CBIZ CPAs

OPEN SPACE INSTITUTE, INC.
AND
CONSOLIDATED ENTITY

OPEN SPACE INSTITUTE

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

For the Year Ended December 31, 2024
(With Summarized Comparative Financial Information
as of and for December 31, 2023)

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY

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

FOR THE YEAR ENDED DECEMBER 31, 2024
(With Summarized Comparative Financial Information as of and for December 31, 2023)

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees of
Open Space Institute, Inc. and Consolidated Entity
New York, New York

Opinion

We have audited the consolidated financial statements of Open Space Institute, Inc. and Consolidated Entity (collectively, the “Organization”), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year 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 financial position of the Organization as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“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 audit. 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 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of individual analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities. The supplementary information 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 audit 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.

Report on Summarized Comparative Information

We have previously audited the Organization's December 31, 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 2, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

CBIZ CPAs P.C.

New York, NY
June 12 2025

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024
(With Comparative Amounts as of December 31, 2023)

	2024	2023
ASSETS		
Cash and cash equivalents (Notes 2D and 10)	$ 58,339,209	$ 63,623,114
Investments, at fair value (Notes 2G, 2H, 4 and 10)	212,740,001	201,147,015
Contributions and grants receivable (Notes 2E and 5)	3,332,608	6,169,442
Accounts receivable, net (Notes 2N and 5)	499,022	768,062
Conservation lending receivable, net (Notes 2F and 6)	3,700,000	4,604,500
Investment - Limited Liability Company (Note 4)	124,482	1,580,258
Land and easement holdings, net (Notes 2I and 7)	180,859,708	150,792,091
Property, furniture and equipment, net (Notes 2J and 8)	1,151,408	831,959
Operating lease assets (Notes 2K and 9)	9,754,362	10,179,489
Other assets	1,095,941	1,936,901
TOTAL ASSETS	$ 471,596,741	$ 441,632,831
LIABILITIES		
Accounts payable and accrued expenses	$ 2,174,744	$ 2,950,151
Deferred revenue (Notes 2N, 5, and 13)	23,291,111	29,555,980
Conservation borrowing (Notes 2F and 12)	29,860,669	42,628,465
Grants payable (Note 7)	92,112,975	51,408,154
Operating lease liabilities (Notes 2K and 9)	10,865,740	10,292,904
Other liabilities	1,044,291	1,722,298
TOTAL LIABILITIES	159,349,530	138,557,952
COMMITMENTS AND CONTINGENCIES (Note 15)		
NET ASSETS (Note 2B)		
Without donor restrictions		
Operating net assets	89,284,825	82,538,408
Board designated - easement enforcement fund (Note 11)	1,242,235	1,118,832
Board designated - land and parks improvements (Note 11)	2,802,790	1,104,770
Total net assets without donor restrictions	93,329,850	84,762,010
With donor restrictions (Note 11)		
Endowment	169,996,209	161,201,030
Other net assets with donor restrictions	48,921,152	57,111,839
Total net assets with donor restrictions	218,917,361	218,312,869
TOTAL NET ASSETS	312,247,211	303,074,879
TOTAL LIABILITIES AND NET ASSETS	$ 471,596,741	$ 441,632,831

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
OPERATING REVENUES AND SUPPORT:				
Contributions and grants (Note 2E)	$ 2,643,201	$ 38,644,633	$ 41,287,834	$ 43,220,669
Special events, net of cost of direct benefits to donors (Note 2O)	1,054,665	-	1,054,665	-
Donated land (Note 2L)	1,060,000	11,720,000	12,780,000	19,780,751
Conservation lending program interest income (Note 2F)	207,028	-	207,028	218,824
Project revenues (Note 2N)	4,820,292	117,417	4,937,709	5,289,349
Investment income and appreciation utilized (Note 11)	10,048,847	-	10,048,847	10,026,600
Revenue recovery (Notes 2N and 7)	712,533	3,187	715,720	1,732,598
Gain on real estate activity	2,082,629	-	2,082,629	2,462,306
Miscellaneous income (Note 2N)	1,772,561	1,131,976	2,904,537	2,525,960
Net assets released from restrictions (Note 11)	59,263,483	(59,263,483)	-	-
Total Operating Revenues and Support	83,665,239	(7,646,270)	76,018,969	85,257,057
OPERATING EXPENSES (Note 2O):				
Program services:				
Land conservation operations	52,077,408	-	52,077,408	56,099,581
Stewardship	1,615,489	-	1,615,489	1,462,836
Capital Strategies	5,378,568	-	5,378,568	5,132,512
Conservation communities	5,819,126	-	5,819,126	1,788,788
Parks and public policy	6,904,151	-	6,904,151	8,226,196
Total program services	71,794,742	-	71,794,742	72,709,913
Supporting services:				
Management and administration	4,805,217	-	4,805,217	4,848,250
Fundraising	2,331,370	-	2,331,370	1,639,552
Total supporting services	7,136,587	-	7,136,587	6,487,802
Total Operating Expenses	78,931,329	-	78,931,329	79,197,715
CHANGES IN NET ASSETS FROM OPERATIONS (Note 2M)	4,733,910	(7,646,270)	(2,912,360)	6,059,342
NON-OPERATING ACTIVITIES:				
Investment activity (Note 4)	4,853,682	17,279,857	22,133,539	25,047,581
Investment appreciation utilized	(1,859,752)	(8,189,095)	(10,048,847)	(10,026,600)
Transfers of net assets (Note 11)	840,000	(840,000)	-	-
NET NON-OPERATING ACTIVITIES	3,833,930	8,250,762	12,084,692	15,020,981
CHANGES IN TOTAL NET ASSETS	8,567,840	604,492	9,172,332	21,080,323
NET ASSETS - BEGINNING OF YEAR	84,762,010	218,312,869	303,074,879	281,994,556
NET ASSETS - END OF YEAR	$ 93,329,850	$ 218,917,361	$ 312,247,211	$ 303,074,879

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

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2023)

	Land Conservation Operations	Stewardship	Capital Strategies	Conservation Communities	Parks and Public Policy	Total Program Services	Management and Administration	Fundraising	Total 2024	Total 2023
Salaries and employee benefits (Note 14)	$ 3,498,574	$ 553,900	$ 1,542,113	$ 548,032	$ 1,947,385	8,090,004	$ 3,017,514	$ 1,673,845	$ 12,781,363	$ 12,013,406
Professional fees	540,523	20,190	70,489	465,631	1,079,321	2,176,154	630,283	147,231	2,953,668	2,934,339
Public recreation additions	-	2,900	-	2,000	1,006,479	1,011,379	-	-	1,011,379	2,994,599
Grants	45,882,035	82,365	3,484,055	4,457,482	2,399,438	56,305,375	7,379	-	56,312,754	55,222,610
Real estate conservation loss	573,103	-	-	-	-	573,103	-	-	573,103	147,586
Real estate taxes	-	388,136	-	17,447	-	405,583	-	-	405,583	366,971
Occupancy and related expenses (Notes 2K and 9)	589,199	293,486	169,627	171,112	277,147	1,500,571	640,044	191,126	2,331,741	2,258,606
Depreciation and amortization (Notes 7 and 8)	93,592	81,568	13,640	9,131	47,141	245,072	40,312	13,709	299,093	501,698
Property maintenance	-	165,808	-	37,477	14,081	217,366	-	-	217,366	218,600
Travel and meetings	83,381	7,652	60,036	95,399	93,705	340,173	212,479	25,719	578,371	543,525
Interest (Note 12)	757,577	-	19,167	-	2,600	779,344	-	-	779,344	1,514,256
Pledge and loan loss reserve expense (Note 5)	-	-	-	-	-	-	138,500	-	138,500	81,380
Public relations and communications	59,130	19,182	19,441	13,566	32,909	144,228	37,111	479,859	661,198	263,652
Miscellaneous	294	302	-	1,849	3,945	6,390	81,595	129,989	217,974	136,487
TOTAL	$ 52,077,408	$ 1,615,489	$ 5,378,568	$ 5,819,126	$ 6,904,151	71,794,742	$ 4,805,217	$ 2,661,478	$ 79,261,437	$ 79,197,715
Less: Cost of direct benefits to donors (Note 2O)	-	-	-	-	-	-	-	(330,108)	(330,108)	-
TOTAL - 2024	$ 52,077,408	$ 1,615,489	$ 5,378,568	$ 5,819,126	$ 6,904,151	$ 71,794,742	$ 4,805,217	$ 2,331,370	$ 78,931,329	$ 79,197,715
TOTAL - 2023	$ 56,099,581	$ 1,462,836	$ 5,132,512	$ 1,788,788	$ 8,226,196	$ 72,709,913	$ 4,848,250	$ 1,639,552	$ 79,197,715	

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 9,172,332	$ 21,080,323
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	299,093	501,698
Net unrealized/realized gain on investments	(20,429,917)	(24,091,180)
Donated natural land areas and improvements	37,035,678	21,095,601
In-kind interest expense	77,431	124,481
Pledge and loan loss reserve expense	138,500	(42,000)
Loss (gain) on investment in limited liability company	255,776	(1,420,460)
Gain on sale of land areas	(2,082,629)	(2,462,306)
Non-cash adjustment on leases	717,930	943,167
Revenue recovery	(715,720)	(1,732,598)
Real estate conservation loss	317,328	1,568,046
Subtotal	24,785,802	15,564,772
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions, grants and accounts receivable	2,967,374	(208,689)
Other assets	840,960	3,015,588
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(775,407)	746,805
Deferred revenue	(6,264,869)	26,534,725
Grants payable	-	(160,000)
Operating lease liabilities	280,033	(971,231)
Other liabilities	(678,006)	(29,126)
Net Cash Provided by Operating Activities	21,155,887	44,492,844
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales or redemption of investments	81,820,164	51,659,185
Purchases of investments	(72,983,233)	(42,522,508)
Distribution of investment in Limited Liability Company	1,200,000	-
Issuance of conservation loan receivable	(1,000,000)	(284,500)
Repayments of conservation loan receivable	1,904,500	95,515
Purchases of property, furniture and equipment	(489,363)	(623,486)
Purchases of land and easement holdings	(61,384,159)	(80,577,466)
Proceeds from sales of land and easement holdings	37,337,526	40,849,232
Net Cash Used In Investing Activities	(13,594,565)	(31,404,028)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from conservation lending program payable	29,842,458	27,589,502
Repayments of conservation lending program payable	(42,687,685)	(26,722,033)
Net Cash (Used in) Provided by Financing Activities	(12,845,227)	867,469
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(5,283,905)	13,956,285
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	63,623,114	49,666,829
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 58,339,209	$ 63,623,114

Supplemental Cash Flow Information:

	2024	2023
Right-of-use assets obtained in exchange for lease liabilities	$ 292,803	$ 9,852,838
Cash paid for interest during the year	$ 701,912	$ 1,389,775
Donated land received	$ 12,780,000	$ 19,780,751
Donated land given	$ 49,815,678	$ 40,876,352

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

A national conservation leader, Open Space Institute, Inc. and its affiliated entity, Open Space Institute Land Trust, Inc., (collectively "OSI" or the "Organization") have protected more than 2.5 million acres of the land that matters most for our families, our communities, and our planet. For more than 50 years, OSI has protected land throughout the eastern United States to support clean air and water; improve access to nature and the outdoors; secure wildlife habitat; maintain healthy forests; and mitigate the effects of extreme weather.

Open Space Institute, Inc. and Open Space Institute Land Trust, Inc. ("OSILT") 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. Both entities are incorporated under the laws of the State of New York (the "State") and are exempt from state and local income and sales taxes.

OSI achieves this mission through the following programs:

Land Conservation Operations: Smart, strategic land conservation strengthens communities, ensures access to drinking water resources, provides recreational resources, protects habitats, maintain healthy forests, and mitigates the effects of extreme weather. OSI works throughout the eastern United States, with project concentrations in New York, New Jersey, South Carolina, North Carolina, and Georgia. Through facilitated projects, direct acquisitions, and conservation easements, OSI protects land with the goal of conveying it to public agencies and conservation partners as permanent additions to public lands. In 2024, OSILT protected 12,084 acres of land having a fair market value of $80.59 million.

Stewardship: OSI monitors and enforces conservation easements, oversees the management of properties conserved with third-party partners or held by OSI long-term, and provides interim management for properties that will be conveyed to public agencies or other conservation partners.

Capital Strategies: Guided by science, with a focus on protecting mature healthy forests, critical watersheds, and wildlife habitat, OSI works with foundations to design and administer re-grant programs, directing capital, and low-cost loans to accelerate the rate and effectiveness of conservation. OSI also offers catalyst grants and technical assistance to partners and public agencies to incorporate conservation science into local planning and works directly with communities to incorporate nature-based solutions to mitigate the impact of extreme weather events. In 2024, OSI made 23 capital grants totaling $3,660,811, protecting 6,878 acres in seven states with a fair market value of $37,864,685. Further, OSI directly approved eight grants for conservation planning totaling $109,275.

Conservation Communities: OSI supports grassroots organizations and promotes the development of young environmental leaders within the field of conservation. Its Citizen Action program supports newly formed local environmental groups. The Malcolm Gordon Charitable Fund awards grants to nonprofits within the Hudson Valley region; while the geographic and mission aligned Barnabas McHenry Hudson River Valley Awards program provides grants to students who are actively working to improve their local communities. Likewise, OSI's Conservation Fellowship encourages young leaders to pursue careers in conservation.

Parks and Public Policy: OSI is making nature and the outdoors more inviting and enjoyable to all. Through park improvements, the creation of new trails and greenways, public policy research, and advocacy for greater federal, state, and national investments in public lands, OSI works to improve access to open space, promote community wellbeing, and create the next generation of conservationists.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Accounting*

The Organization's consolidated financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as established by the Financial Accounting Standards Board (the "FASB"), and, in addition to Open Space Institute, Inc., include the accounts and activities of the following entity for which it has control and an economic interest:

OSILT, is a 501(c)(3) supporting organization of Open Space Institute, Inc. through which Land Operations, Stewardship, Capital Strategies and Parks and Public Policy operate.

All intercompany accounts and transactions have been eliminated in consolidation.

B. *Basis of Presentation*

The Organization reports information regarding its financial position and activities in two classes of net assets: without and with donor restrictions. Net assets without donor restrictions consist of amounts that can be spent at the discretion of the Organization and have no donor restrictions associated with them. As of December 31, 2024 and 2023, net assets without donor restrictions in the amounts of $4,045,025 and $2,223,602 have been designated by the Board of Trustees for easement enforcement, land purchases and parks improvements. As of December 31, 2024 and 2023, net assets with donor restrictions consist of contributions that are restricted by the donor for a specific time period or purpose. The Organization did not have any net assets with donor restrictions to be held in perpetuity as of December 31, 2024 and 2023.

C. *Use of Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of support, revenue, expenses, and other changes in net assets during the reported period. The most significant assumptions and estimates relate to the determination of the allowance for uncollectible grants and accounts receivable, reserve for possible loan losses, valuation of investments in pooled investment funds, impairment of land and other long-lived assets, discount factor for multi-year receivables, imputed interest on loans receivable and payable, estimated useful lives of property and equipment, and functional allocation of expenses. Actual results could differ from those estimates.

D. *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. Approximately $44 million and $49 million of cash and cash equivalents at December 31, 2024 and 2023, respectively, were restricted for specific programs as required by certain funders.

E. *Contributions, Grants and Net Assets Released from Restrictions*

All contributions and grants, whether or not restricted, are recognized as revenue at fair value when received or unconditionally promised to the Organization.

The Organization classifies contributions as with donor restrictions if received with donor stipulations that limit the use of the contributions. When such donor stipulations expire, that is, when stipulated or implied time restrictions end or purpose restrictions are accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities and changes in net assets as net assets released from restrictions.

Contributions of property are recorded at fair value on the date of contribution. Fair value is determined by an appraisal report, management estimate or quoted market prices when available.

Grants receivable represent amounts unconditionally committed by donors, foundations and agencies that have not yet been received by the Organization. Deferred revenue represents grant and contract receipts in excess of revenue recognized.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. *Conservation Lending Receivable and Payable*

This program provides program-related loans primarily to nonprofit organizations to expand land conservation. Funding for these loans is obtained by the Organization in the form of loans, grants and credit lines from various organizations.

The Organization reports conservation loans at their outstanding principal balances, reduced by reserves for possible loan losses. The Organization estimates possible lending losses based on factors related to a specific borrower's financial position and ability to pay, loan collateral and current economic trends. The Organization reports conservation loans payable at their outstanding principal balances.

For loans receivable and payable that are interest-free or that have below-market interest rates, a contribution (income or expense) is recorded as the difference between the interest at fair market rates at its inception and at its stated rate annually. See Notes 6 and 12 for additional discussion.

G. *Investments*

Investments are carried at estimated fair value in the consolidated statement of financial position (See Note 4). The consolidated statement of activities and changes in net assets includes net return on investments consisting of interest and dividend income, realized and unrealized gains and losses, as well as management and custodial fees. Interest income is recorded on the accrual basis. Purchases and sales of securities are recorded on a trade-date basis.

H. *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 4.

I. *Land and Easement Holdings*

Land purchased is recorded at the lower of cost, market or conservation value. Improvements on land are valued at cost and depreciated over the estimated life of the asset unless deemed not to add to market value. Consistent with its conservation mission, the Organization will conserve all lands acquired and the market value may be impaired to reflect its conserved value. In many cases, the Organization purchases unencumbered property and then sells the property with a conservation easement restricting development rights. The Organization regularly reviews land held for sale for impairment and whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If it is determined to be impaired, the carrying value is reduced to its current estimated fair value based on the best information available at date of issuance of the consolidated financial statements. Realized gains and losses on natural land areas and improvements, if any, are recorded upon disposition.

Easements that have a resale value are recorded at the lower of cost or market. Easements that are determined to have no resale value are recorded at one dollar.

J. *Property, Furniture and Equipment*

Purchases of property and equipment in excess of $10,000 and with an estimated useful life of greater than one year are recorded at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets ranging from five to forty years. Leasehold improvements are amortized over the shorter of the term of the lease or the life of the asset.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *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 statement 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.

L. *Donated Land*

Nonfinancial assets that are donated to OSI, including the bargain portion of a bargain sale transaction, are recognized in the consolidated financial statements at fair value. For the year ended December 31, 2024, there was approximately $12,780,000 of donated real property to be used for program activities, of which approximately $11,720,000 is donor restricted. For the year ended December 31, 2023, there was approximately $19,800,000 of donated real property to be used for program activities, of which $19,500,000 is donor restricted. In addition, during 2023 approximately $116,000 of real property was donated subject to a split-interest agreement, which will be sold at fair value when the terms of the agreement are satisfied. All donations of real property were appraised to determine fair value.

In cases where intent exists to donate a parcel of land from OSI to a conservation agency, grant expense is accrued, even if the donation will occur in future years.

M. *Operating and Non-Operating Activities*

The Organization includes all revenues and expenses that are an integral part of its programs and supporting activities in its definition of operations, including an authorized investment income allocation (see Note 11) and all contributions.

N. *Project Revenues, Revenue Recovery and Miscellaneous Income*

The Organization recognizes revenue through the five-step model described by the FASB in the Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*: (1) identification of the contract with a customer; (2) identification of the performance obligations in the contracts; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contracts; and (5) recognition of revenue when a performance obligation is met.

Project revenues consist primarily of income received from revenues related to services provided by the Organization. Project revenues are recognized as the related performance obligations are satisfied, typically over-time (see Note 13). The transaction price is the amount agreed upon in the related contracts. The term of payment is specific to each contract.

Recovery revenue relates to the reversal of prior year reserves and impairments that are recovered in the current year.

Miscellaneous income is composed of various income items including management fee income, security settlements and rental income.

These line items may be restricted if the revenue is related to funds that were donor restricted at inception and have not yet been released.

The timing of billings, cash collections and revenue recognition results in accounts receivable and deferred revenue on the accompanying consolidated statements of financial position. The beginning and ending contract balances related were as follows as of:

	December 31, 2024	December 31, 2023	January 1, 2023
Accounts receivable, net	$ 499,022	$ 768,062	$ 873,580
Deferred revenue	$ 23,291,111	$ 27,872,871	$ 8,333

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. *Functional Allocation of Expenses*

The costs of program and supporting service activities have been summarized on a functional basis in the consolidated statement of functional expenses. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs 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. The expenses that are allocated include occupancy, depreciation and amortization, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and miscellaneous, which are allocated on the basis of estimates of time and effort.

The direct costs of special events include expenses for the benefit of the donor such as meals and facilities rental.

P. *Reclassification*

Certain prior year amounts have been reclassified to conform to the current year presentation. Fair value disclosures from the prior year have been restated from Level 3 to net asset value (NAV) to conform to the December 31, 2024 presentation. (See Note 4).

Q. *Comparative Financial Statements*

The consolidated financial statements include certain prior-year summarized comparative information in total, but not by net asset class or functional allocation of expenses. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2023, from which the summarized information was derived.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures within one year of the consolidated statement of financial position date, comprise the following as of December 31:

	2024	2023
Cash and cash equivalents	$ 58,339,209	$ 63,623,114
Less: cash and cash equivalents with donor restrictions not available for general expenditure	(39,247,211)	(48,748,374)
Less: cash internally restricted for specific programs	(2,071,610)	(2,161,615)
Cash collateral related to letter of credit	(765,458)	(765,458)
Available portion of donor-restricted endowments for use over next fiscal year	4,209,360	4,094,548
Total available cash and cash equivalents to meet cash needs for general expenditures within one year	20,464,290	16,042,215
Redeemable investments not subject to donor restrictions	40,500,743	37,580,226
Investments collateral related to lines of credit	(494,804)	(20,771,739)
Total financial assets available to meet cash needs for general expenditures within one year	$ 60,470,229	$ 32,850,703

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

As noted in Note 2G, investments are reported at fair value. FASB guidance defines fair value as 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 and sets out a fair value hierarchy. 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). Inputs are broadly defined under FASB ASC Topic 820, “Fair Value Measurement,” as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy under ASC Topic 820 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 certain debt securities 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 in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy.

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, some of which are obtained from the investment fund managers in the absence of readily determinable market values to measure different financial instruments at fair value and the level within the fair value hierarchy in which the financial instrument is categorized:

- Investments in securities traded on a national securities exchange are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.
- Investments in debt securities valued using observable inputs other than quoted prices in active markets. These financial instruments are classified as Level 2 in the fair value hierarchy.
- Investments in pooled investment funds are classified as investments at net asset value (“NAV”) and 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.

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.

NOTE 4 – 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 December 31, 2024:

	2024 Fair Value Measurements Using			
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Net Asset Value	Total
Cash equivalents	$ 10,858,357	$ -	$ -	$ 10,858,357
U.S. government debt	15,578,188	-	-	15,578,188
Corporate and municipal bonds	3,654,672	1,666,614	-	5,321,286
Common stock	12,677,481	-	-	12,677,481
Common /collective trust fund	69,838,664	-	-	69,838,664
Investments measured at net asset value				
Domestic Equity	-	-	10,346,304	10,346,304
Global Equity	-	-	20,393,436	20,393,436
Int'l Equity	-	-	17,802,261	17,802,261
Sector Funds	-	-	7,323,153	7,323,153
Flexible Capital	-	-	22,988,614	22,988,614
Multi-strategy	-	-	241,384	241,384
Private Equity	-	-	28,128	28,128
Real Assets	-	-	19,342,745	19,342,745
Total	$ 112,607,362	$ 1,666,614	$ 98,466,025	$ 212,740,001

Certain investments that are measured at fair market value, using the NAV per share (or its equivalent) practical expedient, have not been categorized 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 statement of financial position.

Investments reported at NAV by major category at December 31, 2024 are as follows:

Strategy	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Domestic Equity	$ 10,035,915	$ -	Monthly	30 days
Global Equity	20,393,436	-	Monthly/Quarterly	1-30 days
International Equity	17,802,261	-	Monthly/Quarterly	6-10 business days
Sector Funds	6,015,767	-	Annually	60 days
Flexible Capital	22,159,022	-	Quarterly/Annually	30-91 days
Multi-strategy	241,384	-	Illiquid	NA
Private Equity	28,128	81,731	Illiquid	NA
Real Assets	19,342,745	7,365,419	Illiquid	NA
Funds with liquidity restraints due to lock-up	2,447,367	-	Illiquid	NA
Total	$ 98,466,025	$ 7,447,150		

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

(1) Fund managers of OSI's investments in multi-strategy funds employ a variety of techniques, including event driven, debt and equity portfolios designed to provide above average returns while preserving capital.

(2) The Organization's investments in funds that hold private equity and real assets are primarily invested in illiquid investments for extended time periods measured in years. Due to the nature of the underlying investments, distributions and redemptions prior to the scheduled fund termination dates are at the sole discretion of these funds. Typically, distributions are made by the funds as the underlying investments are sold or otherwise liquidated.

(3) The Organization’s investments in domestic, global and international equity, and sector and flexible capital funds are redeemable on a monthly, quarterly, or annual basis at the Organization’s request.

The following table presents the Organization’s fair value hierarchy for those assets measured at fair value as of December 31, 2023:

	2023 Fair Value Measurements Using			
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Net Asset Value	Total
Cash equivalents	$ 6,949,530	$ -	$ -	$ 6,949,530
U.S. government debt	11,140,627	-	-	11,140,627
Common stock	15,085,386	-	-	15,085,386
Common /collective trust fund	47,289,071	-	-	47,289,071
Investments measured at net asset value				
Domestic Equity	-	-	14,490,977	14,490,977
Global Equity	-	-	25,478,909	25,478,909
Int'l Equity	-	-	32,209,698	32,209,698
Sector Funds	-	-	7,664,983	7,664,983
Flexible Capital	-	-	21,818,294	21,818,294
Multi-strategy	-	-	255,674	255,674
Private Equity	-	-	16,595	16,595
Real Assets	-	-	18,747,271	18,747,271
Total	$ 80,464,614	$ -	$ 120,682,401	$ 201,147,015

Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized 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 statement of financial position.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Investments reported at NAV by major category at December 31, 2023 are as follows:

Strategy	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Domestic Equity	$ 14,056,248	$ -	Monthly	30 days
Global Equity	25,478,909	-	Monthly/Quarterly	1-30 days
International Equity	32,209,698	-	Monthly/Quarterly	6-10 business days
Sector Funds	6,357,597	-	Annually	60 days
Flexible Capital	20,971,670	-	Quarterly/Annually	30-91 days
Multi-strategy	255,674	-	Illiquid	NA
Private Equity	16,595	81,731	Illiquid	NA
Real Assets	18,747,271	9,231,091	Illiquid	NA
Funds with liquidity restraints due to lock-up	2,588,739	-	Illiquid	NA
Total	$ 120,682,401	$ 9,312,822		

The net change in unrealized appreciation of investments in investment funds, which is included in investment activity in the consolidated statement of activities and changes in net assets, is applicable to investments still in position at December 31, 2024 and 2023.

The components of the net return on investments as reported in the accompanying consolidated statement of activities and changes in net assets included the following for the years ended December 31:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 804,080	$ 1,174,793	$ 1,978,873
Realized gain on investments	586,136	9,883,327	10,469,463
Unrealized gain on investments	3,488,111	6,472,343	9,960,454
Investment fees	(27,147)	(238,235)	(265,382)
Investment UBIT	(268)	(31,915)	(32,183)
Investment settlement revenue	2,770	19,544	22,314
Net investment gain	$ 4,853,682	$ 17,279,857	$ 22,133,539

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 265,248	$ 1,113,651	$ 1,378,899
Realized gain on investments	131,137	548,930	680,067
Unrealized gain on investments	4,472,940	18,938,173	23,411,113
Investment fees	(55,337)	(231,817)	(287,154)
Investment UBIT	(26,178)	(109,166)	(135,344)
Net investment gain	$ 4,787,810	$ 20,259,771	$ 25,047,581

Certain securities held in investment accounts are pledged as collateral for the Organization's lines of credit. The Organization is only at risk for the outstanding loan balance, which amounted to $494,804 and $19,275,978 as of December 31, 2024 and 2023 (see Note 12).

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

In October of 2017, OSILT formed a South Carolina Limited Liability Company (the "LLC") that is operating exclusively in furtherance of charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the IRC. The purpose of the LLC is to acquire real estate, primarily in the state of South Carolina, that has high conservation value, and to hold, improve, restore and preserve such properties. The properties will then be sold to governmental agencies or conservation buyers subject to appropriate restrictions protecting the conservation value of such properties. OSILT has also entered into an operating agreement with an unrelated private foundation. Both organizations are 50% members of the LLC, valued using the equity method of accounting, with OSILT acting as manager of the LLC. As manager, OSILT is entitled to certain property placement fees and property maintenance fees. Condensed financial information for the LLC as of and for the years ended December 31, 2024 and 2023 is as follows:

Summary of Statements of Financial Position

	2024	2023
Assets		
Cash	$ 798,215	$ 3,164,183
Accounts receivable	33,870	3,725
Natural land	4,165,318	4,165,318
Prepaid expenses	11,242	1,329
Total Assets	$ 5,008,645	$ 7,334,555
Liabilities and Members' Capital		
Accounts payable	$ 594,362	$ 8,721
Grants payable	4,165,318	4,165,318
Total Liabilities	4,759,680	4,174,039
Members' Capital	248,965	3,160,516
Total Liabilities and Members' Capital	$ 5,008,645	$ 7,334,555

Summary of Statements of Operations

	2024	2023
Service income	$ 147,950	$ 386,887
Gain on sale of real estate	-	2,500,000
Total income	147,950	2,886,887
Property maintenance	639,512	-
Property placement and management fees	-	2,450
Insurance	11,294	13,468
Professional fees	1,900	19,106
Real estate taxes	6,796	10,943
Total expenses	659,502	45,967
Net (loss) income	$ (511,552)	$ 2,840,920

The investment in the LLC consists of the following as of December 31:

	2024	2023
Opening balance	$ 3,160,517	$ 319,597
Capital distribution – OSILT	(1,200,000)	-
Capital distribution – Second Partner	(1,200,000)	-
Net income	(511,552)	2,840,920
Total investment in LLC	$ 248,965	$ 3,160,517
OSILT investment in LLC	$ 124,482	$ 1,580,258

NOTE 5 – ACCOUNTS RECEIVABLE AND CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable consisted of the following as of December 31:

	2024	2023
Amounts due from foundations	$ 1,335,321	$ 4,022,738
Pledges and other receivables	1,997,287	2,146,704
Total	$ 3,332,608	$ 6,169,442

Contributions and grants receivable were due to be collected as of December 31 as follows:

	2024	2023
Less than one year	$ 2,462,606	$ 3,962,121
Due within one to three years	870,002	2,207,321
Total contributions and grants receivable	$ 3,332,608	$ 6,169,442

Accounts receivable were due to be collected as of December 31 as follows:

	2024	2023
Less than one year	$ 270,871	$ 391,020
Due within one to three years	456,302	468,302
Less: allowance for uncollectible accounts receivable	(228,151)	(91,260)
Total accounts receivable, net	$ 499,022	$ 768,062

The Organization determines whether an allowance for uncollectible contributions and grants and accounts receivable should be provided based on prior years' experience and management's analysis of specific pledges made. The Organization determined that no allowance for contribution and grants receivable was necessary as of December 31, 2024 and 2023. The Organization determined that $228,151 and $91,260 was necessary for accounts receivable as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the Organization received conditional grants and contracts that are accounted for under FASB Accounting Standards Update ("ASU") 2018-08. Such grants have not been recognized in the accompanying consolidated financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their budgets and agreements. If such services are not provided, the governmental entities are not obligated to disburse the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted. Such amounts are reflected as deferred revenue when received in the accompanying consolidated statement of financial position.

For the years ended December 31, 2024 and 2023, the Organization was awarded conditional grants and contracts in the aggregate amounts of $1,357,569 and $1,922,857, respectively, that have not been recorded in the consolidated financial statements, as they have not yet been earned.

The following table summarizes the activity related to the allowance for credit losses for accounts receivable for the years ended December 31:

	2024	2023
Balance, beginning of year	$ 91,260	$ 91,260
Bad debt expense	136,891	-
Balance, end of year	$ 228,151	$ 91,260

NOTE 6 – CONSERVATION LENDING PROGRAM RECEIVABLE

This program provides program-related loans primarily to nonprofit organizations to expand land conservation. Funding for these loans is obtained by the Organization in the form of loans, grants and credit lines from various organizations.

Conservation lending program receivable consisted of the following at December 31:

	2024	2023
Loans and mortgage notes receivable	$ 3,700,000	$ 4,604,500
Less: reserve for possible loan losses	-	-
	$ 3,700,000	$ 4,604,500

These loans carry interest rates ranging from 1.0% to 1.5% depending on the source of funding and other applicable lending guidelines set by the Organization. Certain loans have collateral requirements as specified in the loan agreements. The Organization performs ongoing credit evaluations of its borrowers and maintains a reserve for possible loan losses. The loan loss reserve as of December 31, 2023 represents donor funds that are conditional on actual loan losses. In the event that a loan loss occurs, the conditional amount will be recognized as contribution revenue to offset recognition of the loss. As of December 31, 2024 and 2023, none of the program-related investments receivable were impaired or past due.

The following table reconciles the reserve for possible loan losses for the years ended December 31:

	2024	2023
Balance, beginning of year	$ -	$ 42,000
Decrease in loan loss reserve	-	(42,000)
	$ -	$ -

The conservation lending program receivables were due to be collected for the years ended December 31, as follows:

	2024	2023
Less than one year	$ 1,000,000	$ 1,904,500
Due after five years	2,700,000	2,700,000
	$ 3,700,000	$ 4,604,500

The Organization determines whether an allowance for credit losses should be provided for program lending receivables. Such estimate is based on management’s assessment of the aged basis of its receivables, creditworthiness of its donors, historical experience and collections subsequent to year end. The Organization measures current expected credit loss (“CECL”) methodology based on management’s assessment of the agreed basis of its funding sources, customers, current economic conditions and historical information. The Organization determined no allowance was necessary as of December 31, 2024 and 2023.

NOTE 7 – LAND AND EASEMENT HOLDINGS, NET

Land and easement holdings, net, consisted of the following as of December 31:

	2024	2023
Natural land areas	$ 175,460,642	$ 145,580,907
Buildings	5,936,408	4,550,845
Improvements	201,295	201,295
Conservation easements	1,334,862	2,413,086
Total	182,933,207	152,746,133
Less: Accumulated depreciation and amortization	(2,073,499)	(1,954,042)
Net	$180,859,708	$150,792,091

The changes in land and easement holdings, net, consisted of the following for the year ended December 31, 2024:

	Balance at January 1, 2024	Additions	Deaccession	Impairments / Write-Offs	Balance at December 31, 2024
Natural land areas	$ 145,580,907	$ 72,290,931	$ (42,411,196)	$ -	$ 175,460,642
Buildings	4,550,845	2,035,580	(650,017)	-	5,936,408
Improvements	201,295	-	-	-	201,295
Conservation easements	2,413,086	-	(845,000)	(233,224)	1,334,862
	152,746,133	74,326,511	(43,906,213)	(233,224)	182,933,207
Less: accumulated depreciation and amortization	(1,954,042)	(129,179)	9,722	-	(2,073,499)
	$ 150,792,091	$ 74,197,332	$ (43,896,491)	$ (233,224)	$ 180,859,708

The changes in land and easement holdings, net, consisted of the following for the year ended December 31, 2023:

	Balance at January 1, 2023	Additions	Deaccession	Impairments / Write-Offs	Balance at December 31, 2023
Natural land areas	$ 84,100,506	$ 100,629,952	$ (39,149,551)	$ -	$ 145,580,907
Buildings	3,895,602	1,121,244	(466,001)	-	4,550,845
Improvements	201,295	-	-	-	201,295
Conservation easements	2,438,083	3	-	(25,000)	2,413,086
	90,635,486	101,751,199	(39,615,552)	(25,000)	152,746,133
Less: accumulated depreciation and amortization	(1,876,867)	(102,372)	25,197	-	(1,954,042)
	$ 88,758,619	$ 101,648,827	$ (39,590,355)	$ (25,000)	$ 150,792,091

Depreciation expense on buildings and improvements amounted to $129,179 and $102,372 for the years ended December 31, 2024 and 2023, respectively.

NOTE 7 – LAND AND EASEMENT HOLDINGS, NET (Continued)

Included in natural land areas at December 31, 2024 are certain parcels of land with a carrying value of $7,736,119 that are contracted for sale mostly to state conservation agencies for $8,726,279. In addition, $92,112,975 and $51,408,154 of land is expected to be donated to a state conservation agency as of December 31, 2024 and 2023, respectively. The land donation is recorded as a liability in grants payable.

As of December 31, 2024 and 2023, the Organization had contracts or options to acquire natural land areas and conservation easements amounting to $22,730,764 and $32,959,500, respectively, that are not included in the consolidated financial statements.

During the years ended December 31, 2024 and 2023, the Organization identified several properties which were deemed to have book values in excess of their market values. The real estate reserve expense for these properties amounted to $233,224 and $25,000, respectively, and related primarily to approximately 3,287 acres of conserved land or easements to be sold or donated to conservation buyers. In 2024, real estate reserves recorded in prior years for properties of 4,721 acres were reduced by $704,367 and recognized as revenue recovery based on expressions of interest to acquire from a conservation agency. As of December 31, 2024 and 2023, the cumulative real estate reserve amounted to $10,448,738 and $10,941,006, respectively.

NOTE 8 – PROPERTY, FURNITURE AND EQUIPMENT, NET

Property, furniture and equipment, net consisted of the following as of December 31:

	2024	2023
Office and other equipment	$ 955,771	$ 701,268
Furniture and fixtures	914,943	680,083
Leasehold improvements	3,452,352	3,452,352
Total cost	5,323,066	4,833,703
Less: Accumulated depreciation and amortization	(4,171,658)	(4,001,744)
Net book value	$ 1,151,408	$ 831,959

Depreciation and amortization expenses on property, furniture and equipment amounted to $169,914 and $399,326 for the years ended December 31, 2024 and 2023, respectively.

NOTE 9 – OPERATING LEASES

The Organization leases office space under four operating leases, with varying end dates between 2026 and 2040. In addition to base rent, the Organization is obligated to pay an additional amount based upon increases in real estate taxes, maintenance and utility costs. The Organization assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed.

As of December 31, 2024, the ROU asset had a balance of $9,754,362 as shown in the consolidated statement of financial position; the lease liability totaled $10,865,740 as shown in the consolidated statement of financial position. The lease liabilities were calculated utilizing the indicative fixed rates ranging from 2.85% - 6.50%, depending on the remaining life of the leases. The weighted average of the remaining leases are 176 months, and the weighted average interest rate of the remaining leases is 6.40%. Total operating lease cost amounted to $1,184,295 and $972,420 for the years ended December 31, 2024 and 2023, respectively. Cash paid for amounts in lease liabilities amounted to $181,189 and $1,311,537 for the years ended December 31, 2024 and 2023, respectively.

Future minimum payments for non-cancelable operating leases for the next five years ending after December 31, 2024 and thereafter are as follows:

2025	$	993,162
2026		1,017,130
2027		965,431
2028		979,378
2029		925,168
Thereafter		12,458,620
Total lease payments		17,338,889
Less: Present value discount		(6,473,149)
Present value of lease liabilities	$	10,865,740

NOTE 10 – CONCENTRATION OF CREDIT RISK

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and cash equivalents and investments in debt obligations.

The Organization places its cash and cash equivalents with quality financial institutions to mitigate this risk. At times, cash balances may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limit. The Organization has not experienced any losses on these accounts. As of December 31, 2024 and 2023, the Organization had cash accounts that exceeded the FDIC insurance limits by approximately $12,094,000 and $17,864,000, respectively.

In order to control market risk, the Organization has an investment committee that oversees its investment portfolio and engages the services of an independent investment consultant to perform due diligence services and ongoing evaluation of investment/fund managers. The Organization also routinely monitors the market risk of its investment portfolio via asset allocation formulas, confirmed values from its investment custodians and the review of general partner reports. The Organization invests in a portfolio that consists of common stock of financially strong corporations, U.S. government and agency obligations, diversified funds and investment partnerships. As of December 31, 2024, the Organization's largest pooled investment was in one fund with a fair value of $10,722,988, or approximately 3.43% of its net assets. As of December 31, 2023, the Organization's largest pooled investment was in one fund with a fair value of $14,490,977, or approximately 4.78% of its net assets. The underlying portfolio of this fund for the years ended December 31, 2024 and 2023 consisted of a diversified portfolio of common stock. The clearing and depository operations for the Organization's portfolio of investments held in managed accounts are provided principally by one broker. As of December 31, 2024 and 2023, 100.0%, of the fixed income and common stock directly owned by the Organization were held at JP Morgan Chase Bank.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

The following is a summary of the changes in net assets with donor restrictions during the year ended December 31, 2024:

	Endowment			Non-Endowment						
	Wallace Endowment	Malcolm Gordon Charitable Fund	Subtotal Endowment	Land	Stewardship	Capital Strategies	Parks and Public Policy	Conservation Communities	Subtotal Non-Endowment	Total
Balance, beginning of year	$ 159,985,677	$ 1,215,353	$ 161,201,030	$ 27,781,891	$ 8,283	$ 20,222,629	$ 5,396,720	$ 3,702,316	$ 57,111,839	$ 218,312,869
Additions:										
Return on investments	17,013,762	130,208	17,143,970	53,532	-	-	-	82,355	135,887	17,279,857
Contributions	-	-	-	41,605,988	72,292	3,705,304	1,755,120	3,225,929	50,364,633	50,364,633
Other	-	-	-	11,156	-	1,121,070	3,187	117,167	1,252,580	1,252,580
Total Additions	17,013,762	130,208	17,143,970	41,670,676	72,292	4,826,374	1,758,307	3,425,451	51,753,100	68,897,070
Released from Wallace Endowment	(8,189,095)	-	(8,189,095)	-	-	-	-	-	-	(8,189,095)
Released from Restrictions/ Expenditure:										
Land Conservation and Operations	-	-	-	(45,680,472)	-	-	-	-	(45,680,472)	(45,680,472)
Stewardship	(79,671)	-	(79,671)	-	(72,292)	-	-	-	(72,292)	(151,963)
Capital Strategies	-	-	-	-	-	(4,595,471)	-	-	(4,595,471)	(4,595,471)
Parks and Public Policy	-	-	-	-	-	-	(3,515,254)	-	(3,515,254)	(3,515,254)
Conservation Communities	-	(80,025)	(80,025)	-	-	-	-	(5,240,298)	(5,240,298)	(5,320,323)
Total releases	(79,671)	(80,025)	(159,696)	(45,680,472)	(72,292)	(4,595,471)	(3,515,254)	(5,240,298)	(59,103,787)	(59,263,483)
Transfers to restricted	-	-	-	(746,000)	-	-	(94,000)	-	(840,000)	(840,000)
Net change during the year	8,744,996	50,183	8,795,179	(4,755,796)	-	230,903	(1,850,947)	(1,814,847)	(8,190,687)	604,492
Balance, end of year	$ 168,730,673	$ 1,265,536	$ 169,996,209	$ 23,026,095	$ 8,283	$ 20,453,532	$ 3,545,773	$ 1,887,469	$ 48,921,152	$ 218,917,361

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following is a summary of the changes in net assets with donor restrictions during the year ended December 31, 2023:

	Endowment			Non-Endowment						
	Wallace Endowment	Malcolm Gordon Charitable Fund	Subtotal Endowment	Land	Stewardship	Capital Strategies	Parks and Public Policy	Conservation Communities	Subtotal Non-Endowment	Total
Balance, beginning of year	$ 148,333,308	$ 1,143,418	$ 149,476,726	$ 26,394,064	$ -	$ 20,774,128	$ 4,338,366	$ 1,292,506	$ 52,799,064	$ 202,275,790
Additions:										
Return on investments	19,935,446	151,193	20,086,639	80,281	-	-	-	92,851	173,132	20,259,771
Contributions	-	-	-	47,609,826	66,477	2,801,321	6,076,305	3,212,439	59,766,368	59,766,368
Other	-	-	-	(245,740)	-	1,071,220	257,792	98,555	1,181,827	1,181,827
Total Additions	19,935,446	151,193	20,086,639	47,444,367	66,477	3,872,541	6,334,097	3,403,845	61,121,327	81,207,966
Released from Wallace Endowment	(8,216,600)	-	(8,216,600)	-	-	-	-	-	-	(8,216,600)
Released from Restrictions/ Expenditure:										
Land Conservation and Operations	-	-	-	(46,036,778)	-	-	-	-	(46,036,778)	(46,036,778)
Stewardship	(66,477)	-	(66,477)	-	(66,477)	-	-	-	(66,477)	(132,954)
Capital Strategies	-	-	-	-	-	(4,424,040)	-	-	(4,424,040)	(4,424,040)
Parks and Public Policy	-	-	-	-	-	-	(5,242,460)	-	(5,242,460)	(5,242,460)
Conservation Communities	-	(79,258)	(79,258)	-	-	-	-	(993,835)	(993,835)	(1,073,093)
Total releases	(66,477)	(79,258)	(145,735)	(46,036,778)	(66,477)	(4,424,040)	(5,242,460)	(993,835)	(56,763,590)	(56,909,325)
Transfers to restricted	-	-	-	(19,762)	8,283	-	(33,283)	(200)	(44,962)	(44,962)
Net change during the year	11,652,369	71,935	11,724,304	1,387,827	8,283	(551,499)	1,058,354	2,409,810	4,312,775	16,037,079
Balance, end of year	$ 159,985,677	$ 1,215,353	$ 161,201,030	$ 27,781,891	$ 8,283	$ 20,222,629	$ 5,396,720	$ 3,702,316	$ 57,111,839	$ 218,312,869

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

In 2010, New York State enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). NYPMIFA applies to any funds that are not wholly-expendable on a current basis due to donor-imposed restrictions on appropriating for spending. The Lila Acheson and DeWitt Wallace Fund ("Wallace Endowment") and Malcolm Gordon Chartable Fund ("MGCF") qualify as endowment funds for the purpose of NYPMIFA, even though they are treated as with donor restriction not held in perpetuity for consolidated financial statement classification and disclosure.

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 December 31, 2024 and 2023.

The Wallace Fund represents substantially all of the Organization's endowment funds. Per the terms of the Wallace Fund agreement, the Fund is to be held as an endowment fund and the distributions will be used only for the acquisition of natural land areas, easements, stewardship and related expenses in certain geographic areas.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets subject to these policies include those assets of donor-restricted funds as well as board-designed funds without donor restrictions. Under this policy, as approved by the Board of Trustees, the endowment assets are invested with the goal of generating a 5% return plus inflation over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-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). The Organization targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

The Board of Trustees of the Organization determines at the end of each year how much of the Wallace Endowment is appropriate for distribution for the next succeeding year. For the year ended December 31, 2024, the Board elected to appropriate for distribution 5% of the investable assets' average fair value over the prior 12 quarters, which was higher than the September 30, 2023 spot rate. For the year ended December 31, 2023, the Board elected to appropriate for distribution 5% of the investable assets' average fair value over the prior 12 quarters, which was higher than the September 30, 2022 spot rate. In establishing the annual spending rate policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long-term, the Organization expects the spending policy that it adopts each year to allow its endowment to grow at not less than the rate of inflation, consistent with the Organization's objective to maintain the purchasing power of the endowment assets held. Funds appropriated for expenditure need not be spent immediately and are carried forward to future years. Such unspent appropriated funds are considered donor restricted. There were $0 and $1,462,760 of unspent appropriated funds as of December 31, 2024 and 2023, respectively.

Based on a resolution of the Board of Trustees in December 2013, and amended in March 2014, a portion of the Wallace Endowment has been segregated into a Stewardship Fund in the amount of $1,538,484 and $1,385,652 as of December 31, 2024 and 2023, respectively. In March 2018, $1,400,000 was carved out of the Stewardship fund to provide for the 34 fee parcels and 154 conservation easements that were transferred to Beaverkill Valley Trust ("BVLT"). The fund is held by OSI, and BVLT is entitled to up to a 5% yearly draw to pay for stewardship expenses. The balance of the BVLT stewardship fund as of December 31, 2024 and 2023 amounted to $1,521,716 and $1,439,868, respectively. Also, the Board of Trustees designated funds from the Wallace Endowment for the purpose of monitoring and enforcing certain conservation easements which the Organization has assigned to a local land trust, which amounted to $88,555 and $86,681 as of December 31, 2024 and 2023, respectively.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

In addition, a board-designated fund for conservation easement legal defense was maintained in the amount of $1,242,235 and $1,118,832 as of December 31, 2024 and 2023, respectively. In addition, there are $2,802,790 and $1,104,770 as of December 31, 2024 and 2023, respectively, of board-designated funds for land purchases and park improvements. However, because these funds are board-designated and not donor restricted, they are not included in net assets with donor restrictions.

The following table summarizes the activity related to the board-designated funds for easement enforcement:

	2024	2023
Balance, beginning of year	$ 1,118,832	$ 982,452
Investment income, net	123,403	136,380
Balance, end of year	$ 1,242,235	$ 1,118,832

The following table summarizes the activity related to the board-designated funds for land and parks improvements:

	2024	2023
Balance, beginning of year	$ 1,104,770	$ 1,799,516
Deposits	2,343,610	423,877
Expenditures	(645,590)	(1,118,623)
Balance, end of year	$ 2,802,790	$ 1,104,770

The Organization may make non-operating transfers between restricted and unrestricted funds after an evaluation of the nature and activity within the funds and the donors' intentions. During the years ended December 31, 2024 and 2023, the Organization made total non-operating transfers in the amounts of ($840,000) and ($44,962), respectively.

NOTE 12 – CONSERVATION BORROWING AND LENDING PROGRAMS

The Organization borrows money to finance its own acquisitions and to relend to other not-for-profit conservation organizations as part of either its Land or Conservation Capital programs borrowings. In 2003, the Board of Trustees of the Organization authorized a $20 million credit facility that it obtained from JP Morgan Chase Bank secured by the securities of the Wallace Endowment. The Organization also obtained a $10 million line of credit that is collateralized solely with assets without donor restrictions. In May 2021, the Organization increased the $10 million line of credit to $25 million. The Organization's lines of credit are as follows at December 31:

	2024	2023
JP Morgan line of credit - used in the Organization's Stewardship loan program. The line is terminable by either party at any time, subject to the terms of the Note.	$ 20,000,000	$ 20,000,000
JP Morgan line of credit - used in the Organization's South Carolina land program. The line is terminable by either party at any time, subject to the terms of the Note.	25,000,000	25,000,000
JP Morgan letter of credit - used as security for the Organization's office lease. The current lease expires on June 30, 2040.	765,458	765,458
	$ 45,765,458	$ 45,765,458

Certain foundations lend funds to the Organization at below-market rates. The Organization records the imputed difference between the borrowing rate and the current market rate as contribution value of below-market loans payable. The Organization relends at rates that are higher, but still below what the not-for-profit conservation organization would be able to obtain commercially.

NOTE 12 – CONSERVATION BORROWING AND LENDING PROGRAMS (Continued)

Following is the composition of the liability at December 31:

	2024	2023
PRI loans from certain foundations with fixed interest rates ranging from 0% to 1.0%. The loans have varying maturity dates through 2028 (recourse).	$ 3,660,000	$ 3,160,000
Land related loans with fixed interest rates ranging from 0% to 7.5%. The loans have varying maturity dates through 2028 (non-recourse).	19,894,378	16,750,000
Land related loans with fixed interest rate of 0% to 3%. The loans have maturity dates through 2026 (recourse).	5,811,487	3,442,487
Outstanding balances on lines of credit:		
$25 million line, secured by the Organization's investment accounts custodied at the bank. Interest rates ranged between 6.51% and 7.350% in 2024 and 5.750% and 7.350% in 2023. Interest is payable monthly.	494,804	17,655,978
$20 million line, secured by the Organization's investment accounts custodied at the bank. Interest rates ranged between 7.250% and 7.350% in 2024 and 5.750% and 7.350% in 2023. Interest is payable monthly.	-	1,620,000
	$ 29,860,669	$ 42,628,465

Through the June 12, 2025 date of issuance, the Organization repaid $3,494,804 of the conservation borrowing balance as of December 31, 2024 and borrowed money for acquisition of $4,950,000. The following is a summary of the annual principal payments anticipated to be repaid or required to be repaid based on individual loan maturities:

2025	$ 22,691,669
2026	4,119,000
2027	-
2028	3,050,000
	$ 29,860,669

Interest expense amounted to $779,344 and $1,514,256 for the years ended December 31, 2024 and 2023, respectively.

NOTE 13 – DEFERRED REVENUE

Grant and contract receipts in excess of revenue recognized are presented as deferred revenue.

Deferred revenue consists of the following as of December 31:

	2024	2023
Grants with matching requirements	$ -	$ 1,683,109
Deferred mitigation and other land revenue	23,291,111	27,872,871
Total deferred revenue	$ 23,291,111	$ 29,555,980

The Organization entered into an $11,433,000 grant agreement with a foundation which covers the period from February 1, 2018 through July 31, 2021, and was extended to December 15, 2024. The grant agreement provides for $2,433,000 for administration and outreach and up to $9,000,000 restricted for a capital fund. The $9,000,000 in capital funding is subject to a variety of matching conditions. If such services are not provided, the foundations and governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted. In 2024, the remaining $1,683,109 of deferred revenue was recognized as revenue as the donor conditions have been satisfied.

OSI has purchased several properties in South Carolina that will be used to mitigate other projects. OSI and partners will collaborate to protect property to preserve and restore mutually agreeable wetlands consistent with overall conservation goals in accordance with the mitigation requirements under Section 404 of the Clean Water Act and of the South Carolina Department of Health and Environmental Control. OSI entered into contracts with the partners to fund the mitigation projects, and committed to transfer the mitigated properties by donation to a governmental organization. Mitigation revenue is earned over a contracted period of years and recognized over that period. The amount received in advance of being earned is included as deferred revenue.

NOTE 14 – RETIREMENT PLAN

The Organization maintains a defined contribution retirement plan (the “Plan”) under Section 403(b) of the IRC. The Plan covers all employees who normally work more than 20 hours per week. The Plan provides for voluntary salary deferrals with certain limits. The Organization provides matching employer contributions for eligible employees who contribute a certain minimum percentage of their compensation. The Plan also allows for a discretionary contribution based on salary. The Organization contributed $525,060 and $434,377 to the Plan for the years ended December 31, 2024 and 2023, respectively.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

A. ***Litigation***

The Organization is a party to various legal proceedings pertaining to the resolution of title issues relating to real property owned by OSI and other potential claims that arise in the ordinary course of business. While it is not feasible to predict or determine with certainty the outcome of each case, it is the opinion of management, in consultation with legal counsel, that the outcomes will not have a material adverse effect on the accompanying consolidated financial statements.

B. ***Contingencies for Future Audits by Government Agencies***

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.

C. ***Uncertainty in Income Taxes***

The Organization believes it had no uncertain tax positions as of December 31, 2024 and 2023 in accordance with FASB ASC Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

D. ***Assessment of Future Grant Funding***

Due to the federal government’s review and potential restructuring of federal funding priorities, there is uncertainty regarding the continuation and amount of future funding from federal sources. The Organization is monitoring policy developments to mitigate potential impacts.

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 June 12, 2025, the date the consolidated financial statements were available to be issued.

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024

	Open Space Institute, Inc.	Open Space Institute Land Trust, Inc.	Consolidating Eliminations	Consolidated Total
ASSETS				
Cash and cash equivalents	$ 6,103,774	$ 52,235,435	$ -	$ 58,339,209
Investments, at fair value	2,064,050	210,675,951	-	212,740,001
Contributions and grants receivable	354,433	2,978,175	-	3,332,608
Accounts receivable, net	20,034	478,988	-	499,022
Conservation lending receivable, net	-	3,700,000	-	3,700,000
Investment - Limited Liability Company	-	124,482	-	124,482
Land and easement holdings, net	3,791,960	177,067,748	-	180,859,708
Property, furniture and equipment, net	1,104,425	46,983	-	1,151,408
Operating lease assets	9,754,362	-	-	9,754,362
Other assets	96,840	999,101	-	1,095,941
TOTAL ASSETS	$ 23,289,878	$ 448,306,863	$ -	$ 471,596,741
LIABILITIES				
Accounts payable and accrued expenses	$ 997,467	$ 1,177,277	$ -	$ 2,174,744
Deferred revenue	-	23,291,111	-	23,291,111
Conservation borrowing	-	29,860,669	-	29,860,669
Grants payable	3,941,960	88,171,015	-	92,112,975
Operating lease liabilities	10,865,740	-	-	10,865,740
Other liabilities	6,057	1,038,234	-	1,044,291
TOTAL LIABILITIES	15,811,224	143,538,306	-	159,349,530
COMMITMENTS AND CONTINGENCIES				
NET ASSETS				
Without donor restrictions				
Operating net assets	4,325,649	84,959,176	-	89,284,825
Board designated - easement enforcement fund	-	1,242,235	-	1,242,235
Board designated - land and parks improvements	-	2,802,790	-	2,802,790
Total net assets without donor restrictions	4,325,649	89,004,201	-	93,329,850
With donor restrictions				
Endowment	1,265,536	168,730,673	-	169,996,209
Other net assets with donor restrictions	1,887,469	47,033,683	-	48,921,152
Total net assets with donor restrictions	3,153,005	215,764,356	-	218,917,361
TOTAL NET ASSETS	7,478,654	304,768,557	-	312,247,211
TOTAL LIABILITIES AND NET ASSETS	$ 23,289,878	$ 448,306,863	$ -	$ 471,596,741

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Open Space Institute, Inc.	Open Space Institute Land Trust, Inc.	Consolidating Eliminations	Consolidated Total
NET ASSET ACTIVITIES WITHOUT DONOR RESTRICTIONS				
OPERATING REVENUES AND SUPPORT:				
Contributions and grants	$ 1,648,532	$ 1,087,431	$ (92,762)	$ 2,643,201
Special events, net of cost of direct benefits to donors	1,054,665	-	-	1,054,665
Donated land	-	1,060,000	-	1,060,000
Conservation lending program interest income	-	207,028	-	207,028
Project revenues	-	4,820,292	-	4,820,292
Investment income and appreciation utilized	-	10,048,847	-	10,048,847
Revenue recovery	3,000	709,533	-	712,533
Gain on real estate activity	-	2,082,629	-	2,082,629
Miscellaneous income	567,443	1,455,863	(250,745)	1,772,561
Net assets released from restrictions	5,392,615	53,870,868	-	59,263,483
Total Operating Revenues and Support Without Donor Restrictions	8,666,255	75,342,491	(343,507)	83,665,239
OPERATING EXPENSES:				
Program services:				
Land conservation operations	-	52,097,878	(20,470)	52,077,408
Stewardship	72,292	1,543,197	-	1,615,489
Capital Strategies	-	5,378,568	-	5,378,568
Conservation communities	6,061,871	-	(242,745)	5,819,126
Parks and public policy	-	6,912,151	(8,000)	6,904,151
Total program services	6,134,163	65,931,794	(271,215)	71,794,742
Supporting services:				
Management and administration	373,514	4,503,995	(72,292)	4,805,217
Fundraising	1,086,978	1,244,392	-	2,331,370
Total supporting services	1,460,492	5,748,387	(72,292)	7,136,587
Total Operating Expenses	7,594,655	71,680,181	(343,507)	78,931,329
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS FROM OPERATIONS	1,071,600	3,662,310	-	4,733,910
NON-OPERATING ACTIVITIES:				
Investment activity	34,525	4,819,157	-	4,853,682
Investment appreciation utilized	-	(1,859,752)	-	(1,859,752)
Transfers of net assets	-	840,000	-	840,000
NET NON-OPERATING ACTIVITIES	34,525	3,799,405	-	3,833,930
Net change in without donor restrictions net assets	1,106,125	7,461,715	-	8,567,840
NET ASSET ACTIVITIES WITH DONOR RESTRICTIONS				
OPERATING REVENUES AND SUPPORT:				
Contributions and grants	3,298,221	35,346,412	-	38,644,633
Donated land	-	11,720,000	-	11,720,000
Project revenues	117,167	250	-	117,417
Revenue recovery	-	3,187	-	3,187
Miscellaneous income	-	1,131,976	-	1,131,976
Net assets released from restrictions	(5,392,615)	(53,870,868)	-	(59,263,483)
Subtotal	(1,977,227)	(5,669,043)	-	(7,646,270)
NON-OPERATING ACTIVITIES:				
Investment activity	212,563	17,067,294	-	17,279,857
Investment appreciation utilized	-	(8,189,095)	-	(8,189,095)
Transfers of net assets	-	(840,000)	-	(840,000)
Total other deductions	212,563	8,038,199	-	8,250,762
Net change in net assets with donor restrictions	(1,764,664)	2,369,156	-	604,492
CHANGE IN TOTAL NET ASSETS	(658,539)	9,830,871	-	9,172,332
NET ASSETS - BEGINNING OF YEAR	8,137,193	294,937,686	-	303,074,879
NET ASSETS - END OF YEAR	$ 7,478,654	$ 304,768,557	$ -	$ 312,247,211

See independent auditors' report.