



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

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

Years Ended June 30, 2025 and 2024

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES

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

YEARS ENDED JUNE 30, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of Scenic Hudson, Inc. and The Consolidated Subsidiaries (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, 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, 2025 and 2024, 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 Consolidated 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 consolidated 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 29 through 36 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CBIZ CPAs P.C.

New York, NY
November 24, 2025

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents (Notes 2C, 3 and 14)	\$ 58,438,858	\$ 58,937,069
Promises to give, grants and contracts receivable, net (Notes 2D, 2E, 2M, 3 and 4)	44,450,827	13,074,043
Investments, at fair value (Notes 2F, 7, 8 and 12B)	253,411,601	237,599,864
Prepaid expenses and other assets	5,038,886	5,069,791
Land, property and equipment, net (Notes 2G and 5)	46,785,570	18,877,581
Land areas and conservation easements, at cost (Notes 2J and 6)	71,917,041	70,498,819
Right-of-use assets - operating leases (Notes 2L and 11)	<u>122,712</u>	<u>371,574</u>
TOTAL ASSETS	<u>\$ 480,165,495</u>	<u>\$ 404,428,741</u>
LIABILITIES		
Accounts payable and accrued expenses (Note 10)	\$ 6,883,477	\$ 2,607,874
Notes payable, net (Notes 2D, 8 and 12B)	2,906,337	2,792,346
Operating lease liabilities (Notes 2L and 11)	<u>131,866</u>	<u>395,074</u>
TOTAL LIABILITIES	<u>9,921,680</u>	<u>5,795,294</u>
COMMITMENTS AND CONTINGENCIES (Note 12)		
NET ASSETS (Notes 2B and 13)		
Without donor restrictions:		
Operating net assets	53,496,672	37,066,377
Board designated - other endowment (Notes 13A and 13C)	37,539,070	34,522,526
Board designated - easement enforcement fund (Notes 13A and 13C)	1,020,034	947,710
Board designated - HHFT (Notes 13A and 13C)	3,739,365	3,367,949
Non-controlling member's interest in consolidated subsidiary	3,111,514	5,000
Investment in land areas and conservation easements, at cost	<u>70,706,393</u>	<u>66,786,473</u>
Total net assets without donor restrictions	<u>169,613,048</u>	<u>142,696,035</u>
With donor restrictions (Note 13B):		
Endowment (Note 13C)	209,903,900	197,858,030
Easement enforcement	69,125	45,875
Other net assets with donor restrictions	<u>90,657,742</u>	<u>58,033,507</u>
Total net assets with donor restrictions	<u>300,630,767</u>	<u>255,937,412</u>
TOTAL NET ASSETS	<u>470,243,815</u>	<u>398,633,447</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 480,165,495</u>	<u>\$ 404,428,741</u>

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	For the Year Ended June 30, 2025			For the Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total 2025	Without Donor Restrictions	With Donor Restrictions	Total 2024
OPERATING REVENUES, GAINS AND SUPPORT (Note 2H):						
Contributions (Note 2D)	\$ 2,993,543	\$ 64,394,302	\$ 67,387,845	\$ 3,614,246	\$ 8,432,618	\$ 12,046,864
Government grants (Note 2D)	1,159,738	-	1,159,738	501,204	-	501,204
Endowment allocations used to meet spending policy (Note 13)	10,516,000	-	10,516,000	10,484,000	-	10,484,000
Investment activity other than endowment earnings	2,115,088	-	2,115,088	3,090,323	-	3,090,323
Other revenues	812,614	-	812,614	16,873	-	16,873
Special events, net of direct expenses of \$258,868 and \$210,571, respectively (Note 9)	604,964	-	604,964	451,818	-	451,818
Net assets released from restrictions (Note 13)	31,746,817	(31,746,817)	-	12,891,437	(12,891,437)	-
Total Operating Revenues, Gains and Support	<u>49,948,764</u>	<u>32,647,485</u>	<u>82,596,249</u>	<u>31,049,901</u>	<u>(4,458,819)</u>	<u>26,591,082</u>
OPERATING EXPENSES (Note 2I):						
Program services	24,336,951	-	24,336,951	24,983,399	-	24,983,399
Management and general	3,305,407	-	3,305,407	2,178,394	-	2,178,394
Fundraising	1,956,191	-	1,956,191	1,569,315	-	1,569,315
Total Operating Expenses	<u>29,598,549</u>	<u>-</u>	<u>29,598,549</u>	<u>28,731,108</u>	<u>-</u>	<u>28,731,108</u>
NET OPERATING ACTIVITIES	<u>20,350,215</u>	<u>32,647,485</u>	<u>52,997,700</u>	<u>2,318,793</u>	<u>(4,458,819)</u>	<u>(2,140,026)</u>
NON-OPERATING ACTIVITIES (Note 2H):						
Bequests and additions to Board designated funds (Note 2H)	280,000	-	280,000	137,813	-	137,813
Addition to Easement Enforcement Fund	10,625	-	10,625	-	-	-
Investment activity (Note 7)	4,258,659	21,472,870	25,731,529	4,371,307	22,150,530	26,521,837
Endowment allocations used to meet spending policy (Note 13)	(1,089,000)	(9,427,000)	(10,516,000)	(1,073,000)	(9,411,000)	(10,484,000)
NET NON-OPERATING ACTIVITIES	<u>3,460,284</u>	<u>12,045,870</u>	<u>15,506,154</u>	<u>3,436,120</u>	<u>12,739,530</u>	<u>16,175,650</u>
CHANGES IN TOTAL NET ASSETS	<u>23,810,499</u>	<u>44,693,355</u>	<u>68,503,854</u>	<u>5,754,913</u>	<u>8,280,711</u>	<u>14,035,624</u>
Non-controlling members' capital contributions/distributions	<u>3,106,514</u>	<u>-</u>	<u>3,106,514</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net Assets - Beginning of Year	<u>142,696,035</u>	<u>255,937,412</u>	<u>398,633,447</u>	<u>136,936,122</u>	<u>247,656,701</u>	<u>384,592,823</u>
NET ASSETS - END OF YEAR	<u>\$ 169,613,048</u>	<u>\$ 300,630,767</u>	<u>\$ 470,243,815</u>	<u>\$ 142,696,035</u>	<u>\$ 255,937,412</u>	<u>\$ 398,633,447</u>

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

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	For the Year Ended June 30, 2025				For the Year Ended June 30, 2024			
	Program Services	Management and General	Fundraising	Total 2025	Program Services	Management and General	Fundraising	Total 2024
Salaries	\$ 6,408,263	\$ 1,498,582	\$ 1,176,890	\$ 9,083,735	\$ 5,550,974	\$ 1,356,202	\$ 960,353	\$ 7,867,529
Payroll taxes and employee benefits (Note 10)	1,806,339	430,654	333,218	2,570,211	1,432,452	350,806	253,671	2,036,929
Total salaries and related costs	8,214,602	1,929,236	1,510,108	11,653,946	6,983,426	1,707,008	1,214,024	9,904,458
Conservation easements and monitoring costs (Note 2J)	2,867,462	-	-	2,867,462	1,903,546	-	-	1,903,546
Land project expenses (Note 2J)	8,060,897	6,608	-	8,067,505	12,370,503	-	-	12,370,503
Grants and contributions	1,370,755	-	-	1,370,755	4,000	-	-	4,000
Property taxes	161,389	24,264	-	185,653	174,707	-	-	174,707
Occupancy and insurance (Notes 2L and 11)	848,896	128,350	84,043	1,061,289	543,627	34,986	45,235	623,848
Consultants and experts	1,692,414	124,018	29,849	1,846,281	1,494,563	15,111	713	1,510,387
Legal and audit	47,286	339,223	-	386,509	76,809	119,564	-	196,373
Employee travel and training	141,167	16,669	11,508	169,344	149,159	31,218	9,303	189,680
Office and other expenses	354,031	65,174	58,572	477,777	243,137	144,128	286,685	673,950
Program management and public outreach costs	388,790	113,319	520,979	1,023,088	840,964	74,139	223,926	1,139,029
Interest (Notes 2D and 8)	113,992	10,291	-	124,283	138,113	-	-	138,113
Depreciation and amortization (Note 5)	75,270	148,255	-	223,525	60,845	13,458	-	74,303
Bad debt expense	-	400,000	-	400,000	-	38,782	-	38,782
Subtotal	24,336,951	3,305,407	2,215,059	29,857,417	24,983,399	2,178,394	1,779,886	28,941,679
Less: expenses deducted directly from revenues on the consolidated statements of activities (Note 9)	-	-	(258,868)	(258,868)	-	-	(210,571)	(210,571)
TOTAL	\$ 24,336,951	\$ 3,305,407	\$ 1,956,191	\$ 29,598,549	\$ 24,983,399	\$ 2,178,394	\$ 1,569,315	\$ 28,731,108

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

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

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 68,503,854	\$ 14,035,624
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	223,525	74,303
Change in discount on promises to give, grants and contracts receivable	-	573,002
Realized gain on sales of investments	(7,885,484)	(4,630,434)
Unrealized gain on investments	(16,177,809)	(19,959,536)
Amortization of imputed interest on notes payable	113,991	138,113
Amortization expense/non-cash lease expense	248,862	243,645
Bad debt expense	<u>400,000</u>	<u>38,782</u>
Subtotal	45,426,939	(9,486,501)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Promises to give and grants receivable	(31,776,784)	(4,860,796)
Prepaid expenses and other assets	30,905	90,823
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	4,275,603	(2,047,262)
Principal paid/change in operating liabilities	<u>(263,208)</u>	<u>(249,151)</u>
Net Cash Provided by (Used in) Operating Activities	<u>17,693,455</u>	<u>(16,552,887)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	8,251,556	32,657,517
Purchases of investments	-	(19,701,923)
Acquisitions of property and equipment	(28,131,514)	(9,770,998)
Acquisitions of land areas	<u>(1,418,222)</u>	<u>(968,541)</u>
Net Cash (Used in) Provided by Investing Activities	<u>(21,298,180)</u>	<u>2,216,055</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Members' capital contributions	<u>3,106,514</u>	<u>5,000</u>
Net Cash Provided by Financing Activities	<u>3,106,514</u>	<u>5,000</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(498,211)	(14,331,832)
Cash and Cash Equivalents - Beginning of Year	<u>58,937,069</u>	<u>73,268,901</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 58,438,858</u>	<u>\$ 58,937,069</u>

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

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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., Pollepel Island View, LLC, Northside Junction, LLC, Fall Kill Brookside, LLC, Parker Fall Kill, LLC, and Northside Junction Master Tenant, 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, Inc. (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 (the “Board”).

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 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.

Scenic Hudson is dedicated to making the Hudson Valley a great place to live, work and play. Scenic Hudson’s focus is on sustaining and enhancing the Hudson Valley’s inspirational beauty and health for generations to come. Scenic Hudson achieves its mission through:

Protecting the health and vitality of the land that sustains us – What started with a targeted push to save Storm King from an industrial project has evolved into the steady conservation of more than 50,000 acres of land across the region — almost four times the size of the island of Manhattan. We remain committed to making the Hudson Valley a great place to live, work, and play by protecting and enhancing the region’s great assets — beautiful open spaces, working farms, and historic cities and town centers. Our work doesn’t stop once land is conserved. We are leading innovative projects to protect the long-term health of Hudson Valley forests and increase regeneration.

Connecting communities with the landscapes that shape them – Every piece of land conserved is not only an opportunity to protect our region’s air, water, vistas, and wildlife, but also an opportunity for meaningful connection. That’s why we are focused on creating beautiful parks and outdoor spaces where people can commune with nature and one another. We have more than 45 featured parks and have contributed to more than two dozen additional preserves, historic sites, and trails. In Kingston, Newburgh, and Poughkeepsie, we are keeping a special focus on urban conservation and farming to close the nature and fresh food gaps in the cities along the Hudson.

Partnering to power and feed a changing Hudson Valley – We are working to counter the threats from our warming planet to the beautiful landscapes, vibrant communities, and quality of life in the Hudson Valley by advancing the region’s transition to renewable energy. We’re also focused on sustaining the farmland that has defined and nourished this region for centuries. We have partnered with farmers to protect 23,000 acres on more than 150 farms over the last three decades. We also promote regenerative practices that not only reduce agricultural carbon emissions, but support soil health and resiliency in the face of destructive flooding, droughts, and storms, helping farmers stay in business.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Innovating to create inspiring spaces and lasting solutions for generations to come – While much of our work is focused on preserving the natural treasures of the Hudson Valley, what sets us apart is our ability to see untapped potential and to back ideas with action. We’ve cleaned up more than a dozen industrial sites on both sides of the Hudson, from Yonkers to Albany — including our new offices and community space at the Northside Hub in Poughkeepsie. Community powers our solutions, from community-led observation to bridge the data gap in urban ecosystems, to our 40-year campaign urging the Environmental Protection Agency to require General Electric to fully clean up PCBs in the Hudson River.

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.

Consolidated Subsidiaries

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

Hudson Highlands Fjord Trail, Inc.

Hudson Highlands Fjord Trail, Inc. (“HHFT”) is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the 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 controlled 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.

Pollepel Island View, LLC

Pollepel Island View, LLC (“Pollepel”), a New York Limited Liability Company, was formed on October 25, 2023 and organized with HHFT as its sole member. Pollepel is a disregarded entity of HHFT for federal and state tax purposes.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Other Consolidated Subsidiaries

Northside Junction, LLC

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 has been renovated as a historic rehabilitation project to generate federal historic tax credits (“HTCs”) and State historic tax credits (“NY HTCs” and collectively with the HTCs, the “Tax Credits”) in accordance with Sections 47 and 50 of the IRC and Section 210-B-26 of the Laws of New York, respectively. Northside Junction is further intended to enter into one or more Brownfield Site Cleanup Agreement(s) and to be a Volunteer, as defined in Section 27-1405(1)(b) of the State of New York Environmental Conservation Law (the “ECL”), under the New York State Department of Environmental Conservation Brownfield Cleanup Program (“BCP”) in accordance with Title 14 of Article 27 of the ECL. The historic rehabilitation and Brownfield cleanup of the Property are collectively referred to as the “Project” or “Northside Hub.” Northside Junction has elected to be taxed as a partnership for Federal and State taxes.

Fall Kill Brookside, LLC

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

Parker Fall Kill, LLC

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

Northside Junction Master Tenant, LLC

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

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.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.
 - Non-controlling members' interests in consolidated subsidiaries are shown as a component of net assets without donor restrictions and members' equity in the consolidated statements of financial position. The share of income or loss of the consolidated subsidiaries attributed to the non-controlling members' interest is shown as a component of the change in net assets without donor restrictions in the consolidated statements of activities.
- Net Assets With Donor Restrictions – represents net assets subject to donor-imposed restrictions. Some donor-restrictions are temporary in nature, such as those that will be met by the passage of time or other events or purposes 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, 2025 and 2024, 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 Pollepel Island View, Northside Junction, Parker Fall Kill and Fall Kill Brookside consolidated herein.

C. *Cash Equivalents*

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

D. *Promises to Give, Grants and Contracts 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 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. Grants receivable includes amounts unconditionally committed by donors, foundations and agencies that have not yet been received by the Organization. Grants in excess of revenue recognized are presented as deferred revenue.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met in the fiscal year in which the contributions are received. 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 released to net assets without donor restrictions.

Government grants are not recognized except for the Easement Endowment Fund without donor restrictions fund balance as support until the conditions on which they depend, a measurable performance barrier and right of return, are substantially met. Government grant receipts in excess of revenue recognized are presented as refundable advances, when applicable.

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. In-kind contributions related to donated services were eliminated for the year ended June 30, 2025.

In-kind contributions related to interest expense savings are reflected as contributions and netted against loans payable. The Organization also records contribution revenue and a discount for imputed interest on non-interest-bearing notes payable 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, Grants and Contracts 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, 2025 and 2024, 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 ("NAV"), 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, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As more fully described in Note 13C, 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, 2025 and 2024, the appropriation amounted to 5% of the average asset fair value for the rolling twelve fiscal quarter periods ended December 31, 2023 and 2022, 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, 2025 AND 2024

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. Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications do not affect the change in net assets as of June 30, 2024.

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>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 58,438,858	\$ 58,937,069
Less: cash and cash equivalents with donor restrictions not available for general expenditure	(31,269,188)	(38,515,034)
Less: cash internally restricted for specific programs	(3,083,097)	(4,021,618)
Available portion of payout on donor-restricted endowments for use over the next fiscal year	3,369,767	3,461,300
Payout on Board designated endowments over the next fiscal year	1,094,000	1,089,000
Promises to give for general expenditure due in less than one year	<u>4,255,711</u>	<u>4,924,119</u>
	<u>\$ 32,806,051</u>	<u>\$ 25,874,836</u>

As part of its liquidity management plan, the Organization invests cash in excess of anticipated operating needs and other obligations in short-term investments, including certificates of deposit and money market funds. Occasionally, the Board designates a portion of any operating surplus to the Board Designated Endowment (see Notes 8, 12B and 13C).

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

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 – PROMISE TO GIVE, GRANTS AND CONTRACTS RECEIVABLE

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

	<u>2025</u>	<u>2024</u>
Without donor restrictions	\$ 6,637,537	\$ 4,924,119
Restricted to future programs and periods	<u>37,813,290</u>	<u>8,149,924</u>
Total	<u>\$ 44,450,827</u>	<u>\$ 13,074,043</u>

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

	<u>2025</u>	<u>2024</u>
Less than one year	\$ 38,386,434	\$ 4,924,119
One to five years	<u>6,816,901</u>	<u>9,196,907</u>
	45,203,335	14,121,026
Less: Reserve for uncollectible receivables	(50,000)	(50,000)
Less: Discount to net present value	<u>(702,508)</u>	<u>(996,983)</u>
Total	<u>\$ 44,450,827</u>	<u>\$ 13,074,043</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 \$702,508 and \$996,983 was applied to unconditional promises to give as of June 30, 2025 and 2024, respectively, based on risk-adjusted discount rates between 3.52% and 4.82%, and 0.33% and 4.72%, respectively.

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

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

	<u>2025</u>	<u>2024</u>	<u>Estimated Useful Lives</u>
Land	\$ 958,020	\$ 958,020	
Building (residential)	1,231,533	-	27.5 years
Building (commercial)	40,789,633	2,878,786	39 years
Organization costs	283,917	-	25 years
Land improvements	40,004	-	15 years
Furniture and equipment	1,913,008	69,899	3-7 years
Transportation equipment	434,568	525,209	4-5 years
Leasehold improvements	<u>23,910</u>	<u>23,910</u>	5 years
Total cost	44,716,663	3,497,803	
Less: accumulated depreciation and amortization	<u>(644,078)</u>	<u>(420,552)</u>	
Net book value of property and equipment	44,072,585	3,077,251	
Construction in progress	<u>1,754,965</u>	<u>14,842,310</u>	
Total	<u>\$ 46,785,570</u>	<u>\$ 18,877,581</u>	

Depreciation and amortization expense amounted to \$223,525 and \$74,303 for the years ended June 30, 2025 and 2024, respectively.

Construction in progress includes pre-development and construction costs for the Project. Total project costs were approximately \$47,325,000 and the project reached substantial completion in the Summer of 2025 (See Note 12).

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 – LAND AREAS AND CONSERVATION EASEMENTS

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

	<u>2025</u>	<u>2024</u>
Land areas, at cost	\$ 71,917,041	\$ 70,498,819
Less: reserve for impairment	<u>-</u>	<u>-</u>
Net book value	<u>\$ 71,917,041</u>	<u>\$ 70,498,819</u>

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

During the years ended June 30, 2025 and 2024, the Organization acquired land areas for a total of \$1,418,222 and \$968,541, respectively.

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

As noted in Note 2F, investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

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

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

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

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

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

- Investments in securities traded on a national securities exchange are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

- 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 manager 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 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.

The following table presents the Organization's fair value hierarchy for those assets measured at fair value as of June 30, 2025:

Description	2025 Fair Value Measurements Using	
	Quoted Prices in Active Markets for Identical Assets Level 1	Total
Money Market Funds	\$ 2,944,672	\$ 2,944,672
Total Money Market Funds	2,944,672	2,944,672
Equity Securities		
U.S. Mutual Funds	443,534	443,534
U.S. Equity Securities	68,342,743	68,342,743
Total Equity Securities	68,786,277	68,786,277
Fixed Income		
Corporate debt and treasuries	33,553,285	33,553,285
Total Fixed Income	33,553,285	33,553,285
Total Investments at Fair Value	\$ 105,284,234	\$ 105,284,234
Investments Measured at Net Asset Value (a):		
Ex-U.S. Commingled Funds		38,417,798
Global Commingled Funds		71,595,413
Alternative Investment funds		38,114,155
Total investments measured at Net Asset Value		148,127,366
Total Investments		\$ 253,411,600

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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, 2024:

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

- (a) In accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 820-10, “Fair Value Measurement,” certain investments that are measured at fair value using the NAV 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, 2025 AND 2024

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes the Organization's investments valued at NAV at June 30, 2025:

<u>Investment Objective</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>
Long Only	\$ 15,632,187	\$ -	Monthly
Long Only	52,946,594	-	Quarterly
Multi-strategy	5,885,730	-	Monthly
Multi-strategy	14,414,636	-	Semi-Monthly
Multi-strategy	8,475,767	-	Quarterly
Multi-strategy	18,053,124	-	Semi-Annual
Blockchain fund of funds	4,879,702	3,250,368	Not Permitted
Private Equity	27,839,627	22,374,086	Not Permitted
Total	<u>\$ 148,127,366</u>	<u>\$ 25,624,454</u>	

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

<u>Investment Objective</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>
Long Only	\$ 17,561,108	\$ -	Monthly
Long Only	48,049,213	-	Quarterly
Multi-strategy	5,029,181	-	Monthly
Multi-strategy	10,373,071	-	Semi-Monthly
Multi-strategy	8,456,195	-	Quarterly
Multi-strategy	15,448,607	-	Semi-Annual
Blockchain fund of funds	4,213,759	1,990,000	Not Permitted
Private Equity	23,592,794	19,701,410	Not Permitted
Total	<u>\$ 132,723,928</u>	<u>\$ 21,691,410</u>	

The Organization's investments in certain funds have liquidity restraints due to lock-up periods. The aggregate fair value of these investments subject to lock-ups was \$46,737,917 with unfunded commitments of \$25,624,454 as of June 30, 2025.

The Organization's investments in certain funds have liquidity restraints due to lock-up periods. The aggregate fair value of these investments subject to lock-ups was \$40,434,106 with unfunded commitments of \$21,681,410 as of June 30, 2024.

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

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 2,509,638	\$ 2,726,889
Realized gains	7,885,486	4,630,434
Unrealized gains	16,177,809	19,959,536
Investment fees	(840,145)	(794,045)
Foreign tax	<u>(1,261)</u>	<u>(977)</u>
Total investment activity, net	<u>\$ 25,731,527</u>	<u>\$ 26,521,837</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.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 – NOTES PAYABLE

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

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

In fiscal year 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 note is secured by a security interest in investment accounts held by the Organization.

In fiscal year 2023, the Organization secured a note 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 notes 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. 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 \$113,992 and \$138,113, respectively, for the years ended June 30, 2025 and 2024.

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

	<u>2025</u>	<u>2024</u>
Principal balance	\$ 3,068,436	\$ 3,068,436
Less: imputed interest	<u>(162,099)</u>	<u>(276,094)</u>
	<u>\$ 2,906,337</u>	<u>\$ 2,792,342</u>

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

2026	\$ -
2027	937,500
2028	<u>2,130,937</u>
	<u>\$ 3,068,436</u>

The outstanding notes are collateralized by investment accounts holding cash and equity securities with a fair value of approximately \$5,555,000 and \$3,656,000 as of June 30, 2025 and 2024, respectively.

NOTE 9 – SPECIAL EVENTS INCOME

A gala event was held by the Organization during the years ended June 30, 2025 and 2024. 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 statements of activities.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 – SPECIAL EVENTS INCOME (Continued)

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

	<u>2025</u>	<u>2024</u>
Proceeds from special events	\$ 863,650	\$ 662,389
Less: cost of direct benefits to donors	<u>(258,686)</u>	<u>(210,571)</u>
Special events income, net	<u>\$ 604,964</u>	<u>\$ 451,818</u>

NOTE 10 – PENSION PLANS

The Organization has a tax deferred annuity 403(b) plan for eligible employees. The Organization contributes 6% of eligible employees' salaries to the plan and a matching contribution of up to 2% for those employees who contribute to the plan. The cost to the Organization for this plan for the years ended June 30, 2025 and 2024 amounted to \$619,601 and \$491,150, respectively.

The Organization also offers a deferred compensation arrangement under Section 457(b) of the IRC for key employees. The Organization made a \$21,000 and \$20,000 contribution to the plan for the years ended June 30, 2025 and 2024, respectively. The Organization and certain key employees are also parties to a 457(f) plan. The Organization contributed \$152,000 and \$185,000 to the 457(f) plan for the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, the Organization's liability related to the 457(f) plan amounted to \$320,333 and \$568,333, respectively, and such amounts are included in accounts payable and accrued expenses in the accompanying consolidated statements of financial position. Disbursements from the 457(f) plan were made to key employees in the amount of \$400,000 for the year ended June 30, 2025.

NOTE 11 – LEASES

On October 27, 2022, the Organization signed a long-term lease agreement for its auxiliary 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 November 15, 2023, the Organization signed a 12-month lease agreement for program-related use located in Poughkeepsie, NY, with terms commencing on January 1, 2024, and expiring on December 1, 2024. The lease called for payment of a fixed rent throughout the term of the agreement. The lease was terminated as of October 31, 2024.

On February 1, 2024, the Organization signed a long-term sub-lease agreement for its primary office space located in Poughkeepsie, NY, with terms commencing upon substantial completion of the Project on June 1, 2025, and expiring on December 1, 2032. The lease calls for payment of fixed rent throughout the term of the agreement, with an expected increase in years 2031 and 2032. This related-party transaction is further described in Note 16.

On February 1, 2024, the Organization signed a long-term master lease agreement to hold, maintain, and operate the rehabilitated Building located in Poughkeepsie, NY, with terms commencing upon substantial completion of the Project on June 1, 2025, and expiring on May 1, 2044. The lease calls for payment of fixed rent throughout the term of the agreement, with expected increases over the course of the term. This related party transaction is further described in Note 12.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 11 – LEASES (Continued)

As of June 30, 2025, in accordance with FASB ASC Topic 842, the Organization recognized ROU assets equal to \$122,712 and \$371,574 for the years ended June 30, 2025 and 2024, respectively. Lease liabilities of \$131,866 and \$395,074 as reflected in the consolidated statements of financial position were also recognized for the years ended June 30, 2025 and 2024, respectively. 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% - 5.00%, depending on the remaining life of the leases.

Amounts recognized in the consolidated financial statements and other lease metrics for the years ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Operating lease expense	<u>\$ 512,216</u>	<u>\$ 271,636</u>
Cash paid for amounts included in the measurement of lease liabilities for operating leases:		
Operating cash flows	<u>\$ 400,498</u>	<u>\$ 21,048</u>
Weighted-average remaining lease term (in months):		
Operating leases	10.37	16.60
Weighted-average discount rate:		
Operating leases	3.09%	4.05%

Future minimum payments for non-cancelable operating leases for the years ending after June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
2025	\$ -	\$ 273,992
2026	<u>133,188</u>	<u>133,125</u>
Total lease payments	133,188	407,117
Less: Present value discount	<u>(1,434)</u>	<u>(12,043)</u>
Present value of lease liabilities	<u>\$ 131,866</u>	<u>\$ 395,074</u>

During the years ended June 30, 2025 and 2024, operating lease expense (included in occupancy and insurance) amounted to \$260,746 and \$271,636, respectively.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Government Supported Programs

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

B. Line of Credit

The Organization has a line of credit with a bank with a maximum borrowing amount of \$5,000,000 maturing on May 31, 2026. Interest is at the one-month Secured Overnight Financing Rate ("SOFR") plus 2.6%. The Organization has pledged certain 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, 2025 and 2024, there were no borrowings outstanding. There were no borrowings from the line as of November 24, 2025.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12 – COMMITMENTS AND CONTINGENCIES (Continued)

C. Rehabilitation Tax Credits

On February 1, 2024, Northside Junction as the lessor, and Northside Junction Master Tenant, LLC (“Master Tenant”) as the lessee, executed a Master Lease Agreement (the “Master Lease”) and HTC Pass-Through Agreement, pursuant to which Northside Junction elected under Section 50(d) of the IRC and Section 1.48-4 of the Treasury Regulations to pass-through to Master Tenant the Tax Credits to which Northside Junction is otherwise entitled in connection with its rehabilitation of the Property.

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

Northside Junction is also expected to generate NY HTCs under Sections 606(o), 210-B(26), and 1511(y) of the Tax Law of the State of New York. Pursuant to the Master Lease and HTC Pass-Through Agreement, Master Tenant is eligible to claim NY HTCs generated from the Property. State HTCs are available as of the date the rehabilitation is placed in service and are generally equal to the lesser of 20% of the qualified rehabilitation expenditures with respect to any certified historic structure or \$5,000,000. To qualify for NY HTCs, Northside Junction must comply with various requirements set forth by the State of New York. Because State HTCs are subject to complying with certain requirements, there can be no assurance that the aggregate amount of State HTCs will be realized and failure to meet all such requirements may result in generating a lesser amount of State HTCs than the expected amount. The project was placed in service on June 1, 2025, and was certified by the National Parks Service as meeting the Secretary of the Interior's Standards for Rehabilitation as of September 12, 2025.

As of June 30, 2025, the Project reached substantial completion, but no Tax Credits were received and passed through to the Master Tenant pursuant to the Master Lease and HTC Pass-Through Agreement.

D. Legal

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

E. Uncertain Income Tax Positions

The Organization believes it had no uncertain income tax positions as of June 30, 2025 and 2024 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, 2025 AND 2024

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 \$1,042,000 and \$1,025,000, 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, 2025 and 2024, 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 \$47,000 and \$48,000, 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, 2025 and 2024, respectively. The easement enforcement fund net asset balance amounted to \$1,020,034 and \$947,710 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024.

HHFT has established and holds a board-designated “quasi-endowment” fund (i.e., an endowment fund where spending is not limited to future income and investment earnings) exclusively dedicated to supporting future operating and maintenance costs of the Hudson Highlands Fjord Trail (the “Operating and Maintenance Fund”). The Operating and Maintenance Fund had a value of \$3,739,365 and \$3,368,949 as of June 30, 2025 and 2024, respectively. HHFT has received donor-restricted gifts to the fund from multiple donors, including a 2021 grant from its supported organization. The original value of certain donations to such fund by the supported organization may revert to the supported organization, but only in circumstances where HHFT no longer is responsible for operating and maintaining the Hudson Highlands Fjord Trail. HHFT intends to grow such fund as its operating and maintenance obligations grow with the completion of each phase of the Fjord Trail project. Such fund is not intended to be sole or primary source of funding to pay operating and maintenance costs of the Fjord Trail, which are expected to be met in significant part in the usual manner, i.e., by application of annual contributions or earned revenues.

B. *Net Assets with Donor Restrictions*

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

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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, 2025 and 2024, 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, 2023 and 2022, and that management may withdraw these amounts at their discretion to meet program needs. Accordingly, endowment allocations of \$9,178,000 and \$9,158,000, 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, 2025 and 2024, 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 \$249,000 and \$253,000, designated as "endowment allocations used to meet the 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, 2025 and 2024, respectively.

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

	<u>2025</u>	<u>2024</u>
Scenic Hudson, Inc.:		
Restricted to future programs and periods	\$ 10,331,153	\$ 11,404,784
Restricted to Northside Hub	-	45,000
Kathryn W. Davis Fund for Park Planning and Community Land Use Endowment	<u>5,527,164</u>	<u>5,210,692</u>
	<u>15,585,317</u>	<u>16,660,476</u>
The Scenic Hudson Land Trust, Inc.:		
Lila Acheson and DeWitt Wallace Hudson Valley Land Preservation Endowment	204,376,735	192,647,338
Easement enforcement Fund	69,125	45,875
Land acquisitions and other land preservation and Conservation expenses	64,528	94,429
Restricted to Northside Hub	<u>700,000</u>	<u>18,105,468</u>
	<u>205,210,388</u>	<u>210,893,110</u>
Hudson Highlands Fjord Trail, Inc.:		
Phase 1 Construction	22,029,057	28,383,826
Breakneck Connector construction	39,703,004	-
Breakneck Bridge construction	<u>17,830,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 300,630,767</u>	<u>\$ 255,937,412</u>

During the years ended June 30, 2025 and 2024, the Organization released net assets with donor restrictions by satisfying donor-imposed restrictions either by incurring expenses for the purpose or due to the passage of time.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13 – RESTRICTIONS ON NET ASSETS (Continued)

Scenic Hudson and the Land Trust have received funding and commitments with public and private donor stipulations in support of the Northside Hub rehabilitation project of \$0 and \$700,000, respectively, as of June 30, 2025, and \$45,000 and \$18,105,469, respectively, as of June 30, 2024. Contributions received for the Project will be released from restriction upon the Project being placed in service. These were mostly released in FY25 because the project was placed in service. The remaining \$700,000 will be released as of July 2026 as final costs are incurred. Proceeds from such contributions are transferred to the project via the HTC Bridge Loan and Sponsor Equity Loan, subject to a disbursing agreement.

During the fiscal year ended June 30, 2022, HHFT recognized \$45,000,000 of donor restricted revenue, representing the receipt of funds for Phase I construction of the Fjord trail. During the fiscal years ended June 30, 2025 and 2024, the donor authorized the Organization to release a portion of the restricted donated revenue for pre-construction and operating costs in the amounts of \$6,250,870 and \$7,625,994, respectively.

C. *Endowment Net Assets*

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

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

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

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, 2025 and 2024.

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, 2025 AND 2024

NOTE 13 – RESTRICTIONS ON NET ASSETS (Continued)

Changes in endowment net assets for the year ended June 30, 2025 were as follows:

	Board Designated- Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	38,838,185	197,903,905	236,742,090
Investment Activity			
Interest and Dividends	416,822	2,092,815	2,509,637
Realized Gains	1,312,753	6,572,731	7,885,484
Unrealized Gains	2,668,275	13,509,534	16,177,809
Investment Fees	(139,191)	(702,210)	(841,401)
Total Return on Investments	4,258,659	21,472,870	25,731,529
Bequests and Additions to Board Designated Fund	290,625	23,250	313,875
Endowment Earnings Used to Meet Spending Policy for Board Designated Funds	(1,089,000)	-	(1,089,000)
Endowment Earnings Used to Meet Spending Policy for Restricted Endowments	-	(9,427,000)	(9,427,000)
	3,460,284	12,069,120	15,529,404
Endowment Net Assets, End of Year	\$ 42,298,469	\$ 209,973,025	\$ 252,271,494

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

	Board Designated- Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	35,402,067	185,164,375	220,566,442
Investment Activity			
Interest and Dividends	495,477	2,230,436	2,725,913
Realized Gains	849,930	3,780,504	4,630,434
Unrealized Gains	3,660,059	16,299,476	19,959,535
Investment Fees	(144,272)	(649,773)	(794,045)
Total Return on Investments	4,861,194	21,660,643	26,521,837
Bequests and Additions to Board Designated Fund and net assets with donor restriction	137,811	-	137,811
Endowment earnings (loss) allocated to other endowment funds	(601,004)	601,004	-
Net transfer to Easement Enforcement Fund	111,117	(111,117)	-
Endowment Earnings Used to Meet Spending Policy for Board Designated Funds (Note 13A)	(1,073,000)	(9,411,000)	(10,484,000)
	3,436,118	12,739,530	16,175,648
Endowment Net Assets, End of Year	\$ 38,838,185	\$ 197,903,905	\$ 236,742,090

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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, 2025 and 2024, there was approximately \$2,119,000 and \$2,719,000, 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 \$2,420,000 and \$16,668,000 as of June 30, 2025 and 2024, respectively.

NOTE 15 – RELATED-PARTY TRANSACTIONS

Northside Hub

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

On February 1, 2024, the Land Trust, as lender, and Northside Junction, as borrower, entered into a loan agreement (“HTC Bridge Loan” or the “HTC Loan”) under which the Land Trust will provide \$8,875,535 of bridge proceeds for the Tax Credits. HTC Bridge Loan proceeds shall be advanced as required, subject to a disbursement agreement, to pay costs related to the construction of the Project. The HTC Loan bears interest at a rate of 10% per annum, compounded annually, commencing on the date funds are advanced. Under the HTC Bridge Loan Agreement, the Land Trust shall set aside a portion of the loan proceeds to establish an interest reserve, which shall be used to make HTC Loan interest payments. As of June 30, 2025, the Land Trust advanced \$8,627,506 of HTC Bridge Loan Proceeds and added \$809,450 to its interest reserve for a balance of \$906,213.

On February 1, 2024, the Land Trust, as lender, and Parker, as borrower, executed an Amended and Restated Promissory Note (“Sponsor Equity Loan”) in the amount of \$38,449,208, bearing no interest and restating a similar promissory note executed January 13, 2021. Sponsor Equity Loan proceeds shall be advanced, subject to a disbursement agreement, and Parker shall use such proceeds to make capital contributions to Northside Junction to fund the rehabilitation of the Project. As of June 30, 2025 and 2024, the Land Trust advanced \$34,423,920 and \$11,250,715 of such proceeds, respectively.

On February 1, 2024, Scenic Hudson, as Developer, and Northside Junction, as Owner, entered into a Development Agreement. Under the Development Agreement, Scenic Hudson is entitled to a developer fee of \$5,778,001, which is earned ratably over the course of the Project and anticipated to be payable out of net cash flow pursuant to the Amended and Restated Master Tenant Operating Agreement (“MT Operating Agreement”) and Development Agreement. During the year ended June 30, 2025, Scenic Hudson recognized developer fees of \$3,466,801.

On February 1, 2024, Scenic Hudson, as Tenant, and Northside Junction Master Tenant, as Landlord pursuant to the Master Lease and HTC Pass-Through Agreement, entered into a Sublease Agreement. The Sublease allows Scenic Hudson to use and occupy the premises for the purposes of operating office space, community space and any other lawful or ancillary use.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 15 – RELATED-PARTY TRANSACTIONS (Continued)

On February 1, 2024, Northside Junction as the lessor, and Northside Junction Master Tenant, LLC (“Master Tenant”) as the lessee, executed a Master Lease Agreement (the “Master Lease”) and HTC Pass-Through Agreement, pursuant to which Northside Junction elected under Section 50(d) of the IRC and Section 1.48-4 of the Treasury Regulations to pass-through to Master Tenant the Tax Credits to which Northside Junction is otherwise entitled in connection with its rehabilitation of the Property. The project was placed in service on June 1, 2025, and was certified by the National Parks Service as meeting the Secretary of the Interior's Standards for Rehabilitation as of September 12, 2025.

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 November 24, 2025, 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, 2025 AND 2024

	As of June 30, 2025											As of June 30, 2024										
	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Hudson Highlands Fjord Trail, Inc.	Parker Falkkill, LLC	Falkkill Brookside, LLC	Northside Junction, LLC	Northside Junction Master Tenant, LLC	Pollepel Island View, LLC	Consolidating Eliminations	Consolidated Total 2025	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Hudson Highlands Fjord Trail, Inc.	Parker Falkkill, LLC	Falkkill Brookside, LLC	Northside Junction, LLC	Northside Junction Master Tenant, LLC	Pollepel Island View, LLC	Consolidating Eliminations	Consolidated Total 2024		
ASSETS																						
Cash and cash equivalents	\$ 2,485,556	\$ 8,430,004	\$ 45,169,250	\$ -	\$ -	\$ 1,826,846	\$ 353,263	\$ 173,938	\$ -	\$ 58,438,858	\$ 10,210,082	\$ 23,855,482	\$ 24,642,091	\$ -	\$ -	\$ 229,414	\$ -	\$ -	\$ -	\$ 58,937,069		
Promises to give and grants receivable, net	11,736,851	2,281,850	30,452,126	-	-	-	-	-	-	44,450,827	10,035,089	2,988,954	50,000	-	-	-	-	-	-	13,074,043		
Investments, at fair value	37,871,885	212,050,350	3,489,366	-	-	3,489,366	-	-	-	253,411,601	33,447,658	201,034,256	3,117,950	-	-	-	-	-	-	237,599,964		
Due from related party	11,483,819	1,102,317	57,807	-	-	-	-	3,625	(12,647,568)	-	4,715,672	49,625	-	-	-	-	-	-	(4,765,297)	-		
Prepaid expenses and other assets	290,287	273,507	4,475,092	-	-	-	2,796,914	-	(2,796,914)	5,038,886	114,277	240,591	4,714,923	-	-	-	-	-	(116,092)	5,069,791		
Program-related loan receivable from for-profit subsidiary	4,218	34,423,920	-	-	-	-	-	-	(34,428,138)	-	4,218	12,185,979	-	-	-	-	-	-	(12,190,197)	-		
Historic tax credit bridge loan receivable	-	8,627,506	-	-	-	-	-	-	(8,627,506)	-	-	6,810,098	-	-	-	-	-	-	(6,810,098)	-		
Historical tax credit capitalized interest	-	-	-	-	-	906,213	-	-	(906,213)	-	-	-	-	-	-	-	-	-	-	-		
Development fee receivable	5,778,001	-	-	-	-	-	-	-	(5,778,001)	-	2,311,200	-	-	-	-	-	-	-	(2,311,200)	-		
Land, property and equipment, net	18,215	87,527	1,226,363	-	-	49,476,500	-	-	(5,778,001)	45,030,604	33,199	134,716	30,549	-	-	21,087,080	-	-	(2,407,963)	18,877,581		
Land areas and conservation easements, at cost	920,000	65,385,101	5,611,940	-	-	-	-	-	-	71,917,041	920,000	64,678,145	4,900,674	-	-	-	-	-	-	70,498,819		
Investment in Northside Junction, LLC	-	-	-	34,102,218	4,218	-	-	-	(34,106,436)	-	-	-	-	11,139,623	4,218	-	-	-	(11,143,841)	-		
Investment in Northside Junction Master Tenant, LLC	-	-	-	111,025	-	-	-	-	(111,025)	-	-	-	-	111,092	-	-	-	-	(111,092)	-		
Leases receivable	-	-	-	-	-	50,460	77,146	-	(127,606)	-	-	-	-	-	-	-	-	-	-	-		
Construction in progress	-	-	-	-	-	1,754,966	-	-	-	1,754,966	-	-	-	-	-	-	-	-	-	-		
Right-of-use assets - operating leases	6,026,362	37,943	-	-	-	-	7,427,357	-	(13,368,950)	122,712	259,332	112,242	-	-	-	-	-	-	-	371,574		
TOTAL ASSETS	\$ 76,615,194	\$ 332,680,025	\$ 90,481,944	\$ 34,213,243	\$ 4,218	\$ 54,014,985	\$ 10,654,680	\$ 177,563	\$ (118,676,358)	\$ 480,165,495	\$ 62,050,727	\$ 312,090,088	\$ 37,456,187	\$ 11,250,715	\$ 4,218	\$ 21,316,494	\$ 116,092	\$ -	\$ (39,855,780)	\$ 404,428,741		
LIABILITIES																						
Accounts payable and accrued expenses	\$ 1,743,584	\$ 2,166,305	\$ 1,371,007	\$ -	\$ -	\$ 1,572,391	\$ 3,500	\$ 26,690	\$ -	\$ 6,883,477	\$ 925,313	\$ 1,025,160	\$ 657,401	\$ -	\$ -	\$ 116,092	\$ -	\$ -	\$ (116,092)	\$ 2,607,874		
Due to related party	124,639	11,332,187	204,882	-	-	935,263	-	50,597	(12,647,568)	-	-	4,624,009	141,288	-	-	935,263	-	-	(5,700,560)	-		
Project sponsor equity loan payable	-	-	-	34,213,049	4,218	-	-	-	(34,217,267)	-	-	-	-	11,250,715	4,218	-	-	-	(11,254,933)	-		
Historic tax credit bridge loan payable	-	-	-	-	-	8,627,506	-	-	(8,627,506)	-	-	-	-	-	-	6,810,098	-	-	(6,810,098)	-		
Notes payable, net	-	-	-	-	-	-	-	-	-	-	-	2,792,346	-	-	-	-	-	-	-	2,792,346		
Development fee payable	-	2,906,337	-	-	-	5,778,001	-	-	(5,778,001)	2,906,337	-	-	-	-	-	2,311,200	-	-	(2,311,200)	-		
Lease Payable	75,163	-	-	-	-	-	51,343	-	(126,506)	-	-	-	-	-	-	-	-	-	-	-		
Operating lease liabilities	6,037,356	38,086	-	-	-	2,796,914	7,426,474	-	(16,166,964)	131,866	282,403	112,671	-	-	-	-	-	-	-	395,074		
TOTAL LIABILITIES	7,980,742	16,442,915	1,575,889	34,213,049	4,218	19,710,075	7,481,317	77,287	(77,563,812)	9,921,680	1,207,716	8,554,186	798,689	11,250,715	4,218	10,172,653	-	-	(26,192,883)	5,795,294		
NET ASSETS/MEMBERS' EQUITY																						
Without donor restrictions:																						
Operating net assets	14,372,551	44,863,225	-	194	-	34,304,910	61,849	100,276	(40,206,333)	53,496,672	9,660,009	29,712,520	5,049	-	-	11,143,841	111,092	-	(13,566,134)	37,066,377		
Board designated - other endowment	37,539,070	-	-	-	-	-	-	-	-	37,539,070	34,522,526	-	-	-	-	-	-	-	-	34,522,526		
Board designated - easement enforcement fund	-	1,020,034	-	-	-	-	-	-	-	1,020,034	-	947,710	-	-	-	-	-	-	-	947,710		
Board designated - HHFT	-	-	3,739,365	-	-	-	-	-	-	3,739,365	-	-	3,367,949	-	-	-	-	-	-	3,367,949		
Reserve for purchases of real property	864,515	1,758,485	-	-	-	-	-	-	-	2,623,000	-	-	-	-	-	-	-	-	-	-		
Reserve for historic tax credit bridge loan interest	-	906,213	-	-	-	-	-	-	(906,213)	-	-	96,763	-	-	-	-	-	-	(96,763)	-		
Non-controlling member's interest in consolidated subsidiary	-	-	-	-	-	-	3,111,514	-	-	3,111,514	-	-	-	-	-	-	5,000	-	-	5,000		
Investment in land areas and conservation easements, at cost	-	62,478,764	5,604,629	-	-	-	-	-	-	68,083,393	-	61,885,799	4,900,674	-	-	-	-	-	-	66,786,473		
Total net assets without donor restrictions	52,776,135	111,026,721	9,343,994	194	-	34,304,910	3,173,363	100,276	(41,112,546)	169,613,048	44,182,535	92,642,792	8,273,672	-	-	11,143,841	116,092	-	(13,662,897)	142,696,035		
With donor restrictions:																						
Endowment	5,527,164	204,376,736	-	-	-	-	-	-	-	209,903,900	5,210,692	192,647,338	-	-	-	-	-	-	-	197,858,030		
Easement enforcement	-	69,125	-	-	-	-	-	-	-	69,125	-	45,875	-	-	-	-	-	-	-	45,875		
Other net assets with donor restrictions	10,331,153	764,528	79,562,061	-	-	-	-	-	-	90,657,742	11,449,784	18,199,897	28,383,826	-	-	-	-	-	-	58,033,507		
Total net assets with donor restrictions	15,858,317	205,210,389	79,562,061	-	-	-	-	-	-	300,630,767	16,660,476	210,893,110	28,383,826	-	-	-	-	-	-	255,937,412		
TOTAL NET ASSETS	68,634,452	316,237,110	88,906,055	194	-	34,304,910	3,173,363	100,276	(41,112,546)	470,243,815	60,843,011	303,535,902	36,657,498	-	-	11,143,841	116,092	-	(13,662,897)	398,633,447		
Members' equity from capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL NET ASSETS/MEMBERS' EQUITY	68,634,452	316,237,110	88,906,055	194	-	34,304,910	3,173,363	100,276	(41,112,546)	470,243,815	60,843,011	303,535,902	36,657,498	-	-	11,143,841	116,092	-	(13,662,897)	398,633,447		
TOTAL LIABILITIES AND NET ASSETS	\$ 76,615,194	\$ 332,680,025	\$ 90,481,944	\$ 34,213,243	\$ 4,218	\$ 54,014,985	\$ 10,654,680	\$ 177,563	\$ (118,676,358)	\$ 480,165,495	\$ 62,050,727	\$ 312,090,088	\$ 37,456,187	\$ 11,250,715	\$ 4,218	\$ 21,316,494	\$ 116,092	\$ -	\$ (39,855,780)	\$ 404,428,741		

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Hudson Highlands Fjord Trail, Inc.	Pollepel Island View, LLC	Parker Fallkill, LLC	Fallkill Brookside, LLC	Northside Junction, LLC	Northside Junction Master Tenant, LLC	Consolidating Eliminations	Consolidated 2025 Total
WITHOUT DONOR RESTRICTIONS										
OPERATING REVENUES, GAINS AND SUPPORT:										
Contributions	\$ 6,166,728	\$ 33,123	\$ 599,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,805,941)	\$ 2,993,543
In-kind contributions	-	-	93,641	-	-	-	-	-	(93,641)	-
Government grants	1,148,586	11,152	-	-	-	-	-	-	-	1,159,738
Endowment allocations used to meet spending policy	1,291,000	9,225,000	-	-	-	-	-	-	-	10,516,000
Investment activity other than endowment earnings	394,025	736,856	982,363	-	194	-	1,844	-	(194)	2,115,088
Other revenues	3,466,801	1,410,933	-	211,842	-	-	132,423	86,725	(4,496,110)	812,614
Special events, net of direct expenses	604,964	-	-	-	-	-	-	-	-	604,964
Net assets released from restrictions	5,876,583	18,943,468	6,926,766	-	-	-	-	-	-	31,746,817
Total Operating Revenues, Gains and Support	18,948,687	30,360,532	8,602,403	211,842	194	-	134,267	86,725	(8,395,886)	49,948,764
OPERATING EXPENSES:										
Program services	9,719,424	11,416,219	6,788,751	-	-	-	-	-	(3,587,443)	24,336,951
Management and general	2,082,305	574,695	770,509	116,615	-	-	146,402	135,968	(521,087)	3,305,407
Fundraising	1,569,902	58,012	339,189	-	-	-	-	-	(10,912)	1,956,191
Total Operating Expenses	13,371,631	12,048,926	7,898,449	116,615	-	-	146,402	135,968	(4,119,442)	29,598,549
NET OPERATING ACTIVITY	5,577,056	18,311,606	703,954	95,227	194	-	(12,135)	(49,243)	(4,276,444)	20,350,215
NON-OPERATING ACTIVITIES:										
Bequests and additions to Board designated funds	280,000	-	-	-	-	-	-	-	-	280,000
Additions to Easement Enforcement Fund	-	10,625	-	-	-	-	-	-	-	10,625
Investment activity	3,778,544	108,698	371,417	-	-	-	-	-	-	4,258,659
Endowment allocations used to meet spending policy	(1,042,000)	(47,000)	-	-	-	-	-	-	-	(1,089,000)
NET NON-OPERATING ACTIVITY	3,016,544	72,323	371,417	-	-	-	-	-	-	3,460,284
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	8,593,600	18,383,929	1,075,371	95,227	194	-	(12,135)	(49,243)	(4,276,444)	23,810,499
Net assets without donor restrictions - Beginning of Year	44,182,535	92,642,792	8,268,623	5,049	-	-	9,396,072	-	(2,407,964)	152,087,107
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	52,776,135	111,026,721	9,343,994	100,276	194	-	9,383,937	(49,243)	(6,684,408)	175,897,606
MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES										
Non-controlling members' capital contributions/distributions	-	-	-	-	-	-	-	3,106,514	-	3,106,514
Members' capital contributions/Distributions	-	-	-	-	-	-	23,173,205	-	(23,173,205)	-
TOTAL MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES	-	-	-	-	-	-	23,173,205	3,106,514	(23,173,205)	3,106,514
WITH DONOR RESTRICTIONS										
OPERATING REVENUES, GAINS AND SUPPORT:										
Contributions, net of costs of direct benefits to donors	4,757,951	1,531,351	58,105,000	-	-	-	-	-	-	64,394,302
Net assets released from restrictions	(5,876,583)	(18,943,468)	(6,926,766)	-	-	-	-	-	-	(31,746,817)
	<u>(1,118,632)</u>	<u>(17,412,117)</u>	<u>51,178,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,647,485</u>
NON-OPERATING ACTIVITIES:										
Investment activity	565,472	20,907,398	-	-	-	-	-	-	-	21,472,870
Endowment allocations used to meet spending policy	(249,000)	(9,178,000)	-	-	-	-	-	-	-	(9,427,000)
NET NON-OPERATING ACTIVITY	316,472	11,729,398	-	-	-	-	-	-	-	12,045,870
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(802,160)	(5,682,719)	51,178,234	-	-	-	-	-	-	44,693,355
Net assets with donor restrictions - Beginning of Year	16,660,476	210,893,110	28,383,826	-	-	-	-	-	(9,396,072)	246,541,340
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	15,858,316	205,210,391	79,562,060	-	-	-	-	-	(9,396,072)	291,234,695
CHANGES IN TOTAL NET ASSETS	7,791,440	12,701,210	52,253,605	95,227	194	-	23,161,070	3,057,271	(27,449,649)	71,610,368
Net assets/members' equity - Beginning of Year	60,843,011	303,535,902	36,652,449	5,049	-	-	11,143,841	116,092	(13,662,897)	398,633,447
NET ASSETS/MEMBER EQUITY - END OF YEAR	\$ 68,634,451	\$ 316,237,112	\$ 88,906,054	\$ 100,276	\$ 194	\$ -	\$ 34,304,911	\$ 3,173,363	\$ (41,112,546)	\$ 470,243,815

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

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

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(SCENIC HUDSON, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	For the Year Ended June 30, 2025				For the Year Ended June 30, 2024			
	Program Services	Management and General	Fundraising	Total 2025	Program Services	Management and General	Fundraising	Total 2024
Salaries	\$ 5,517,718	\$ 1,270,260	\$ 997,109	\$ 7,785,087	\$ 5,070,923	\$ 1,028,673	\$ 905,172	\$ 7,004,768
Payroll taxes and employee benefits	1,573,074	365,892	286,635	2,225,601	1,323,153	280,402	241,813	1,845,368
Total salaries and related costs	7,090,792	1,636,152	1,283,744	10,010,688	6,394,076	1,309,075	1,146,985	8,850,136
Occupancy	304,670	64,264	48,198	417,132	258,938	34,986	45,235	339,159
Consultants and experts	1,354,697	120,763	1,500	1,476,960	899,002	15,111	713	914,826
Legal and audit	14,678	88,699	-	103,377	36,046	43,279	-	79,325
Employee travel and training	126,412	12,262	7,586	146,260	142,729	26,004	9,303	178,036
Office - general	263,481	47,653	42,543	353,677	243,137	31,845	76,114	351,096
Program and public outreach costs	564,694	57,527	186,331	808,552	597,765	73,190	167,410	838,365
Depreciation and amortization	-	14,985	-	14,985	1,832	13,458	-	15,290
Bad debt expense	-	40,000	-	40,000	-	-	-	-
TOTAL	\$ 9,719,424	\$ 2,082,305	\$ 1,569,902	\$ 13,371,631	\$ 8,573,525	\$ 1,546,948	\$ 1,445,760	\$ 11,566,233

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(THE SCENIC HUDSON LAND TRUST, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	For the Year Ended June 30, 2025				For the Year Ended June 30, 2024			
	Program Services	Management and General	Fundraising	Total 2025	Program Services	Management and General	Fundraising	Total 2024
Conservation easements and monitoring costs	\$ 2,867,462	\$ -	\$ -	\$ 2,867,462	\$ 1,903,546	\$ -	\$ -	\$ 1,903,546
Land project expenses	3,324,969	-	-	3,324,969	5,259,361	-	-	5,259,361
Program and business management services	3,174,693	131,595	58,012	3,364,300	3,026,938	114,129	67,914	3,208,981
Grants and contributions	1,370,755	-	-	1,370,755	4,000	-	-	4,000
Property taxes	155,394	-	-	155,394	146,399	-	-	146,399
Insurance	329,157	-	-	329,157	240,332	-	-	240,332
Legal and audit fees	32,608	83,100	-	115,708	30,026	65,281	-	95,307
Interest	113,992	-	-	113,992	138,113	-	-	138,113
Depreciation and amortization	47,189	-	-	47,189	51,375	-	-	51,375
Bad debt expense	-	360,000	-	360,000	-	38,782	-	38,782
TOTAL	\$ 11,416,219	\$ 574,695	\$ 58,012	\$ 12,048,926	\$ 10,800,090	\$ 218,192	\$ 67,914	\$ 11,086,196

See independent auditors' report.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(HUDSON HIGHLANDS FJORD TRAIL, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	For the Year Ended June 30, 2025				For the Year Ended June 30, 2024			
	Program Services	Management and General	Fundraising	Total 2025	Program Services	Management and General	Fundraising	Total 2024
Salaries	\$ 890,545	\$ 228,322	\$ 179,781	\$ 1,298,648	\$ 480,051	\$ 327,529	\$ 55,181	\$ 862,761
Payroll taxes and employee benefits	233,265	64,762	46,583	344,610	109,299	70,404	11,858	191,561
Total salaries and related costs	1,123,810	293,084	226,364	1,643,258	589,350	397,933	67,039	1,054,322
Consultants and experts	337,717	222,317	28,349	588,383	595,561	-	-	595,561
Legal and audit fees	-	160,079	-	160,079	10,737	11,004	-	21,741
Program and public outreach costs	236,846	17,838	28,680	283,364	150,055	-	3,768	153,823
Occupancy and insurance	215,069	47,793	35,845	298,707	44,357	-	-	44,357
Employee travel and training	14,755	4,407	3,922	23,084	6,430	5,214	-	11,644
Office expenses	90,550	16,506	16,029	123,085	-	112,283	-	112,283
Land project expenses	4,735,928	-	-	4,735,928	7,111,142	-	-	7,111,142
Property taxes	5,995	848	-	6,843	28,308	-	-	28,308
Conservation easements and monitoring costs	-	-	-	-	-	-	-	-
Depreciation and amortization	28,081	7,637	-	35,718	7,638	-	-	7,638
TOTAL	\$ 6,788,751	\$ 770,509	\$ 339,189	\$ 7,898,449	\$ 8,543,578	\$ 526,434	\$ 70,807	\$ 9,140,819

See independent auditors' report.

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
SCHEDULES OF LAND AREAS AND CONSERVATION EASEMENTS
AS OF JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Scenic Hudson, Inc.:		
Hyde Park - Morgan Estate	\$ 920,000	\$ 920,000
Scenic Hudson Land Trust, Inc.:		
Esopus Meadows Point, River Road	1,010,803	1,010,803
Esopus, River Road, Waskew/EMEC	267,274	267,274
Four Mile Point Road, Cocksackie (Four Mile Point)	217,955	217,955
Ramshorn Marsh, Catskill - Blenner	237,484	237,484
Ramshorn Marsh, Catskill - Vincent	402,002	402,002
Black Creek - Route 9W, Esopus	2,840,009	2,840,009
Esopus, River Road	714,583	714,583
Poet's Walk/Astor Cove I/Mandara	1,726,922	1,726,922
Esopus Meadows Point, Mazza	164,320	164,320
Shaupeneak Ridge, Esopus	989,779	989,779
Ramshorn Marsh, Catskill - Iten	167,468	167,468
Beacon Terminal, Madam Brett	320,886	320,886
Foundry Cove (Marin), Cold Spring	523,062	523,062
Foundry Cove (Spevak), Cold Spring	1,924,329	1,924,329
Beacon Waterfront - Garrett Storm	881,296	881,296
Beacon Waterfront - Kellam	781,805	781,805
King James Weyant, Ft Montgomery	272,040	272,040
Shaupeneak Ridge, Additions	91,303	91,303
Wappingers Greenway	229,920	229,920
Fishkill Base of Mt. Beacon	443,510	443,510
Beacon Waterfront - Cohen	1,608,552	1,608,552
Stockport - 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	-	-
Gordon LLC	484,197	484,197
Stockport Flats/Krizar	943,000	943,000
Firnbach	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	1,635,707	1,636,034
AT&T	77,588	77,588
Furnari	344,342	344,342
Divney	982,575	982,575
DBTL Realty Corp	842,971	842,971
Hickman	74,113	74,112
Lucas Property	124,688	124,688
Nicolato Property	428,511	428,511
Higgs Property	540,030	540,030
Plotkin	5,021,684	5,021,684
Kessler	3,000	-
Kingston Wilderness	452,859	-
Markus	251,097	-
Other projects in development	326	-
	<u>65,385,101</u>	<u>64,678,145</u>
Hudson Highlands Fjord Trail, Inc:		
Dutchess Manor	3,044,962	3,044,962
14 Coris Lane	420,606	420,606
2 Hartsook (Fawkes Parsia) [HHFT]	703,955	-
8 Hartsook (Matthews)	1,435,106	1,435,106
Other projects in development	7,311	-
	<u>5,611,940</u>	<u>4,900,674</u>
Land areas and conservation easements, at cost	<u>\$ 71,917,041</u>	<u>\$ 70,498,819</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, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
SOURCES OF FUNDS:		
Contributions without donor restrictions	\$ 4,153,281	\$ 4,115,450
Releases of contributions with donor restrictions	31,746,817	12,891,437
Endowment earnings used to meet spending policy	10,516,000	10,484,000
Other revenues	<u>2,927,702</u>	<u>3,107,196</u>
Total Sources of Funds	<u>49,343,800</u>	<u>30,598,083</u>
USES OF FUNDS:		
Purchases of natural land areas and improvements (in fee)	1,418,222	968,541
Program services expenses:		
Purchases of conservation easements and easement monitoring costs	2,867,462	1,903,546
Park construction and management	8,060,897	12,370,503
Salaries and related benefits	8,214,602	6,983,426
Other	5,193,990	3,725,924
Supporting services expenses	<u>5,261,598</u>	<u>3,747,709</u>
Total Uses of Funds	<u>31,016,771</u>	<u>29,699,649</u>
NET SOURCES AND USES OF FUNDS	<u>\$ 18,327,029</u>	<u>\$ 898,434</u>
OTHER KEY FINANCIAL INFORMATION:		
Land areas and conservation easements, at cost - beginning of year	\$ 70,498,819	\$ 69,530,278
Purchases of natural land areas and improvements (in fee)	<u>1,418,222</u>	<u>968,541</u>
Land areas and conservation easements, at cost - end of year	<u>\$ 71,917,041</u>	<u>\$ 70,498,819</u>