HOUSATONIC VALLEY ASSOCIATION, INC AND HVA FOUNDATION, INC.

Consolidated Financial Statements
June 30, 2025 and June 30, 2024

SINNAMON & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

HOUSATONIC VALLEY ASSOCIATION, INC. AND HVA FOUNDATION, INC.
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND JUNE 30, 2024

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Independent Auditor's Report

To the Board of Directors of
Housatonic Valley Association, Inc
and HVA Foundation, Inc.
Cornwall Bridge, CT 06754

Opinion

We have audited the consolidated accompanying financial statements of Housatonic Valley Association, Inc and HVA Foundation, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2025 and June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Housatonic Valley Association, Inc and HVA Foundation, Inc. as of June 30, 2025 and June 30, 2024, and the changes in its net assets and its cash flows for the years then ended in conformity 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Housatonic Valley Association, Inc and HVA Foundation, Inc.'s. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Housatonic Valley Association, Inc and HVA Foundation, Inc. '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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Housatonic Valley Association, Inc and HVA Foundation, Inc. '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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position, and activities on pages 22 through 23 are presented for purposes of additional analysis and are 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Sinnamon & Associates, LLC
Certified Public Accountants

Canaan, Connecticut
May 8, 2026

HOUSATONIC VALLEY ASSOCIATION, INC. AND HVA FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2025 AND JUNE 30, 2024

	6/30/2025	6/30/2024
Assets:		
Current assets:		
Cash and cash equivalents	$ 737,565	$ 410,636
Accounts and grants receivable	389,576	337,219
Prepaid expenses	43,992	14,729
Total current assets	1,171,133	762,584
Property and equipment:		
Land	216,206	216,206
Buildings and renovations	413,934	379,941
Furnishings and equipment	81,908	93,379
Less: accumulated depreciation	(422,614)	(424,791)
Net property and equipment:	289,434	264,735
Other Assets:		
Investments	1,986,290	2,408,586
Deferred land sale costs	6,342	6,342
Note Receivable	150,000	-
Total other assets	2,142,632	2,414,928
Total assets	$ 3,603,199	$ 3,442,247
Liabilities and net assets:		
Current liabilities:		
Accounts payable	$ 260,940	$ 208,509
Accrued salaries and wages	19,044	23,039
Unearned revenue	111,290	120,105
Total current liabilities	391,274	351,653
Net assets:		
Without donor restrictions	1,056,212	986,195
With donor restrictions	2,155,713	2,104,399
Total net assets	3,211,925	3,090,594
Total liabilities and net assets	$ 3,603,199	$ 3,442,247

HOUSATONIC VALLEY ASSOCIATION, INC. AND HVA FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND JUNE 30, 2024

	June 30, 2025			June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support						
Membership dues	$ 35,793	$ -	$ 35,793	$ 35,410	$ -	$ 35,410
Contributions above dues	712,785	63,095	775,880	630,332	20,250	650,582
Grants	1,306,297	-	1,306,297	812,138	-	812,138
Events	155,823	-	155,823	210,489	-	210,489
Fees	8,490	-	8,490	5,673	-	5,673
Rent	7,670	-	7,670	9,060	-	9,060
Investment income	15,112	130,265	145,377	12,023	37,903	49,926
Unrealized gains (losses) on investments	38,764	103,380	142,144	59,092	280,238	339,330
Net assets released from restrictions	245,426	(245,426)	-	250,348	(250,348)	-
Total revenues, gains and other support	2,526,160	51,314	2,577,474	2,024,565	88,043	2,112,608
Expenses						
Program services:						
Issue response	22,280	-	22,280	19,952	-	19,952
Environmental education	304,327	-	304,327	139,965	-	139,965
Land protection	520,874	-	520,874	473,347	-	473,347
Water protection	1,344,888	-	1,344,888	1,067,302	-	1,067,302
Total program services	2,192,369	-	2,192,369	1,700,566	-	1,700,566
Supporting Services:						
Membership	118,944	-	118,944	187,555	-	187,555
Management & general	27,134	-	27,134	21,909	-	21,909
Events	92,457	-	92,457	121,385	-	121,385
Fundraising	25,239	-	25,239	37,971	-	37,971
Total supporting services	263,774	-	263,774	368,820	-	368,820
Total expenses	2,456,143	-	2,456,143	2,069,386	-	2,069,386
Change in net assets	70,017	51,314	121,331	(44,821)	88,043	43,222
Net assets at beginning of year	986,195	2,104,399	3,090,594	1,031,016	2,016,356	3,047,372
Net assets at end of year	$ 1,056,212	$ 2,155,713	$ 3,211,925	$ 986,195	$ 2,104,399	$ 3,090,594

The Notes To The Financial Statements Are An Integral Part Of This Statement
See The Accompanying Independent Auditor's Report

HOUSATONIC VALLEY ASSOCIATION, INC. AND HVA FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND JUNE 30, 2024

	June 30, 2025				June 30, 2024			
	Programs	Management & General	Fundraising	Total	Programs	Management & General	Fundraising	Total
Expenses and losses:								
Salaries & wages	$ 1,120,408	$ 93,028	$ 47,624	$ 1,261,060	$ 905,179	$ 138,605	$ 86,155	$ 1,129,939
Pension expense	49,498	4,145	2,219	55,862	38,921	5,951	3,781	48,653
Payroll taxes	92,479	7,547	3,867	103,893	75,550	9,748	6,120	91,418
Employee benefits	131,542	13,969	8,500	154,011	89,776	13,926	6,893	110,595
Consulting services	648,903	2,852	8,317	660,072	452,204	1,988	7,663	461,855
Professional fees	21,999	656	248	22,903	18,216	1,039	514	19,769
Occupancy	18,773	4,736	996	24,505	11,195	3,661	1,097	15,953
Advertising	611	183	2,261	3,055	440	44	1,928	2,412
Postage & shipping	937	3,570	1,605	6,112	2,178	2,254	1,229	5,661
Printing	4,375	3,600	2,717	10,692	4,391	11,379	2,336	18,106
Technology expense	23,422	6,664	2,107	32,193	16,465	7,137	1,996	25,598
Supplies	18,549	348	222	19,119	5,738	226	112	6,076
Travel	14,795	139	1,265	16,199	16,794	131	671	17,596
Meetings and events	8,810	76	32,630	41,516	2,714	738	26,286	29,738
Memberships & publications	7,673	820	2	8,495	22,551	658	325	23,534
Fling fees and registrations	998	79	30	1,107	3,538	1,064	271	4,873
Insurance	9,840	2,044	487	12,371	15,429	4,104	1,386	20,919
Miscellaneous	357	-	2,212	2,569	5,796	5,278	9,791	20,865
Rent	11,114	-	-	11,114	8,160	-	70	8,230
Depreciation	7,286	1,622	387	9,295	5,331	1,743	522	7,596
Total expenses and losses	$ 2,192,369	$ 146,078	$ 117,696	$ 2,456,143	$ 1,700,566	$ 209,674	$ 159,146	$ 2,069,386

The Notes To The Financial Statements Are An Integral Part Of This Statement
See The Accompanying Independent Auditors' Report

HOUSATONIC VALLEY ASSOCIATION, INC. AND HVA FOUNDATION, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND JUNE 30, 2024

	6/30/2025	6/30/2024
Cash flows From operating activities:		
Changes in net assets	$ 121,331	$ 43,222
Adjustments To reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,295	7,596
Unrealized (gains) losses on investments	(142,144)	(339,330)
(Increase) Decrease in assets		
Accounts and grants receivable	(52,357)	22,920
Prepaid expenses	(29,263)	10,753
Note Receivable	(150,000)	-
Increase (Decrease) in liabilities		
Accounts payable	52,431	41,180
Accrued salaries and wages	(3,995)	3,701
Unearned revenue	(8,815)	120,105
Net cash used in operating activities	(203,517)	(89,853)
Cash flows from investing activities:		
Purchase of capital assets	(33,994)	(15,149)
Net proceeds from sale of investments	564,440	51,175
Net provided by investing activities	530,446	36,026
Net decrease in cash and cash equivalents	326,929	(53,827)
Cash and cash equivalents at beginning of year	410,636	464,463
Cash and cash equivalents at end of year	$ 737,565	$ 410,636
Supplemental Information:		
Cash paid for interest	$ -	$ -
Cash paid for taxes	-	-

The Notes to the Financial Statements Are An Integral Part of This Statement
See the Accompanying Independent Auditor's Report

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizations and Nature of Activities

The Housatonic Valley Association, Inc. ("HVA") is a nonprofit citizen's organization whose purpose is to protect and preserve the natural environment and scenic beauty of the Housatonic River watershed, from the headwaters above Pittsfield, Massachusetts to Long Island Sound, by fostering the best practices of education, conservation and land use. Its main office is in Cornwall Bridge, Connecticut, and satellite office in Stockbridge, Massachusetts. Major activities include an environmental resource center for use by the general public, governmental units and other organizations; environmental education; land use planning; periodic publications; establishing a Source-to-Sound Riverbelt (a conservation and recreation path along the entire length of the river); and responding/studying/alerting the community to potential problems relating to open space, groundwater and river quality.

HVA Foundation, Inc. was originally formed in April 1994 to create an endowment for financial support of HVA, which is the sole member of the organization.

Basis of Accounting and Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board codification of accounting standards section 958, including ASU 2016-14. Among other provisions, the statement reduces the number of classes of net assets from three to two, requires the presentation of expenses in both natural and functional classifications and requires information regarding an entity's liquidity. Under these standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. These funds are available for general operating purposes and/or to use at the discretion of the Board of Directors. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for general use by Management.

Net Assets With Donor Restrictions - Net assets subject to donor, or certain grantor, imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates 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 purposes for which the resource was restricted has been fulfilled, or both.

Contributions Revenue and Grants

Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire or are met in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

A conditional contribution is a transaction where the organization has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the organization fails to overcome the barrier. Conditional promises to give are recognized as revenue when the condition is met.

The organization recognizes operating and capital grants to the extent that eligible grant costs are incurred. Receipts of grant awards attributable to future periods are classified as deferred revenue in the accompanying statement of financial position. In accordance with ASU 2018-08, certain governmental grants and contracts received by a not-for-profit, including certain awards to fund capital expenditures, are generally considered to be contributions rather than exchange transactions since there is not commensurate value transferred between the resource provider and the Organization. Government grants and contracts are generally conditioned on incurring qualified program expenses.

Donated Assets

Donated assets are recognized at their estimated fair market value. HVA reports gifts of land, buildings, equipment and other assets as unrestricted support unless donor stipulations specify how the donated assets must be used. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as donor restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

In-Kind Contributed Goods and Services

Contributions of nonfinancial assets are recognized if the goods or services received create or enhance nonfinancial assets or required specialized skills, are performed by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed goods or services that do not meet the above criteria are not recognized. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Donated goods or services are recorded as revenue and expensed at their estimated fair market value which is the cost of the actual or similar goods or services which would otherwise be purchased by the Organization. During the year many individuals volunteer their time and talents and perform a variety of tasks that assist the Organization in its overall purpose but do not qualify for recognition in the financial statements based on the above criteria.

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, accrual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of bank accounts, and cash invested in readily marketable mutual funds. Included in cash equivalents are money market funds of $90,698 which are donor restricted.

Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts. On a periodic basis, management evaluates its accounts receivable and writes off any amounts that are considered uncollectible. Management believes that all accounts receivable are collectible and, therefore, has not recorded an allowance for doubtful accounts. Promises to give that are expected to be collected within one year are recorded at net realizable value.

Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. No allowance for uncollectible promises to give has been recorded.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that are restricted by donors to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is provided over the estimated useful lives of the assets ranging from 3 to 30 years using the straight-line method. Depreciation expense for the fiscal year ended June 30, 2025 was $9,295 and for the fiscal year ended June 30, 2024, was $7,596.

Land and Easements

Land is stated at cost or, if donated, at the approximate fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that are restricted by donors to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Trust reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

The Organization has a policy of recording land donated or purchased without sale or transfer stipulations as unrestricted land. Land subject to time or event restrictions is classified as temporarily restricted land, while land that can never be sold is recorded as permanently restricted.

Easements are not recorded as assets or revenue on the Organization's financial statements. Easements are separately tracked and monitored for compliance with easement restrictions for each property on which the Organization has been granted an easement.

Functional Expenses

The costs of providing various programs and activities have been presented on a functional basis in the accompanying statement of activities and the statement of functional expenses. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Accordingly, certain costs have been allocated among the programs and supporting services based on a combination of specific identification and allocation by management determined by analysis of the personnel and other costs specific to and space utilized for the related activities.

Income Tax Status

The Housatonic Valley Association, Inc. and the HVA Foundation, Inc. are each a separate non-stock corporation, and both are exempt from federal income tax under section 501(c) (3) of the Internal Revenue Code. In addition, both Organizations qualify for the charitable contribution deduction under Section 170 (b) (1) (A) and each has been classified as organization that is not a private foundation under Section 509 (a) (2).

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken for any uncertain tax positions taken. Management has concluded that there are no uncertain tax positions taken that would require recognition of a liability or asset, or disclosure in the financial statements.

NOTE 2 – INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Investments held as of June 30, 2025 and June 30, 2024, consisted of the following:

	June 30, 2025	
	Cost Basis	Fair Value
Certificates of deposit	$ -	$ -
Corporate and US Bonds	153,898	147,974
Publicly traded mutual funds	271,368	398,610
Publicly traded equity investments	538,710	1,439,706
	$ 963,976	$ 1,986,290

	June 30, 2024	
	Cost Basis	Fair Value
Certificates of deposit	$ 50,000	$ 49,764
Corporate and US Bonds	281,731	267,294
Publicly traded mutual funds	397,856	686,574
Publicly traded equity investments	449,617	1,404,954
	$ 1,179,204	$ 2,408,586

The following schedule summarizes the investment return included in the statement of activities:

	June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment Income (net of $4,650 advisory fees)	$ 15,112	$ 49,775	$ 64,887
Realized Gains (Losses)	-	80,490	80,490
Unrealized Gains (Losses)	38,764	103,380	142,144
Total Investment Return	$ 53,876	$ 233,645	$ 287,521

	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment Income (net of $4,280 advisory fees)	$ 12,023	$ 37,903	$ 49,926
Realized Gains (Losses)	(118)	-	(118)
Unrealized Gains (Losses)	59,210	280,238	339,448
Total Investment Return	$ 71,115	$ 318,141	$ 389,256

Investment Policy and Risk Parameters

The Organization has adopted an investment policy for endowment assets with an objective of achieving investment growth of both principal value and income over time that is sufficient to preserve or increase the purchasing power of the assets against inflation. All investments are selected to achieve the required level of portfolio diversification and to be consistent with assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period.

Spending Policy

Endowment fund earnings may be used for program purposes including monitoring of conservation easements and land protections as approved by the Boards of Directors.

NOTE 3 – BANK EQUITY LINE OF CREDIT

The Organization has an equity line of credit agreement with NBT Bank allowing up to $250,000 in short-term borrowing. The agreement provides for monthly interest payments at a variable rate and is collateralized with HVA's office facilities in Cornwall Bridge. The current rate is 7.5%, At June 30, 2025 and June 30, 2024 the balance outstanding on this line of credit was $0. This note was renewed on April 11, 2025.

NOTE 4 – RENTALS

A portion of the Organization's facilities are rented to others as tenants at will. Rental revenue for the year ended June 30, 2025 was $7,670 and for June 30, 2024, was $9,060.

NOTE 5 – RETIREMENT PLAN

HVA initiated a 403 (b) plan effective January 1, 2014 whereby they match an employee's contribution of up to 5% of the employee's gross salary. This plan is open to all employees who worked for a year. The 403 (b) expense for the year ended June 30, 2025 was $55,862 and for June 30, 2024, was $48,654.

NOTE 6 – OPERATING LEASES

HVA leases 2 copiers under a 63-month non-cancellable operating lease which commenced on August 18, 2022. Total lease expenditure during the fiscal year ended June 30, 2025 was $2,700 and for June 30, 2024, were $2,801.

NOTE 7 - THE RIVER INTERN FUND

This fund was established during 2008-2009 as an endowment, the earnings from which would provide funding to hire a student intern for summer employment by the Housatonic Valley Association. During 2009-2010 the balance was transferred to the Northwest Connecticut Community Foundation (NWCTCF) under an agreement which established a permanent endowment fund owned by NWCTCF. The reported balance at June 30, 2025 was $178,680 and at June 30, 2024 was $163,405. Distributions of income from the fund to HVA are based on a spending formula to currently not exceed a ceiling of 5.75% or a floor of 4.25% of the market valuation of the endowment assets based on a rolling three-year average. Distributions totaling $5,000 were received during 2025 and 2024.

This fund is not included on these financial statements as ownership and control over the fund was transferred to the Community Foundation.

NOTE 8 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Association in estimating its fair value disclosures for financial instruments:

The Association's investments are reported at fair value in the accompanying statements of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the organization measures fair values using Level 1 inputs because they generally provide the most reliable evidence of fair value.

	June 30, 2025		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	$ -	$ -	$ -
Corporate and US Bonds	147,974	-	-
Publicly traded mutual funds	398,610	-	-
Publicly traded equity investments	1,439,706	-	-
	$ 1,986,290	$ -	$ -

	June 30, 2024		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	$ 49,764		
Corporate and US Bonds	267,294	-	-
Publicly traded mutual funds	686,574	-	-
Publicly traded equity investments	1,404,954		
	$ 2,408,586	$ -	$ -

NOTE 9 – NOTE RECEIVABLE

The Association made a loan of $150,000 to the Sheffield Land Trust in the amount of $150,000 on July 16, 2024 for a period of 12 months and an annual interest rate of 5%.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The Association participates in various assisted grant programs. The use of grants in programs is subject to future review by the grantors. Such reviews may result in the Association having liabilities to the grantors.

The Association's Forms 990, *Return of Organization Exempt from Income Tax* are subject to examination by the IRS, generally for three years after they were filed.

NOTE 11 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of June 30, 2025 and June 30, 2024, financial assets available within one year for general expenditures, were as follows:

	6/30/2025	6/30/2024
Financial assets at year end		
Cash and cash equivalents	$ 737,565	$ 410,636
Accounts receivable	389,576	337,219
Investments	1,986,290	2,408,586
Total financial assets	3,113,431	3,156,441
Less amounts not available to be used within one year		
Net assets with donor restrictions - time and purpose		
With donor temporary restrictions	1,306,242	1,254,928
With donor permanent restrictions	849,471	849,471
Less board designated funds	386,550	386,550
Total not available	2,542,263	2,490,949
Financial assets available to meet general expenditures over the next twelve months	$ 571,168	$ 665,492

As part of its liquidity management, the Association evaluates its liquidity requirements throughout the year, taking into consideration operating expectations and capital plans. Financial assets are structured to be available as general expenditures, liabilities and other obligations become due.

NOTE 12 – NET ASSETS

Assets restricted and designated for the various funds of the organization were as follows as of June 30, 2025 and June 30, 2024:

	June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Temporarily Restricted			
Any legal fees related to easements, land and stewardship funds	$ -	$ 175,639	$ 175,639
Net unrealized investment gains of permanently restricted funds	-	1,130,603	1,130,603
Total Temporarily Restricted	-	1,306,242	1,306,242
Permanently Restricted			
Investments	-	643,129	643,129
Land	-	200,000	200,000
Deferred Land Sale Costs	-	6,342	6,342
Total Permanently Restricted	-	849,471	849,471
Without Restrictions			
Equity in Property & Equipment	89,434	-	89,434
Designated by the Board - Endowment	324,550	-	324,550
Designated by the Board - Stewardship	30,000	-	30,000
Designated by the Board - Monitoring	32,000	-	32,000
Other Operating Funds	580,228	-	580,228
Net Assets Without Restrictions	1,056,212	-	1,056,212
Total Net Assets	$ 1,056,212	$ 2,155,713	$ 3,211,925

	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Temporarily Restricted			
Education	$ -	$ 3,500	$ 3,500
Summer Intern	-	25,000	25,000
Encon Officer	-	10,034	10,034
River enhancement/protection	-	81,572	81,572
Any legal fees related to easements, land and stewardship funds	-	147,058	147,058
Net unrealized investment gains of permanently restricted funds	-	987,764	987,764
Total Temporarily Restricted	-	1,254,928	1,254,928
Permanently Restricted			
Investments	-	643,129	643,129
Land	-	200,000	200,000
Deferred Land Sale Costs	-	6,342	6,342
Total Permanently Restricted	-	849,471	849,471
Without Restrictions			
Equity in Property & Equipment	64,735	-	64,735
Designated by the Board - Endowment	324,550	-	324,550
Designated by the Board - Stewardship	30,000	-	30,000
Designated by the Board - Monitoring	32,000	-	32,000
Other Operating Funds	534,910	-	534,910
Net Assets Without Restrictions	986,195	-	986,195
Total Net Assets	$ 986,195	$ 2,104,399	$ 3,090,594

The Association maintains separate funds to hold and invest donor restricted contributions for various purposes. The funds are the Endowment Fund, the Hanser Land Acquisition Fund, the Endowed Maintenance Fund and the Land Stewardship Fund. The purpose of each fund is described as follows:

The Endowment Fund

This fund consists of land and deferred land sale costs held for investment by Housatonic Valley Association and investments in cash equivalent funds, equity stocks, mutual funds and long-term certificates of deposit held by the HVA Foundation. The Foundation has established investment policy guidelines in order to preserve the real value of funds invested.

Funds are transferred from the Endowment Fund to the Operating Fund based on a formula which considers the market value of total invested funds at the fiscal year end of the previous three years and the calendar year end of the current fiscal year. An average of the four market values is multiplied by 3% to arrive at the amount available for transfer. The Board of Directors has designated $5,000 of this amount to be available for fee land stewardship annually.

The Hanser Land Acquisition Fund

This fund consists of funds invested in an equity mutual fund held for land protection. Earnings from the fund may be used for river enhancement and protection.

The Endowed Maintenance Fund

This fund consists of funds invested in an equity mutual fund. The initial contributions and the subsequent earnings are restricted to protect and maintain three property conservation easements.

The Land Stewardship Fund

This fund consists of funds invested in an equity mutual fund. The initial contributions and subsequent earnings are restricted to protect and maintain easements.

The Board of Directors voted to designate funds totaling $32,000 during the 2012-13 year, and $30,000 during the 2015-16 year, for conservation easement defense. These designations were made in order to comply with an adopted board resolution which requires the Association to maintain a minimum of $50,000 in dedicated or restricted reserves for the purpose of easement monitoring and legal enforcement obligations. This amount, when combined with the total restricted funds held in the Endowed Maintenance Fund and the Land Stewardship Fund resulted in a total balance of $249,639 in dedicated and restricted funds available to protect and maintain conservation easements as of June 30, 2025 and $221,058 as of June 30, 2024.

Further detail on the restricted nature of the funds is as follows:

	June 30, 2025				
	Without Donor Restrictions		With Donor Restrictions		
	Board Designated	Undesignated	Permanent Restrictions	Temporary Restrictions	Total Net Assets
Endowment Fund	324,550	-	549,859	839,671	1,714,080
Hanser Land Acquisition	-	-	81,270	290,932	372,202
Endowed Maintenance	-	-	8,500	93,430	101,930
Land Stewardship	30,000	-	3,500	82,209	115,709
Land Donor Permanently Restricted	-	-	200,000	-	200,000
Deferred Land Sale Costs	-	-	6,342	-	6,342
Equity in Property & Equipment	-	89,434		-	89,434
Designated for Monitoring	32,000	-	-	-	32,000
Other Operating Funds	-	580,228	-	-	580,228
Subtotal	386,550	669,662	849,471	1,306,242	3,211,925
Total Net Assets	$ 386,550	$ 669,662	$ 849,471	$ 1,306,242	$ 3,211,925

	June 30, 2024				
	Without Donor Restrictions		With Donor Restrictions		
	Board Designated	Undesignated	Permanent Restrictions	Temporary Restrictions	Total Net Assets
Education	$ -	$ -	$ -	$ 3,500	$ 3,500
Summer Intern	-	-	-	25,000	25,000
Encon Officer	-	-	-	10,034	10,034
River enhancement/protection	-	-	-	81,572	81,572
Subtotal	-	-	-	120,106	120,106
Endowment Fund	324,550	-	549,859	722,841	1,597,250
Hanser Land Acquisition	-	-	81,270	264,923	346,193
Endowed Maintenance	-	-	8,500	80,045	88,545
Land Stewardship	30,000	-	3,500	67,013	100,513
Land Donor Permanently Restricted	-	-	200,000	-	200,000
Deferred Land Sale Costs	-	-	6,342	-	6,342
Equity in Property & Equipment	-	64,735		-	64,735
Designated for Monitoring	32,000	-	-	-	32,000
Other Operating Funds	-	534,910	-	-	534,910
Subtotal	386,550	599,645	849,471	1,134,822	2,970,488
Total Net Assets	$ 386,550	$ 599,645	$ 849,471	$ 1,254,928	$ 3,090,594

Endowment Fund

The Organization's endowment consists of donor-restricted funds where the donor identified a portion of the fund to remain in perpetuity and unavailable for spending. The donor-restricted funds include the corpus restricted in perpetuity and the net appreciation of the fund. Funds designated by the Board of Directors as restricted to purpose or time are also included in the Organization's endowment and are reported as net assets without donor restrictions.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions, permanently restricted net assets, the original value of gifts to the Endowment Fund along with any accumulations to the permanent funds made in accordance with donor gift instrument directions. The remaining portion of the aforementioned funds is classified as net assets without donor restrictions designated for endowment until appropriated for expenditure in the manner described for each fund in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with the UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Endowment net asset composition by type of fund as of year-end are as follows:

	June 30, 2025			
		With Donor Restrictions		
	Without Donor Restrictions	Restricted For Time or Purpose	Restricted in Perpetuity	Total
Donor-Restricted Endowment	$ -	$ 839,671	$ 549,859	$ 1,389,530
Land Donor Permanently Restricted	-	-	200,000	200,000
Deferred Land Sale Costs	-	-	6,342	6,342
Designated by Board for Endowment	324,550	-	-	324,550
Total Endowment Fund	$ 324,550	$ 839,671	$ 756,201	$ 1,920,422

	June 30, 2024			
		With Donor Restrictions		
	Without Donor Restrictions	Restricted For Time or Purpose	Restricted in Perpetuity	Total
Donor-Restricted Endowment	$ -	$ 722,841	$ 549,859	$ 1,272,700
Land Donor Permanently Restricted	-	-	200,000	200,000
Deferred Land Sale Costs	-	-	6,342	6,342
Designated by Board for Endowment	324,550	-	-	324,550
Total Endowment Fund	$ 324,550	$ 722,841	$ 756,201	$ 1,803,592

Changes in Endowment net assets by type of fund as of year-end are as follows:

	June 30, 2025			
		With Donor Restrictions		
	Without Donor Restrictions	Restricted For Time or Purpose	Restricted in Perpetuity	Total
Endowment Net Assets Beginning	$ 324,550	$ 722,841	$ 756,201	$ 1,803,592
Contributions	-	-	-	-
Investment Income net of fees	-	124,886	-	124,886
Net unrealized appreciation (loss)	-	44,518	-	44,518
Amounts appropriated for expenditure	-	(52,574)	-	(52,574)
Endowment Net Assets Ending	$ 324,550	$ 839,671	$ 756,201	$ 1,920,422

	June 30, 2024			
		With Donor Restrictions		
	Without Donor Restrictions	Restricted For Time or Purpose	Restricted in Perpetuity	Total
Endowment Net Assets Beginning	$ 324,550	$ 561,440	$ 756,201	$ 1,642,191
Contributions	-	-	-	-
Investment Income net of fees	-	30,785	-	30,785
Net unrealized appreciation (loss)	-	179,168	-	179,168
Amounts appropriated for expenditure	-	(48,552)	-	(48,552)
Endowment Net Assets Ending	$ 324,550	$ 722,841	$ 756,201	$ 1,803,592

NOTE 13 – COMMITMENTS AND CONTINGENCIES

The Association's Forms 990, *Return of Organization Exempt from Income Tax* are subject to examination by the IRS, generally for three years after they were filed. No examinations are in progress.

NOTE 14 – SUBSEQUENT EVENTS

The Organization adheres to ASC Topic 855, Subsequent Events. ASC Topic 855 requires disclosure of the date through which subsequent events have been evaluated, and whether that date is the date that the financial statements were issued or available to be issued. Management has evaluated subsequent events for potential recognition and disclosure through May 8, 2026, the date the financial statements were available to be issued. Management is not aware of any events subsequent to the statement of financial position date which would require additional adjustment to, or disclosure in, the accompanying financial statements.

HOUSATONIC VALLEY ASSOCIATION, INC. AND HVA FOUNDATION, INC.
CONSOLIDATED SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2025 AND JUNE 30, 2024

	DECEMBER 31, 2025			DECEMBER 31, 2024		
	HOUSATONIC VALLEY ASSOCIATION, INC.	HVA FOUNDATION, INC.	TOTAL	HOUSATONIC VALLEY ASSOCIATION, INC.	HVA FOUNDATION, INC.	TOTAL
Assets:						
Current assets:						
Cash and cash equivalents	$ 319,052	$ 418,513	$ 737,565	$ 285,768	$ 124,868	$ 410,636
Accounts and grants receivable	389,576	-	389,576	337,219	-	337,219
Prepaid expenses	43,992	-	43,992	14,729	-	14,729
Total current assets	752,620	418,513	1,171,133	637,716	124,868	762,584
Property and equipment:						
Land	216,206	-	216,206	216,206	-	216,206
Buildings and renovations	413,934	-	413,934	379,941	-	379,941
Furnishings and equipment	81,908	-	81,908	93,379	-	93,379
Less: accumulated depreciation	(422,614)	-	(422,614)	(424,791)	-	(424,791)
Net property and equipment:	289,434	-	289,434	264,735	-	264,735
Other Assets:						
Investments	690,723	1,295,567	1,986,290	936,204	1,472,382	2,408,586
Deferred land sale costs	6,342	-	6,342	6,342	-	6,342
Note Receivable	150,000	-	150,000	-	-	-
Total other assets	847,065	1,295,567	2,142,632	942,546	1,472,382	2,414,928
Total assets	$ 1,889,119	$ 1,714,080	$ 3,603,199	$ 1,844,997	$ 1,597,250	$ 3,442,247
Liabilities and net assets:						
Current liabilities:						
Accounts payable	$ 260,940	$ -	260,940	$ 208,509	$ -	$ 208,509
Accrued salaries and wages	19,044	-	19,044	23,039	-	23,039
Unearned revenue	111,290	-	111,290	120,105	-	120,105
Total current liabilities	391,274	-	391,274	351,653	-	351,653
Net assets:						
Without donor restrictions	731,662	324,550	1,056,212	661,645	324,550	986,195
With donor restrictions	766,183	1,389,530	2,155,713	831,699	1,272,700	2,104,399
Total net assets	1,497,845	1,714,080	3,211,925	1,493,344	1,597,250	3,090,594
Total liabilities and net assets	$ 1,889,119	$ 1,714,080	$ 3,603,199	$ 1,844,997	$ 1,597,250	$ 3,442,247

HOUSATONIC VALLEY ASSOCIATION, INC. AND HVA FOUNDATION, INC.
CONSOLIDATED SCHEDULE OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND JUNE 30, 2024

	June 30, 2025			June 30, 2024		
	VALLEY ASSOCIATION, INC.	HVA FOUNDATION, INC.	TOTAL	VALLEY ASSOCIATION, INC.	HVA FOUNDATION, INC.	TOTAL
Revenues, gains and other support						
Membership dues	$ 35,793	$ -	$ 35,793	$ 35,410	$ -	$ 35,410
Contributions above dues	775,880	-	775,880	650,582	-	650,582
Grants	1,306,297	-	1,306,297	812,138	-	812,138
Events	155,823	-	155,823	210,489	-	210,489
Fees	8,490	-	8,490	5,673	-	5,673
Rent	7,670	-	7,670	9,060	-	9,060
Investment income	20,491	124,886	145,377	19,141	30,785	49,926
Unrealized gains (losses) on investments	97,626	44,518	142,144	160,162	179,168	339,330
Payments to affiliate	52,574	(52,574)	-	48,552	(48,552)	-
Total revenues, gains and other support	2,460,644	116,830	2,577,474	1,951,207	161,401	2,112,608
Expenses						
Program services:						
Issue response	22,280	-	22,280	19,952	-	19,952
Environmental education	304,327	-	304,327	139,965	-	139,965
Land protection	520,874	-	520,874	473,347	-	473,347
Water protection	1,344,888	-	1,344,888	1,067,302	-	1,067,302
Total program services	2,192,369	-	2,192,369	1,700,566	-	1,700,566
Supporting Services:						
Membership	118,944	-	118,944	187,555	-	187,555
Management & general	27,134	-	27,134	21,909	-	21,909
Events	92,457	-	92,457	121,385	-	121,385
Fundraising	25,239	-	25,239	37,971	-	37,971
Total supporting services	263,774	-	263,774	368,820	-	368,820
Total expenses	2,456,143	-	2,456,143	2,069,386	-	2,069,386
Change in net assets	4,501	116,830	121,331	(118,179)	161,401	43,222
Net assets at beginning of year	1,493,344	1,597,250	3,090,594	1,611,523	1,435,849	3,047,372
Net assets at end of year	$ 1,497,845	$ 1,714,080	$ 3,211,925	$ 1,493,344	$ 1,597,250	$ 3,090,594