142,218)
Acquisitions of property and equipment	(1,631,310)	(2,129,411)
Acquisitions of land areas	(6,581,478)	(2,323,352)
Proceeds from sales of land areas	796,805	28,689,476
Net Cash Provided by Investing Activities	1,571,768	26,718,994
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	1,500,000	750,000
Repayment of notes payable	-	(5,500,000)
Net Cash Provided by (Used in) Financing Activities	1,500,000	(4,750,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,814,227	54,827,336
Cash and Cash Equivalents - Beginning of Year	69,454,674	14,627,338
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 73,268,901	\$ 69,454,674

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, 2023 AND 2022

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. and Northside Junction, 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, 2023 AND 2022

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 140 family farms and protected more than 50,000 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.

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.

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

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. Northside Junction has elected to be taxed as a partnership for Federal and State taxes.

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.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

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. Parker has elected to be taxed as a corporation for Federal and State taxes.

The activities of Fall Kill and Parker are included in the Northside Junction, LLC column of the accompanying supplementary consolidating information.

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:
 - 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.
- 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, 2023 and 2022, 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.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 in-kind contributions related to interest expense savings at approximately \$303,000 and \$50,000 for the years ended June 30, 2023 and 2022, respectively. Such amounts are reflected as contributions and netted against loans payable in the accompanying consolidated statements of activities. 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, 2023 and 2022, 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.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2023 and 2022, the appropriation amounted to 5% of the average asset fair value for the rolling twelve fiscal quarter periods ended December 31, 2021 and 2020, 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.

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.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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) 2016-02, *Leases* (Topic 842) was adopted by the Organization for the year ended June 30, 2023. This ASU requires organizations that lease assets recognize the present value of the assets and liabilities for the rights and obligations created by those leases. The Organization adopted this ASU as of July 1, 2022, which required the recognition of operating ROU assets and lease liabilities as of that date. The ROU assets and liabilities on July 1, 2022 each totaled \$249,202. The adoption of Topic 842 was done using a modified retrospective approach that does not require restating the prior period. The adoption of Topic 842 had no effect on the change in net assets as previously reported.

N. Reclassification

Certain items including reclass in fair value hierarchy classification and certain line items on the June 30, 2022 consolidated statements of financial position and functional expenses have been reclassified to conform to the June 30, 2023 presentation. These changes had no impact on the change in net assets for the year ended June 30, 2022.

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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 73,268,901	\$ 69,454,674
Less: cash and cash equivalents with donor restrictions not available for general expenditure	(36,359,704)	(43,148,586)
Less: cash internally restricted for specific programs	(5,882,005)	(11,124,341)
Available portion of payout on donor-restricted endowments for use over the next fiscal year	3,275,140	3,028,300
Payout on Board designated endowments over the next fiscal year	1,073,000	1,058,000
Promises to give for general expenditure due in less than one year	<u>3,836,600</u>	<u>1,362,101</u>
	<u>\$ 39,211,932</u>	<u>\$ 20,630,148</u>

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES (Continued)

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.

NOTE 4 – PROMISES TO GIVE AND GRANTS RECEIVABLE

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

	<u>2023</u>	<u>2022</u>
Without donor restrictions	\$ 3,845,131	\$ 1,395,633
Restricted to future programs and periods	<u>4,979,900</u>	<u>4,298,824</u>
Total	<u>\$ 8,825,031</u>	<u>\$ 5,694,457</u>

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

	<u>2023</u>	<u>2022</u>
Less than one year	\$ 3,836,600	\$ 1,362,101
One to five years	<u>5,462,412</u>	<u>4,427,634</u>
	9,299,012	5,789,735
Less: Reserve for uncollectible receivables	(50,000)	(50,000)
Less: Discount to net present value	<u>(423,981)</u>	<u>(45,278)</u>
Total	<u>\$ 8,825,031</u>	<u>\$ 5,694,457</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 \$423,981 and \$45,278 was applied to unconditional promises to give as of June 30, 2023 and 2022, respectively, based on risk-adjusted discount rates between 0.13% and 4.72%, and 0.09% and 2.98%, respectively.

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

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

	<u>2023</u>	<u>2022</u>	<u>Estimated Useful Lives</u>
Land	\$ 3,836,806	\$ 3,836,806	
Furniture and equipment	69,899	69,897	3-7 Years
Transportation equipment	474,629	281,407	4-5 Years
Leasehold improvements	<u>23,910</u>	<u>23,910</u>	5 Years
Total cost	568,438	375,214	
Less: accumulated depreciation and amortization	<u>(346,250)</u>	<u>(285,717)</u>	
Net book value of property and equipment	222,188	89,497	
Construction in progress	<u>5,121,892</u>	<u>3,683,806</u>	
Total	<u>\$ 9,180,886</u>	<u>\$ 7,610,109</u>	

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 5 – LAND, PROPERTY AND EQUIPMENT AND CONSTRUCTION IN PROGRESS (Continued)

Depreciation and amortization amounted to \$60,533 and \$37,457 for the years ended June 30, 2023 and 2022, respectively.

Construction in progress is for pre-development project costs. Total project costs are estimated to be approximately \$30,000,000 with a target completion during calendar year 2025.

NOTE 6 – LAND AREAS AND CONSERVATION EASEMENTS

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

	2023	2022
Land areas, at cost	\$ 69,530,278	\$ 63,719,217
Less: reserve for impairment	-	-
Net book value	\$ 69,530,278	\$ 63,719,217

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

During the years ended June 30, 2023 and 2022, the Organization acquired land areas for a total of \$6,581,478 and \$2,323,352, 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. During the year ended June 30, 2022, the Organization sold 3 properties with a carrying value of \$25,684,225 to private and governmental third parties for fair market value, resulting in a net gain of \$3,005,251. These gains are included in the accompanying consolidated statement of activities as gain on sale of program-related investments in land areas.

As of June 30, 2022, the Organization maintained ownership of a portion of one of the aforementioned properties, on which it sold a conservation easement during the year ended June 30, 2022. Through the sale of the conservation easement to a governmental third party, the Organization wrote down the carrying value of the property to restricted fair value. The property was sold during the year ended June 30, 2023.

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.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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.

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.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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, 2022:

Description	2022 Fair Value Measurements Using	
	Quoted Prices in Active Markets for Identical Assets Level 1	Total
Money Market Funds	\$ 9,268,105	\$ 9,268,105
Total Money Market Funds	9,268,105	9,268,105
Equity Securities		
U.S. Mutual Funds	618,782	618,782
U.S. Regulated Equity Securities	73,548,083	73,548,083
Total Equity Securities	74,166,865	74,166,865
Fixed Income		
Corporate Debt and Treasuries	28,254,442	28,254,442
Total Fixed Income	28,254,442	28,254,442
Total Investments at Fair Value	\$ 111,689,412	111,689,412
Investments Measured at Net Asset Value (a):		
Ex-U.S. Commingled Funds		53,968,636
Global Commingled Funds		31,846,659
Alternative Investment Funds		14,452,824
Total investments measured at Net Asset Value		100,268,119
Total Investments		\$ 211,957,531

(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, 2023 AND 2022

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes the Organization’s investments valued at NAV at June 30, 2023:

<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	\$ 11,511,816	\$ -	Monthly	10 business days
Long-only securities	64,994,916	-	Quarterly	30 days notice
Multi-strategy	4,350,674	-	Monthly	60 days notice
Multi-strategy	6,782,914	-	Quarterly	
Multi-strategy	15,639,030	-	Semi-Annual	
Blockchain fund of funds	2,499,859	617,932	Not Permitted	
Private Equity	18,409,191	23,342,519	Not Permitted	
Total	<u>\$ 124,188,400</u>	<u>\$ 23,960,451</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 \$32,139,736 with unfunded commitments of \$18,235,451 as of June 30, 2023.

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>2023</u>	<u>2022</u>
Interest and dividends	\$ 2,308,168	\$ 2,618,329
Realized gains	5,120,925	5,133,085
Unrealized gains (losses)	17,874,790	(44,918,084)
Investment fees	(926,789)	(1,123,811)
Foreign tax	(1,144)	(1,001)
Total investment activity, net	<u>\$ 24,375,950</u>	<u>\$ (38,291,482)</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 2015, the Organization secured a loan from a foundation in the amount of \$500,000 to purchase land and build parks for public use, that would have been due during fiscal year 2025, ten years from the date of the loan. The loan was interest-free for the first five years and then bore interest at 0.25% per annum on the unpaid principal balance beginning with the sixth year of the loans. The interest was scheduled to be accrued through maturity. The loan was repaid during fiscal year 2022.

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 2019, the Organization secured a loan from the same foundation in the amount of \$5,000,000 to purchase land which was interest free but required an annual principal repayment of \$1,000,000 starting in fiscal year 2020. The loan was repaid during fiscal year 2022.

In fiscal year 2020, the Organization secured a loan from the same foundation in the amount of \$2,000,000 to purchase land that would have been due during fiscal year 2030, ten years from the date of the loan. The loan was issued as an interest-free loan for the first five years that would then bear interest at 3% below prime per annum on the unpaid principal balance beginning with the sixth year of the loan until its maturity date. The loan was repaid during fiscal year 2022.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8 – NOTES PAYABLE (Continued)

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.

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 \$303,415 and \$50,279 was recognized for the interest free loan secured during the years ended June 30, 2023 and 2022, 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 \$91,505 and \$202,295, respectively, for the years ended June 30, 2023 and 2022.

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

	<u>2023</u>	<u>2022</u>
Principal balance	\$ 3,068,436	\$ 1,568,438
Less: imputed interest	<u>(414,203)</u>	<u>(202,295)</u>
	<u>\$ 2,654,233</u>	<u>\$ 1,366,143</u>

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

2024	\$ -
2025	-
2026	-
2027	798,766
2028	<u>2,269,670</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 \$3,452,000 and \$1,226,000 as of June 30, 2023 and 2022, respectively.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 9 – SPECIAL EVENTS INCOME

A gala event was held by the Organization during the year ended June 30, 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 year ended June 30, 2023:

Proceeds from special events	\$ 751,846
Less: cost of direct benefits to donors	<u>(212,017)</u>
Special events income, net	<u>\$ 539,829</u>

During the year ended June 30, 2022, the Organization did not host an in-person gala as a result of the coronavirus pandemic; however, \$268,896 of gala support revenue is included in contributions in the accompanying consolidated statements of activities, which was fundraised from solicitations made to the Organization's gala donor-base during the year ended June 30, 2022.

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, 2023 and 2022 amounted to \$435,664 and \$435,356, 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 \$135,000 to the 457(f) plan for each of the years ended June 30, 2023 and 2022. As of June 30, 2023 and 2022, the Organization's liability related to the 457(f) plan amounted to \$383,333 and \$248,333, 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, 2023 AND 2022

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 explained in Note 2M, the Organization adopted FASB ASU 2016-02, *Leases* (Topic 842) for the year ended June 30, 2023. As of June 30, 2023, in accordance with 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. The weighted average of the remaining leases are 27.7 months, and the weighted average interest rate of the remaining leases is 4.02%. Cash paid for amounts included in the measure of lease liabilities, operating cash flows from operating leases is \$28,999. Right-of-use assets obtained in exchange for new operating lease liabilities is \$798,740.

Future minimum payments for non-cancelable operating leases for the next three years ending after June 30, 2023 are as follows:

2024	\$	276,327
2025		273,992
2026		<u>126,989</u>
Total lease payments		677,308
Less: Present value discount		<u>(27,126)</u>
Present value of lease liabilities	\$	<u>650,182</u>

During the years ended June 30, 2023 and 2022, operating lease expense (included in occupancy and insurance) amounted to \$231,532 and \$357,685, respectively.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

- A. 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. The Organization has a line of credit with a bank with a maximum borrowing amount of \$5,000,000 maturing May 2024. 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, 2023 and 2022, there were no borrowings outstanding. There were no borrowings from the line as of March 22, 2024.
- C. 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. The Organization believes it had no uncertain income tax positions as of June 30, 2023 and 2022 in accordance with FASB ASC Topic 740 “Income Taxes”, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 \$1,009,000 and \$903,000, 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, 2023 and 2022, 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 \$49,000 and \$47,000, 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, 2023 and 2022, respectively. The easement enforcement fund net asset balance amounted to \$884,594 and \$870,838 for the years ended June 30, 2023 and 2022, respectively.

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, 2023 and 2022.

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 \$2,890,848 as of June 30, 2023. 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.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 13 – RESTRICTIONS ON NET ASSETS (Continued)

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, 2023 and 2022, 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, 2021 and 2020, and that management may withdraw these amounts at their discretion to meet program needs. Accordingly, endowment allocations of \$9,231,000 and \$8,600,000, 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, 2023 and 2022, 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 \$259,000 and \$244,000, 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, 2023 and 2022, respectively.

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

	2023	2022
Scenic Hudson, Inc.:		
Restricted to future programs and periods	\$ 7,375,966	\$ 5,352,536
Kathryn W. Davis Fund for Park Planning and Community Land Use Endowment	4,862,688	4,556,193
	12,238,654	9,908,729
The Scenic Hudson Land Trust, Inc.:		
Lila Acheson and DeWitt Wallace Hudson Valley Land Preservation Endowment	180,255,812	171,056,334
Easement enforcement Fund	45,875	-
Land acquisitions and other land preservation and conservation expenses	19,106,540	1,695,422
	199,408,227	172,751,756
Hudson Highlands Fjord Trail, Inc.:		
Phase 1 Construction	36,009,820	45,000,000
Total net assets with donor restrictions	\$ 247,656,701	\$ 227,660,485

During the years ended June 30, 2023 and 2022, the Organization released net assets with donor restrictions by satisfying donor-imposed restrictions either by incurring expenses or due to the passage of time.

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 fiscal year ended June 30, 2023, the donor authorized the Organization to release a portion of the restricted donated revenue in the amount of \$8,990,180 for pre-construction and operating costs.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 13 – RESTRICTIONS ON NET ASSETS (Continued)

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.

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, 2023 and 2022.

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.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 13A)	(1,058,000)	(259,000)	(1,317,000)
Endowment earnings used to meet spending 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>

Changes in endowment net assets for the year ended June 30, 2022 were as follows:

	Board Designated - Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 28,517,081	\$ 218,314,959	\$ 246,832,040
Investment activity:			
Interest and dividends	351,784	2,265,543	2,617,327
Realized gains	676,453	4,456,635	5,133,088
Unrealized gains	(5,976,552)	(38,841,643)	(44,818,195)
Investment fees	(151,006)	(972,806)	(1,123,812)
Total return on investments	(5,099,321)	(33,092,271)	(38,191,592)
Bequests and additions to Board designated fund and net assets with donor restrictions	440,308	-	440,308
Endowment earnings (loss) allocated to other endowment funds	674,716	(766,161)	(91,445)
Transfer to Easement Enforcement Fund	8,625	-	8,625
Endowment earnings used to meet spending policy for Board designated funds (Note 13A)	(950,000)	(244,000)	(1,194,000)
Endowment earnings used to meet spending policy for Wallace Endowment (Note 13B)	-	(8,600,000)	(8,600,000)
	<u>(4,925,672)</u>	<u>(42,702,432)</u>	<u>(47,628,104)</u>
Endowment net assets, end of year	<u>\$ 23,591,409</u>	<u>\$ 175,612,527</u>	<u>\$ 199,203,936</u>

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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, 2023 and 2022, there was approximately \$3,880,000 and \$23,302,000, 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 \$20,263,000 and \$6,275,000 as of June 30, 2023 and 2022, respectively.

NOTE 15 – IN-KIND CONTRIBUTIONS

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

In-kind contributions for the year ended June 30, 2022 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>50,279</u>	Loan to purchase land areas	No associated donor restriction	Current interest rate

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through March 22, 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, 2023 AND 2022

	As of June 30, 2023						As of June 30, 2022					
	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Hudson Highlands Fjord Trail, Inc.	Northside Junction, LLC	Consolidating Eliminations	Consolidated Total 2023	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Hudson Highlands Fjord Trail, Inc.	Northside Junction, LLC	Consolidating Eliminations	Consolidated Total 2022
ASSETS												
Cash and cash equivalents	\$ 11,651,279	\$ 27,523,904	\$ 33,417,014	\$ 676,704	\$ -	\$ 73,268,901	\$ 6,183,009	\$ 17,247,984	\$ 40,875,095	\$ 5,148,586	\$ -	\$ 69,454,674
Promises to give and grants receivable, net	5,616,720	3,185,753	-	22,558	-	8,825,031	3,530,404	2,164,053	-	-	-	5,694,457
Investments, at fair value	28,851,028	194,373,612	2,740,848	-	-	225,965,488	26,205,560	183,352,498	2,399,473	-	-	211,957,531
Due from related party	4,104,360	46,206	-	-	(4,150,566)	-	1,097,466	3,088	-	(1,100,554)	-	-
Prepaid expenses and other assets	128,891	235,756	4,795,967	-	-	5,160,614	135,670	256,318	5,012,494	-	-	5,404,482
Program-related loan receivable from for-profit subsidiary	384	9,714,565	-	-	(9,714,949)	-	384	12,585,165	-	(12,585,549)	-	-
Land, property and equipment, net	48,490	135,507	38,191	8,958,698	-	9,180,886	63,780	25,717	7,520,612	-	-	7,610,109
Land areas and conservation easements, at cost	920,000	63,709,604	4,900,674	-	-	69,530,278	920,000	59,333,649	3,465,568	-	-	63,719,217
Right-of-use assets - operating lease:	436,711	184,465	-	-	-	621,176	-	-	-	-	-	-
TOTAL ASSETS	\$ 51,757,863	\$ 299,109,372	\$ 45,892,694	\$ 9,657,960	\$ (13,865,515)	\$ 392,552,374	\$ 38,136,273	\$ 274,968,472	\$ 51,752,630	\$ 12,669,198	\$ (13,686,103)	\$ 363,840,470
LIABILITIES												
Accounts payable and accrued expenses	\$ 993,231	\$ 1,431,236	\$ 1,968,781	\$ 391,287	\$ (129,399)	\$ 4,655,136	\$ 968,004	\$ 444,455	\$ 218,470	\$ 385,840	\$ (112,713)	\$ 1,904,056
Due to related party	-	4,027,995	122,571	-	(4,150,566)	-	-	590,924	509,630	-	(1,100,554)	-
Notes payable, net	-	2,654,233	-	-	-	2,654,233	-	1,366,143	-	-	-	1,366,143
Operating lease liabilities:	465,003	185,179	-	-	-	650,182	-	-	-	-	-	-
TOTAL LIABILITIES	1,458,234	8,298,643	2,091,352	391,287	(4,279,965)	7,959,551	968,004	2,401,522	728,100	385,840	(1,213,267)	3,270,199
NET ASSETS/MEMBERS' EQUITY												
Without donor restrictions:												
Operating net assets	6,434,350	29,143,660	-	-	-	35,578,010	7,088,441	40,787,372	9,490	-	-	47,885,303
Board designated - other endowmen	31,626,625	-	-	-	-	31,626,625	20,171,099	-	-	-	-	20,171,099
Board designated - easement enforcement fund	-	884,594	-	-	-	884,594	-	870,838	-	-	-	870,838
Board designated - HHFT	-	-	2,890,848	-	-	2,890,848	-	-	2,549,472	-	-	2,549,472
Land areas and conservation easements, at cost	-	61,055,371	4,900,674	-	-	65,956,045	-	57,967,506	3,465,568	-	-	61,433,074
Total net assets without donor restriction	<u>38,060,975</u>	<u>91,083,625</u>	<u>7,791,522</u>	<u>-</u>	<u>-</u>	<u>136,936,122</u>	<u>27,259,540</u>	<u>99,625,716</u>	<u>6,024,530</u>	<u>-</u>	<u>-</u>	<u>132,909,786</u>
With donor restrictions												
Endowment	4,862,688	180,255,812	-	-	-	185,118,500	4,556,193	171,056,334	-	-	-	175,612,527
Easement enforcement	-	45,875	-	-	-	45,875	-	-	-	-	-	-
Other net assets with donor restrictions	7,375,966	19,425,417	36,009,820	-	(318,877)	62,492,326	5,352,536	1,884,900	45,000,000	(189,478)	(189,478)	52,047,958
Total net assets with donor restriction:	<u>12,238,654</u>	<u>199,727,104</u>	<u>36,009,820</u>	<u>-</u>	<u>(318,877)</u>	<u>247,656,701</u>	<u>9,908,729</u>	<u>172,941,234</u>	<u>45,000,000</u>	<u>-</u>	<u>(189,478)</u>	<u>227,660,485</u>
TOTAL NET ASSETS	50,299,629	290,810,729	43,801,342	9,266,673	(9,585,550)	384,592,823	37,168,269	272,566,950	51,024,530	12,283,358	(12,472,836)	360,570,271
Members' equity from capital contributions:	-	-	-	9,266,673	(9,266,673)	-	-	-	-	12,283,358	(12,283,358)	-
TOTAL NET ASSETS/MEMBERS' EQUITY	50,299,629	290,810,729	43,801,342	9,266,673	(9,585,550)	384,592,823	37,168,269	272,566,950	51,024,530	12,283,358	(12,472,836)	360,570,271
TOTAL LIABILITIES AND NET ASSETS	\$ 51,757,863	\$ 299,109,372	\$ 45,892,694	\$ 9,657,960	\$ (13,865,515)	\$ 392,552,374	\$ 38,136,273	\$ 274,968,472	\$ 51,752,630	\$ 12,669,198	\$ (13,686,103)	\$ 363,840,470

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.			Northside Junction, LLC	Consolidating Eliminations	Consolidated 2023 Total
	Without Donor Restrictions	With Donor Restrictions	Total 2023	Without Donor Restrictions	With Donor Restrictions	Total 2023	Without Donor Restrictions	With Donor Restrictions	Total 2023	Without Donor Restrictions		
OPERATING REVENUES, GAINS AND SUPPORT:												
Contributions	\$ 7,015,450	\$ 4,638,430	\$ 11,653,880	\$ 1,911,873	\$ 8,443,313	\$ 10,355,186	\$ 7,630	\$ -	\$ 7,630	\$ -	\$ (3,074,300)	\$ 18,942,396
In-kind services	-	-	-	303,415	-	303,415	-	-	-	-	-	303,415
Government grants	143,750	-	143,750	329,749	-	329,749	-	-	-	-	-	473,499
Endowment allocations used to meet spending policy	1,268,000	-	1,268,000	9,280,000	-	9,280,000	-	-	-	-	-	10,548,000
Investment activity other than endowment earnings	76,731	-	76,731	639,325	129,399	768,724	1,149,572	-	1,149,572	-	(129,399)	1,865,628
Other revenues	153,835	-	153,835	13,188	-	13,188	14,868	-	14,868	-	-	181,891
Gain on sale of program-related investments in land areas	-	-	-	26,388	-	26,388	-	-	-	-	-	26,388
Special events, net of direct expenses	539,829	-	539,829	-	-	-	-	-	-	-	-	539,829
Net assets released from restrictions	2,615,000	(2,615,000)	-	95,000	(95,000)	-	8,990,180	(8,990,180)	-	-	-	-
Total Operating Revenues, Gains and Support	11,812,595	2,023,430	13,836,025	12,598,938	8,477,712	21,076,650	10,162,250	(8,990,180)	1,172,070	-	(3,203,699)	32,881,046
OPERATING EXPENSES:												
Program services	8,865,680	-	8,865,680	7,899,318	-	7,899,318	8,252,267	-	8,252,267	-	(2,912,192)	22,105,073
Management and general	1,390,516	-	1,390,516	206,820	-	206,820	422,360	-	422,360	-	(151,267)	1,868,429
Fundraising	1,343,935	-	1,343,935	67,841	-	67,841	62,007	-	62,007	-	(10,841)	1,462,942
Total Operating Expenses	11,600,131	-	11,600,131	8,173,979	-	8,173,979	8,736,634	-	8,736,634	-	(3,074,300)	25,436,444
NET OPERATING ACTIVITY	212,464	2,023,430	2,235,894	4,424,959	8,477,712	12,902,671	1,425,616	(8,990,180)	(7,564,564)	-	(129,399)	7,444,602
MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES												
Members' capital contributions	-	-	-	-	-	-	-	-	-	(3,016,685)	3,016,685	-
TOTAL MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES	-	-	-	-	-	-	-	-	-	(3,016,685)	3,016,685	-
NON-OPERATING ACTIVITIES:												
Bequests and additions to Board designated funds	2,750,000	-	2,750,000	-	-	-	-	-	-	-	-	2,750,000
Transfers to/from board designated endowment	6,400,000	-	6,400,000	(6,400,000)	-	(6,400,000)	-	-	-	-	-	-
Donor funds reallocated to with donor restriction	-	-	-	(6,580,806)	6,580,806	-	-	-	-	-	-	-
Special endowment appropriation	-	-	-	-	(2,482,000)	(2,482,000)	-	-	-	-	-	(2,482,000)
Non-operating transfer to donor restricted net assets	-	-	-	(45,875)	2,527,875	2,482,000	-	-	-	-	-	2,482,000
Investment activity	2,447,971	565,495	3,013,466	108,631	20,912,477	21,021,108	341,376	-	341,376	-	-	24,375,950
Endowment allocations used to meet spending policy	(1,009,000)	(259,000)	(1,268,000)	(49,000)	(9,231,000)	(9,280,000)	-	-	-	-	-	(10,548,000)
NET NON-OPERATING ACTIVITY	10,588,971	306,495	10,895,466	(12,967,050)	18,308,158	5,341,108	341,376	-	341,376	-	-	16,577,950
CHANGES IN TOTAL NET ASSETS	10,801,435	2,329,925	13,131,360	(8,542,091)	26,785,870	18,243,779	1,766,992	(8,990,180)	(7,223,188)	(3,016,685)	2,887,286	24,022,552
Net assets/members' equity - Beginning of Year	27,259,540	9,908,729	37,168,269	99,625,716	172,941,234	272,566,950	6,024,530	45,000,000	51,024,530	12,283,358	(12,472,836)	360,570,271
NET ASSETS/MEMBERS' EQUITY - END OF YEAR	\$ 38,060,975	\$ 12,238,654	\$ 50,299,629	\$ 91,083,625	\$ 199,727,104	\$ 290,810,729	\$ 7,791,522	\$ 36,009,820	\$ 43,801,342	\$ 9,266,673	\$ (9,585,550)	\$ 384,592,823

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Scenic Hudson, Inc.			The Scenic Hudson Land Trust, Inc.			Hudson Highlands Fjord Trail, Inc.			Northside Junction, LLC		Consolidating Eliminations	Consolidated 2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions			
OPERATING REVENUES, GAINS AND SUPPORT:													
Contributions, net of costs of direct benefits to donors	\$ 11,722,493	\$ 1,959,165	\$ 13,681,658	\$ 12,000	\$ 2,670,883	\$ 2,682,883	\$ 5,396	\$ 45,000,000	\$ 45,005,396	\$ -	\$ (7,282,889)	\$ 54,087,048	
In-kind services	-	-	-	50,279	-	50,279	-	-	-	-	-	50,279	
Government grants	35,154	-	35,154	-	-	-	-	-	-	-	-	35,154	
Endowment allocations used to meet spending policy	1,147,000	-	1,147,000	8,647,000	-	8,647,000	-	-	-	-	-	9,794,000	
Investment activity other than endowment earnings	7,365	-	7,365	11,752	112,713	124,465	26,143	-	26,143	-	(112,713)	45,260	
Other revenues	-	-	-	3,000	-	3,000	-	-	-	-	-	3,000	
Gain on sale of land areas	-	-	-	3,005,251	-	3,005,251	-	-	-	-	-	3,005,251	
Net assets released from restrictions	2,789,213	(2,789,213)	-	7,831,094	(7,831,094)	-	-	-	-	-	-	-	
Total Operating Revenues, Gains and Support	15,701,225	(830,048)	14,871,177	19,560,376	(5,047,498)	14,512,878	31,539	45,000,000	45,031,539	-	(7,395,602)	67,019,992	
OPERATING EXPENSES:													
Program services:	9,031,251	-	9,031,251	10,335,718	-	10,335,718	3,592,039	-	3,592,039	-	(7,179,792)	15,779,216	
Management and general	1,260,212	-	1,260,212	165,800	-	165,800	7,200	-	7,200	35,949	(129,083)	1,340,078	
Fundraising	1,280,412	-	1,280,412	66,963	-	66,963	-	-	-	-	(9,963)	1,337,412	
Total Operating Expenses	11,571,875	-	11,571,875	10,568,481	-	10,568,481	3,599,239	-	3,599,239	35,949	(7,318,838)	18,456,706	
NET OPERATING ACTIVITY	4,129,350	(830,048)	3,299,302	8,991,895	(5,047,498)	3,944,397	(3,567,700)	45,000,000	41,432,300	(35,949)	(76,764)	48,563,286	
MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES													
Members' capital contributions	-	-	-	-	-	-	-	-	-	4,875,030	(4,875,030)	-	
TOTAL MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES	-	-	-	-	-	-	-	-	-	4,875,030	(4,875,030)	-	
NON-OPERATING ACTIVITIES:													
Bequests and additions to Board designated funds	204,508	-	204,508	8,625	-	8,625	50,000	-	50,000	-	-	263,133	
Investment activity	(3,778,121)	(933,971)	(4,712,092)	(167,813)	(32,924,462)	(33,092,275)	(487,115)	-	(487,115)	-	-	(38,291,482)	
Endowment allocations used to meet spending policy	(903,000)	(244,000)	(1,147,000)	(47,000)	(8,600,000)	(8,647,000)	-	-	-	-	-	(9,794,000)	
NET NON-OPERATING ACTIVITY	(4,476,613)	(1,177,971)	(5,654,584)	(206,188)	(41,524,462)	(41,730,650)	(437,115)	-	(437,115)	-	-	(47,822,349)	
CHANGES IN TOTAL NET ASSETS	(347,263)	(2,008,019)	(2,355,282)	8,785,707	(46,571,960)	(37,786,253)	(4,004,815)	45,000,000	40,995,185	4,839,081	(4,951,794)	740,937	
Net assets/members' equity - Beginning of Year	27,606,803	11,916,748	39,523,551	90,840,009	219,513,194	310,353,203	10,029,345	-	10,029,345	7,444,277	(7,521,042)	359,829,334	
NET ASSETS/MEMBERS' EQUITY - END OF YEAR	\$ 27,259,540	\$ 9,908,729	\$ 37,168,269	\$ 99,625,716	\$ 172,941,234	\$ 272,566,950	\$ 6,024,530	\$ 45,000,000	\$ 51,024,530	\$ 12,283,358	\$ (12,472,836)	\$ 360,570,271	

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(SCENIC HUDSON, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>For the Year Ended June 30, 2023</u>				<u>For the Year Ended June 30, 2022</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2023</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2022</u>
Salaries	\$ 5,003,546	\$ 882,982	\$ 821,352	\$ 6,707,880	\$ 4,920,330	\$ 739,461	\$ 853,149	\$ 6,512,940
Payroll taxes and employee benefits	<u>1,282,977</u>	<u>250,239</u>	<u>261,832</u>	<u>1,795,048</u>	<u>1,361,090</u>	<u>199,627</u>	<u>254,070</u>	<u>1,814,787</u>
Total salaries and related costs	6,286,523	1,133,221	1,083,184	8,502,928	6,281,420	939,088	1,107,219	8,327,727
Occupancy	271,022	22,737	40,495	334,254	311,807	50,571	50,571	412,949
Consultants and experts	997,823	6,929	16,315	1,021,067	699,753	104,120	-	803,873
Legal and audit	45,646	21,849	-	67,495	5,750	33,672	-	39,422
Employee travel and training	103,938	34,529	10,814	149,281	58,131	8,526	10,851	77,508
Office - general	283,968	46,237	73,421	403,626	259,340	27,350	34,809	321,499
Program and public outreach costs	876,760	59,724	119,706	1,056,190	1,415,050	60,470	76,962	1,552,482
Depreciation and amortization	-	15,290	-	15,290	-	15,927	-	15,927
Bad debt expense	-	50,000	-	50,000	-	20,488	-	20,488
TOTAL	<u>\$ 8,865,680</u>	<u>\$ 1,390,516</u>	<u>\$ 1,343,935</u>	<u>\$ 11,600,131</u>	<u>\$ 9,031,251</u>	<u>\$ 1,260,212</u>	<u>\$ 1,280,412</u>	<u>\$ 11,571,875</u>

See independent auditors' report.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(THE SCENIC HUDSON LAND TRUST, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>For the Year Ended June 30, 2023</u>			<u>For the Year Ended June 30, 2022</u>				
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2023</u>	<u>Program Services</u>	<u>Management and General</u>		<u>Fundraising</u>
Conservation easements and monitoring costs	\$ 833,244	\$ -	\$ -	\$ 833,244	\$ 447,649	\$ -	\$ -	\$ 447,649
Land project expenses	3,043,829	-	-	3,043,829	2,322,573	-	-	2,322,573
Program and business management services	2,957,015	147,320	67,841	3,172,176	2,530,652	123,700	66,963	2,721,315
Grants and contributions	472,940	-	-	472,940	4,330,746	-	-	4,330,746
Property taxes	194,134	-	-	194,134	331,229	-	-	331,229
Insurance	232,494	-	-	232,494	184,495	-	-	184,495
Legal and audit fees	28,914	59,500	-	88,414	20,323	42,100	-	62,423
Interest	91,505	-	-	91,505	146,521	-	-	146,521
Depreciation and amortization	45,243	-	-	45,243	21,530	-	-	21,530
TOTAL	<u>\$ 7,899,318</u>	<u>\$ 206,820</u>	<u>\$ 67,841</u>	<u>\$ 8,173,979</u>	<u>\$ 10,335,718</u>	<u>\$ 165,800</u>	<u>\$ 66,963</u>	<u>\$ 10,568,481</u>

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(HUDSON HIGHLANDS FJORD TRAIL, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	For the Year Ended June 30, 2023				For the Year Ended June 30, 2022			
	Program Services	Management and General	Fundraising	Total 2023	Program Services	Management and General	Fundraising	Total 2022
Salaries	\$ 318,415	\$ 275,623	\$ 40,790	\$ 634,828	\$ -	\$ -	\$ -	\$ -
Payroll taxes and employee benefits	64,331	50,833	8,479	123,643	-	-	-	-
Total salaries and related costs	<u>382,746</u>	<u>326,456</u>	<u>49,269</u>	<u>758,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Consultants and experts	364,392	-	-	364,392	8,450	-	-	8,450
Legal and audit fees	274,310	13,500	-	287,810	76,967	7,200	-	84,167
Program and public outreach costs	165,975	-	12,738	178,713	552,868	-	-	552,868
Occupancy and insurance	23,379	-	-	23,379	-	-	-	-
Employee travel and training	6,239	413	-	6,652	3,422	-	-	3,422
Office expenses	-	81,991	-	81,991	48,601	-	-	48,601
Land project expenses	7,015,450	-	-	7,015,450	2,862,446	-	-	2,862,446
Property taxes	14,657	-	-	14,657	32,046	-	-	32,046
Conservation easements and monitoring costs	5,119	-	-	5,119	7,239	-	-	7,239
TOTAL	<u>\$ 8,252,267</u>	<u>\$ 422,360</u>	<u>\$ 62,007</u>	<u>\$ 8,736,634</u>	<u>\$ 3,592,039</u>	<u>\$ 7,200</u>	<u>\$ -</u>	<u>\$ 3,599,239</u>

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
SCHEDULES OF LAND AREAS AND CONSERVATION EASEMENTS
AS OF JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</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, Coxsackie (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 - Saurusaitis	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 - Murillo	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
Olana 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 (Bamer)	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	-	770,417
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
Fumari	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	-
Plotkin	5,021,684	-
	<u>63,709,604</u>	<u>59,333,649</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	-
	<u>4,900,674</u>	<u>3,465,568</u>
Land areas and conservation easements, at cost	<u>\$ 69,530,278</u>	<u>\$ 63,719,217</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, 2023 AND 2022

	2023	2022
SOURCES OF FUNDS:		
Contributions without donor restrictions	\$ 6,334,152	\$ 4,492,154
Releases of contributions with donor restrictions	11,700,180	10,620,307
Endowment earnings used to meet spending policy	10,548,000	9,794,000
Proceeds from sales of natural land areas and improvements	796,805	28,689,476
Other revenues	2,047,519	48,260
Total Sources of Funds	31,426,656	53,644,197
USES OF FUNDS:		
Purchases of natural land areas and improvements (in fee)	6,581,478	2,323,352
Program services expenses:		
Purchases of conservation easements and easement monitoring costs	838,363	454,888
Park construction and management	10,059,279	5,185,019
Salaries and related benefits	6,660,342	6,281,420
Other	4,547,089	3,857,889
Supporting services expenses	3,331,371	2,677,490
Total Uses of Funds	32,017,922	20,780,058
NET SOURCES AND USES OF FUNDS	\$ (591,266)	\$ 32,864,139
OTHER KEY FINANCIAL INFORMATION:		
Land areas and conservation easements, at cost - beginning of year	\$ 63,719,217	\$ 87,080,090
Purchases of natural land areas and improvements (in fee)	6,581,478	2,323,352
Sales/donations of property interests to state and local governmental agencies and unaffiliated nonprofit entities at cost	(770,417)	(25,684,225)
Land areas and conservation easements, at cost - end of year	\$ 69,530,278	\$ 63,719,217

See independent auditors' report.