



SCENIC HUDSON, INC.
AND
THE SCENIC HUDSON LAND TRUST, INC.

Consolidated Financial Statements
(Together with Independent Auditors' Report)

Years Ended June 30, 2009 and 2008

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.

CONSOLIDATED FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEARS ENDED JUNE 30, 2009 AND 2008

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc.

We have audited the accompanying consolidated statements of financial position of Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc. (collectively, the "Organization") as of June 30, 2009 and 2008, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2009 and 2008, 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.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements of Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc. taken as a whole. The supplementary information (shown on pages 21-26) is the responsibility of the Organization's management and is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual entities, and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Marks Paneth & Shron LLP

New York, NY
September 14, 2009

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and cash equivalents (Notes 2C and 16A)	\$ 3,900,615	\$ 4,036,814
Pledges receivable, net (Notes 2D, 2E, 3, 11, 16B and 17)	21,105,770	20,340,070
Other unrestricted receivables (Notes 2E and 3)	-	1,260,664
Investments, at fair value (Notes 2F, 6, 11 and 17)	127,913,996	170,427,778
Prepaid expenses and other assets (Note 14A)	306,861	268,002
Property and equipment, net (Notes 2G and 4)	27,824	35,507
Land areas, at cost (Notes 2L, 5, 14D, 14E, 14F, 14G and 14H)	53,826,273	50,310,852
Assets held in split-interest agreements (Notes 2K, 7, 15B and 17)	160,088	188,092
Development costs (Note 8)	1,025,032	825,032
Assets whose use is limited - donor restricted (Note 9)	<u>1,200,805</u>	<u>850,000</u>
TOTAL ASSETS	<u>\$ 209,467,264</u>	<u>\$ 248,542,811</u>
LIABILITIES		
Accounts payable and accrued expenses (Note 14I)	\$ 1,202,005	\$ 988,957
Grants payable (Note 10)	169,540	1,000,000
Note payable (Note 11)	<u>5,000,000</u>	<u>5,000,000</u>
TOTAL LIABILITIES	<u>6,371,545</u>	<u>6,988,957</u>
COMMITMENTS AND CONTINGENCIES (Note 14)		
NET ASSETS (Note 2B)		
Unrestricted:		
Operating	65,945,801	67,159,729
Board designated - other (Notes 15A and 15C)	7,066,866	7,873,419
Board designated - easement enforcement fund (Notes 15A and 15C)	<u>663,613</u>	<u>833,428</u>
Total unrestricted	<u>73,676,280</u>	<u>75,866,576</u>
Temporarily restricted (Note 15B):		
Endowment (Note 15C)	108,669,275	144,952,445
Other temporarily restricted	<u>20,750,164</u>	<u>20,734,833</u>
Total temporarily restricted	<u>129,419,439</u>	<u>165,687,278</u>
TOTAL NET ASSETS	<u>203,095,719</u>	<u>241,553,854</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 209,467,264</u>	<u>\$ 248,542,811</u>

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	Year Ended June 30, 2009			Year Ended June 30, 2008		
	Unrestricted	Temporarily Restricted	Total 2009	Unrestricted	Temporarily Restricted	Total 2008
OPERATING REVENUES AND SUPPORT (Note 2H):						
Contributions (Notes 2D, 11 and 12)	\$ 2,498,407	\$ 2,280,681	\$ 4,779,088	\$ 3,469,485	\$ 3,111,421	\$ 6,580,906
Endowment earnings used to meet spending policy (Notes 6 and 15)	7,431,000	-	7,431,000	6,806,300	-	6,806,300
Investment activity other than endowment earnings	(46,378)	-	(46,378)	288,697	-	288,697
Realized gain on sale of land and other assets (Note 5)	58,619	-	58,619	417,486	-	417,486
Other revenues	36,477	-	36,477	36,083	-	36,083
Net assets released from restrictions (Note 15)	2,237,348	(2,237,348)	-	3,472,223	(3,472,223)	-
Total Operating Revenues and Support	12,215,473	43,333	12,258,806	14,490,274	(360,802)	14,129,472
OPERATING EXPENSES (Note 2I):						
Program services (Notes 5 and 11)	11,518,910	-	11,518,910	9,432,311	-	9,432,311
Management and general	518,891	-	518,891	564,775	-	564,775
Fundraising	1,132,659	-	1,132,659	1,113,135	-	1,113,135
Total Operating Expenses	13,170,460	-	13,170,460	11,110,221	-	11,110,221
Transfers to board designated endowment	(258,941)	-	(258,941)	(148,646)	-	(148,646)
NET OPERATING ACTIVITY	(1,213,928)	43,333	(1,170,595)	3,231,407	(360,802)	2,870,605
NON-OPERATING ACTIVITIES (Note 2H):						
Requests and additions to Board designated fund (Notes 2H and 2J)	251,869	-	251,869	622,218	-	622,218
Transfers from operating activities	258,941	-	258,941	148,646	-	148,646
Change in value of split-interest agreements (Note 7)	-	(28,002)	(28,002)	-	(17,077)	(17,077)
Easement monitoring expenses	(2,872)	-	(2,872)	(5,932)	-	(5,932)
Investment activity (Note 6)	(1,149,306)	(29,187,170)	(30,336,476)	(704)	(7,635,983)	(7,636,687)
Endowment earnings used to meet spending policy (Notes 6, 15A and 15B)	(335,000)	(7,096,000)	(7,431,000)	(285,300)	(6,521,000)	(6,806,300)
NET NON-OPERATING ACTIVITY	(976,368)	(36,311,172)	(37,287,540)	478,928	(14,174,060)	(13,695,132)
CHANGE IN TOTAL NET ASSETS	(2,190,296)	(36,267,839)	(38,458,135)	3,710,335	(14,534,862)	(10,824,527)
Net assets - beginning of year	75,866,576	165,687,278	241,553,854	72,156,241	180,222,140	252,378,381
NET ASSETS - END OF YEAR	\$ 73,676,280	\$ 129,419,439	\$ 203,095,719	\$ 75,866,576	\$ 165,687,278	\$ 241,553,854

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

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (38,458,135)	\$ (10,824,527)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	7,683	11,981
Change in value of split-interest agreements	28,004	17,077
Change in discount on pledges receivable	(617,126)	(716,421)
Increase in reserve for uncollectible pledges	17,250	-
Realized gain on sales of investments	(1,051,726)	(7,404,848)
Unrealized loss on investments	34,213,083	18,145,281
Realized gain on sales of land and other assets	(58,619)	(417,486)
Donated securities	(145,844)	(290,395)
Donated land	-	(26,000)
Restricted contributions	<u>(350,000)</u>	<u>(600,000)</u>
Subtotal	(6,415,430)	(2,105,338)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Pledges receivable	(165,824)	227,530
Other unrestricted receivables	1,260,664	1,119,699
Prepaid expenses and other assets	(38,859)	1,076
Changes in operating assets and liabilities:		
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	213,048	141,113
Grants payable	<u>(830,460)</u>	<u>996,158</u>
Net Cash (Used) Provided by Operating Activities	<u>(5,976,861)</u>	<u>380,238</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	33,281,520	28,006,857
Purchases of investments	(23,783,251)	(30,905,581)
Acquisitions of land areas and property and equipment	(3,994,602)	(3,868,075)
Proceeds from sales of land areas and property and equipment	537,800	4,143,450
Increase in assets whose use is limited - donor restricted	(350,805)	(600,000)
Increase in development costs	<u>(200,000)</u>	<u>(825,032)</u>
Net Cash Provided (Used) by Investing Activities	<u>5,490,662</u>	<u>(4,048,381)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable	-	5,000,000
Cash collected on restricted contributions	<u>350,000</u>	<u>600,000</u>
Net Cash Provided by Financing Activities	<u>350,000</u>	<u>5,600,000</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(136,199)	1,931,857
Cash and Cash Equivalents - Beginning of Year	<u>4,036,814</u>	<u>2,104,957</u>
CASH AND CASH EQUIVALENTS- END OF YEAR	<u>\$ 3,900,615</u>	<u>\$ 4,036,814</u>
Supplemental Disclosure of Cash Flow Information:		
Non-cash investing activities:		
Donated property	<u>\$ -</u>	<u>\$ 26,000</u>

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

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The consolidated financial statements of Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc. (collectively the "Organization") have been prepared by consolidating the financial statements of Scenic Hudson, Inc. ("Scenic Hudson") and The Scenic Hudson Land Trust, Inc. (the "Land Trust"), along with two limited liability companies of which the Land Trust holds a 100% interest: Highlands Battlesite Properties, LLC and Beacon Waterfront, LLC. All material intercompany transactions and balances have been eliminated in the consolidation.

Scenic Hudson is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. The Land Trust was founded exclusively for the benefit of, and to serve the purposes of, Scenic Hudson to the extent that those purposes relate to acquiring and holding land in the Hudson River Valley, in order to preserve and protect such land for the benefit of the public, including transferring lands to federal, state and local governments and other not-for-profit organizations. The Land Trust is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation as described in Section 509(a)(3), as it is a supporting organization of Scenic Hudson.

The Organization works to protect and restore the Hudson River and its majestic landscape as an irreplaceable national treasure and a vital resource for residents and visitors. A crusader for the valley since 1963, the Organization is credited with saving fabled Storm King Mountain from a destructive industrial project and launching the modern grass-roots environmental movement. Today with approximately 20,000 ardent supporters, the Organization is the largest environmental group focused on the Hudson River Valley. The Organization's teams of experts combines land acquisition, citizen-based advocacy and sophisticated planning tools to create environmentally healthy communities, champion smart economic growth, open up riverfronts to the public and preserve the valley's inspiring natural beauty.

The Organization is guided by these enduring principles:

- An outstanding quality of life is achievable only when a clean, healthy environment is a key component of economic growth.
- Everyone has the right to access the Hudson River, to enjoy open space and to have a voice in decisions affecting their community.
- The beauty of the Hudson River Valley is a unique source of spiritual and artistic vitality and must be preserved.

Contributions and investment income constitute the Organization's primary sources of revenue.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ***Basis of Accounting and Use of Estimates*** – The Organization's consolidated financial statements have been prepared on the accrual basis of accounting. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.
- B. ***Financial Statement Presentation*** – The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Unrestricted net assets are those which have no external restrictions. Temporarily restricted net assets are those for which use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- C. **Cash and 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 their long-term investment strategies.

- D. **Pledges Receivable/Contributions** – Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional contributions and promises to give are not recognized until they become unconditional, that is when the future and uncertain event on which they depend has occurred. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire 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.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Many volunteers, including the Board of Directors, have made significant contributions of time in furtherance of the Organization's policies and programs. The value of this contributed time does not meet the criteria of recognition and therefore is not reflected in the accompanying consolidated financial statements.

- E. **Allowance for Uncollectible Receivables** – The Organization uses the allowance method to determine uncollectible pledges and other unrestricted receivables. Such estimates are based on prior years' experience and management's analysis of specific pledges made. As of June 30, 2009 and 2008, the Organization determined an allowance of \$50,000 and \$32,750, respectively, was necessary.

- F. **Investments** – The Organization reflects investments at fair value in the consolidated statements of financial position. Interest, dividends and gains and losses on investments are reflected in the consolidated statements of activities as increases and decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investment income and gains restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the income is recognized.

Investments are stated at fair value. The fair values of alternative investments that are not readily marketable are based on values provided by the investment managers, which are reviewed for reasonableness by management.

It is the Organization's policy, at the discretion of the Board of Directors, to make an annual election for the support of operations an amount equal to a designated percentage of the average asset fair market values of the respective endowments, at the end of the rolling twelve fiscal quarters ending December 31, 2008 and December 31, 2007. For the years ended June 30, 2009 and 2008, the amount to support operations was 5%.

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

- H. **Operating and Non-Operating Activities** – The Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities, including an authorized investment income allocation and all contributions, except for bequests and additions to the easement enforcement fund. All activities related to the Board designated endowment and easement enforcement fund are recognized as non-operating activities.

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- I. ***Functional Allocation of Expenses*** – The cost of providing the various program and supporting services has been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.
- J. ***Bequests and Legacies*** – The Organization is the beneficiary of bequests and legacies under various wills, the ultimate realization of which is not always readily determinable. The Organization recognizes bequests and legacies when the proceeds are measurable and an irrevocable right to the proceeds has been established by the Organization. As of June 30, 2009, the Organization had received indications of gifts in the form of bequests, which are revocable during the donors' lifetime, amounting to \$2,500,000. Such amounts have not been recognized as an asset or contribution revenue due to the uncertain nature of these intentions.
- K. ***Split-Interest Agreements*** – The Organization's split-interest agreements with donors consist primarily of assets held in a pooled income fund (the "Fund") and an irrevocable charitable remainder unitrust, which are held by third parties. The Fund is governed by an agreement called the Pooled Income Fund Trust Agreement. The Fund provides for the payment of income to designated beneficiaries over their lifetime, based on their interest in the Fund. Upon the termination of the income interest of the designated beneficiary, the related remaining assets are available to the Organization. Payments to the donor are made based on the rate of return earned by the Fund. The Organization's charitable remainder unitrust is a time-restricted contribution that is not available to the Organization until after the death of the donor and other beneficiaries, who, while living, receive payouts from the trust based on a fixed percentage of the market value of the invested funds each year, as stated in the trust agreement.

The Organization recognizes assets and temporarily restricted contribution revenue for its split-interest agreements at the date the agreements are established, net of the liability recorded for the present value of the estimated future payments to be made to the donors and other beneficiaries based upon their life expectancies using IRS mortality tables and the appropriate discount rates. The carrying value of the split-interest agreement assets is adjusted to fair value at the end of the year. The adjustment to fair value of the split-interest agreements is reflected as change in value of split-interest agreements in the accompanying consolidated statements of activities.

- L. ***Land Areas and Conservation Easements*** – Purchased land areas are recorded at cost. Donated land areas are recognized at fair value at the date of the contribution. Land project expenses, such as park development and management costs, are expensed in the period incurred. Purchased easements are expensed in the period acquired.
- M. ***Subsequent Events*** – Management has evaluated events subsequent to the date of the consolidated statement of financial position through September 14, 2009, the date the consolidated financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through September 14, 2009 that would require adjustment to or disclosure in the consolidated financial statements.
- N. ***Fair Value Measurements*** – Effective July 1, 2008, except as described below, the Organization adopted the Financial Accounting Standards Board ("FASB") Statement No. 157, "Fair Value Measurements" ("SFAS No. 157"), which provides a framework for measuring fair value under generally accepted accounting principles. SFAS No. 157 applies to all financial instruments that are being measured and reported on a fair value basis.

In February 2008, the FASB issued FASB Staff Position No. 157-2, "Effective Date of FASB Statement No. 157", which permits a one-year deferral for the implementation of SFAS No. 157 with regard to nonfinancial assets and liabilities that are not recognized or disclosed at fair value in the financial statements on a recurring basis. The Organization effectively adopted SFAS No. 157 for the fiscal year beginning July 1, 2008, except for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a nonrecurring basis, for which delayed application is permitted until the fiscal year beginning July 1, 2009. The adoption of the remaining provisions of SFAS No. 157 is not expected to have a material impact on the Organization's consolidated financial statements.

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As defined in SFAS No. 157, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Valuations for assets and liabilities traded in active exchange markets. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities, or model derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker-traded transactions. Level 3 valuations are based on unobservable inputs when little or no market data is available and incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities. The fair value hierarchy gives lowest priority to Level 3 inputs.

The classification of the Organization's financial assets and liabilities carried at fair value into the three levels of the fair value hierarchy is described in Note 17.

- O. **Reclassifications** – Certain line items in the June 30, 2008 consolidated financial statements have been reclassified to conform to the June 30, 2009 presentation.

NOTE 3 – PLEDGES RECEIVABLE AND OTHER UNRESTRICTED RECEIVABLES

Pledges receivable as of June 30, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Unrestricted	\$ 411,164	\$ 2,309,509
Restricted to future programs and periods	<u>20,694,606</u>	<u>18,030,561</u>
Total pledges receivable, net	<u>\$ 21,105,770</u>	<u>\$ 20,340,070</u>

Pledges receivable are scheduled to be collected as follows as of June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Less than one year	\$ 1,834,104	\$ 1,706,280
One to four years	<u>21,034,000</u>	<u>20,996,000</u>
	22,868,104	22,702,280
Less: Discount to net present value	(1,712,334)	(2,329,460)
Reserve for uncollectible pledges	<u>(50,000)</u>	<u>(32,750)</u>
Total pledges receivable, net	<u>\$ 21,105,770</u>	<u>\$ 20,340,070</u>

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 3 – PLEDGES RECEIVABLE AND OTHER UNRESTRICTED RECEIVABLES (Continued)

Pledges receivable due after one year are discounted to net present value using the risk-free interest rate in effect on the date of the gift. Interest rates used to discount the unconditional promises range from .93% to 4.75% and 1.8% to 4.75% as of June 30, 2009 and 2008, respectively.

Other unrestricted receivables consist predominantly of amounts due from government agencies related to the sales of land areas and completion of certain projects.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	\$ 72,628	\$ 75,093	3-7 Years
Transportation equipment	48,184	48,184	4-5 Years
Leasehold improvements	<u>23,910</u>	<u>23,910</u>	5 Years
Total cost	144,722	147,187	
Less: accumulated depreciation and amortization	<u>(116,898)</u>	<u>(111,680)</u>	
Net book value	<u>\$ 27,824</u>	<u>\$ 35,507</u>	

NOTE 5 – LAND AREAS AND CONSERVATION EASEMENTS

Land areas for the public benefit consist of land held for conservation or for transfer/resale. During the years ended June 30, 2009 and 2008, the Organization acquired land areas for a total of \$3,994,602 and \$3,857,759 (includes donated land valued at \$26,000), respectively. For the year ending June 30, 2009, the Organization sold one property that cost \$461,181 for proceeds of \$519,800, resulting in a net realized gain of \$58,619, which is included in the consolidated statements of activities as realized gain on sale of land and other assets. During the year ended June 30, 2008, the Organization sold six properties that cost \$3,722,605 for proceeds of \$4,131,770, resulting in a net realized gain of \$409,165, which is included in the consolidated statements of activities as realized gain on sale of land and other assets.

In addition, the Organization and the Village of Haverstraw (the "Village") are tenants-in-common in certain property. The agreement provides that the Village's ownership interest will increase by 5% each year, provided that the Village makes semi-annual payments of \$9,000 to the Organization. The \$18,000 in payments received by the Organization each year reduce the cost basis of the land area and are reflected as proceeds from the sales of land areas in the accompanying consolidated financial statements. See also Note 14E for additional information related to this agreement.

The Organization held conservation easements on various properties in New York State as of June 30, 2009 and 2008. During the years ended June 30, 2009 and 2008, the Organization purchased easements, inclusive of closing costs, for \$4,293,949 and \$2,258,092, respectively.

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 6 – INVESTMENTS

Investments consist of the following as of June 30, 2009 and 2008:

	2009		2008	
	Fair Value	Cost	Fair Value	Cost
Equity securities	\$ 40,918,338	\$ 49,883,141	\$ 59,470,767	\$ 55,321,515
Limited partnerships - equity securities	19,045,944	21,260,333	21,644,290	20,281,469
Mutual funds - equity securities	26,916,858	30,357,999	38,756,723	29,323,570
Fixed income - securities and mutual funds	25,640,417	25,601,036	28,300,126	28,018,764
Alternative investments (hedge funds and funds of funds)	10,067,209	9,406,730	16,228,403	11,156,353
Money market funds	5,325,230	5,325,230	6,027,469	6,027,469
	<u>\$ 127,913,996</u>	<u>\$ 141,834,469</u>	<u>\$ 170,427,778</u>	<u>\$ 150,129,140</u>

Equities and fixed income securities are reported at publicly quoted market prices.

Limited partnerships and alternative investments are recorded at the fair value as determined by the general partners or investment manager. Hedge funds may trade in derivative instruments that involve varying degrees of market risk including credit exposure, liquidity and interest rates. Due to the level of risk associated with securities and the level of uncertainty related to changes in their value, it is possible market conditions could have a near term material effect on balances reported in the consolidated statements of financial position and the consolidated statements of activities.

As of June 30, 2009, concentrations of the Organization's investments in excess of 10% of fair value of its portfolio included approximately 20% invested in a PIMCO fixed income mutual fund, 15% in Silchester, LP (which is primarily invested in underlying equity securities), 13% in a Vanguard mutual fund and 10% in the iShares S & P 100 Index Fund. As of June 30, 2008, concentrations of the Organization's investments in excess of 10% of the fair value of its portfolio included approximately 15% invested in a PIMCO fixed income mutual fund, 14% invested in a Vanguard mutual fund and 13% invested in Silchester, L.P (which is primarily invested in underlying equity securities).

Certain fixed income investments serve as collateral for the Organization's note payable as further described in Note 11 of the consolidated financial statements.

In July 2008, the Organization made a commitment to invest \$5 million in capital to a limited partnership. As of June 30, 2009, the Organization had invested \$4,258,458 of this commitment.

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 6 – INVESTMENTS (Continued)

The components of investment activity by entity for the year ended June 30, 2009 follows:

	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Total
Investments, at fair value as of June 30, 2008	\$ 8,115,910	\$ 162,311,868	\$ 170,427,778
Interest and dividends	197,041	3,098,566	3,295,607
Net change in realized/unrealized gain (loss) on investments reported at fair value from 7/1/08-6/30/09	(1,064,103)	(32,097,254)	(33,161,357)
Investment fees	(18,300)	(452,426)	(470,726)
Total investment activity	(885,362)	(29,451,114)	(30,336,476)
Investment activity allocated to operating activities	3,208	(96,014)	(92,806)
Purchases of new investments	15,500	-	15,500
Investments sold to fund program activities	(305,820)	(11,794,180)	(12,100,000)
Subtotal	(287,112)	(11,890,194)	(12,177,306)
Net decrease in investments	(1,172,474)	(41,341,308)	(42,513,782)
Investments, at fair value as of June 30, 2009	\$ 6,943,436	\$ 120,970,560	\$ 127,913,996
Net return on investments during the year	(10.91%)	(18.14%)	(17.80%)

The components of investment activity by entity for the year ended June 30, 2008 follows:

	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Total
Investments, at fair value as of June 30, 2007	\$ 8,155,002	\$ 169,824,090	\$ 177,979,092
Interest and dividends	210,590	3,506,370	3,716,960
Net change in realized/unrealized gain (loss) on investments reported at fair value from 7/1/07-6/30/08	(273,179)	(10,467,254)	(10,740,433)
Investment fees	(23,612)	(589,602)	(613,214)
Total investment activity	(86,201)	(7,550,486)	(7,636,687)
Investment activity allocated to operating activities	24,819	38,264	63,083
Purchases of new investments	22,290	-	22,290
Subtotal	47,109	38,264	85,373
Net decrease in investments	(39,092)	(7,512,222)	(7,551,314)
Investments, at fair value as of June 30, 2008	\$ 8,115,910	\$ 162,311,868	\$ 170,427,778
Net return on investments during the year	(1.06%)	(4.45%)	(4.29%)

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 6 – INVESTMENTS (Continued)

The classification of investment activity in the consolidated statement of activities for the year ended June 30, 2009 follows:

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 197,041	\$ 3,098,566	\$ 3,295,607
Realized gains (losses)	(7,367)	1,059,093	1,051,726
Unrealized losses	(1,056,736)	(33,156,347)	(34,213,083)
Investment fees	(18,300)	(452,426)	(470,726)
Total return on investments	(885,362)	(29,451,114)	(30,336,476)
Earnings (loss) allocated to Board designated easement enforcement fund (Note 15A)	(263,944)	263,944	-
	(1,149,306)	(29,187,170)	(30,336,476)
Endowment earnings used to meet spending policy (Note 2F)	7,431,000	-	7,431,000
Endowment earnings used to meet spending policy for Board designated – other (Note 15A)	(335,000)	-	(335,000)
Endowment earnings used to meet spending policy for Wallace Endowment (Note 15B)	-	(7,096,000)	(7,096,000)
	<u>\$ 5,946,694</u>	<u>\$ (36,283,170)</u>	<u>\$ (30,336,476)</u>

The classification of investment activity in the consolidated statement of activities for the year ended June 30, 2008 follows:

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 210,590	\$ 3,506,370	\$ 3,716,960
Realized gains	239,108	7,165,740	7,404,848
Unrealized losses	(512,287)	(17,632,994)	(18,145,281)
Investment fees	(23,612)	(589,602)	(613,214)
Total return on investments	(86,201)	(7,550,486)	(7,636,687)
Earnings (loss) allocated to Board designated easement enforcement fund (Note 15A)	85,497	(85,497)	-
	(704)	(7,635,983)	(7,636,687)
Endowment earnings used to meet spending policy (Note 2F)	6,806,300	-	6,806,300
Endowment earnings used to meet spending policy for Board designated – other (Note 15A)	(285,300)	-	(285,300)
Endowment earnings used to meet spending policy for Wallace Endowment (Note 15B)	-	(6,521,000)	(6,521,000)
	<u>\$ 6,520,296</u>	<u>\$ (14,156,983)</u>	<u>\$ (7,636,687)</u>

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 7 – SPLIT-INTEREST AGREEMENTS

A. ***Pooled Income Fund*** - The present value of the future interest is summarized as follows as of June 30:

	<u>2009</u>	<u>2008</u>
Fair value	\$ 86,518	\$ 90,350
Less: Estimated future liability	<u>(16,533)</u>	<u>(18,248)</u>
Present value of future interest	\$ <u>69,985</u>	\$ <u>72,102</u>

The present value of the estimated future interest is calculated using a discount rate of 4.948% as of June 30, 2009 and 2008 and applicable life expectancy tables.

B. ***Charitable Remainder Unitrust*** - The present value of the future interest is summarized as follows as of June 30:

	<u>2009</u>	<u>2008</u>
Fair value	\$ 101,863	\$ 133,515
Less: Estimated future liability	<u>(11,760)</u>	<u>(17,525)</u>
Present value of future interest	\$ <u>90,103</u>	\$ <u>115,990</u>

The present value of the estimated future interest is calculated using a discount rate of 2.8% and 3.8% as of June 30, 2009 and 2008, respectively, and applicable life expectancy tables.

The majority of the underlying assets of the Organization's split-interest agreements are held in equities and fixed income securities.

NOTE 8 – DEVELOPMENT COSTS

During the years ended June 30, 2009 and 2008, the Organization incurred costs, through Beacon Waterfront, LLC, in engineering and architectural designs and plans for the development of the City of Beacon waterfront. As of June 30, 2009 and 2008, the Organization has capitalized costs of \$1,025,032 and \$825,032, respectively, related to this project which are reflected as development costs in the accompanying consolidated statements of financial position. These capitalized costs may be reimbursed by the developer of the project upon completion.

NOTE 9 – ASSETS WHOSE USE IS LIMITED – DONOR RESTRICTED

As of June 30, 2009 and 2008, the Organization had received cash of \$200,805 (including accumulated earnings) and \$100,000, respectively, from a donor which is to be invested in a high yield money market account and is subject to future designation by the donor. In addition, as of June 30, 2009 and 2008, the Organization had received \$1,000,000 and \$750,000, respectively, with donor imposed restrictions designated for a specific project.

NOTE 10 – GRANTS PAYABLE

As of June 30, 2009 and 2008, grants payable are scheduled to be paid as follows:

	<u>2009</u>	<u>2008</u>
Payable within one year	\$ <u>169,540</u>	\$ <u>1,000,000</u>

The grant payable as of June 30, 2008 represents a grant payable to another nonprofit organization for the Walkway Over the Hudson project.

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 11 – NOTE PAYABLE

In fiscal year 2008, the Organization secured an interest-free loan from a donor to purchase land and build parks for public use. The loan is collateralized by fixed income securities and the collateral must be at least \$7,500,000. The loan is repayable upon the collection of certain pledges receivable and the life (maturity date) of the loan is estimated based on the estimated date of collection of the pledges receivable. The loan has been discounted using the Organization's estimated borrowing rate of 5.68%. The discount is being amortized over the expected life of the loan. Imputed interest expense and a related contribution in-kind of \$242,000 and \$187,000 were recognized for the loan for the years ended June 30, 2009 and 2008, respectively. Such amounts are included in contribution revenue and program services expense in the accompanying consolidated statements of activities. The note payable was as follows as of June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Present value of the note payable	\$ 4,495,000	\$ 4,253,000
Imputed interest	<u>505,000</u>	<u>747,000</u>
Total note payable	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

NOTE 12 – SPECIAL EVENTS INCOME

Special events income, net of costs of direct benefits to donors (example: meals, facilities rental, etc.), is included in contributions in the accompanying consolidated statements of activities and consists of the following for the years ended June 30:

	<u>2009</u>	<u>2008</u>
Proceeds from special events	\$ -	\$ 357,508
Less: costs of direct benefits to donors	<u>-</u>	<u>(80,118)</u>
Special events income, net	<u>\$ -</u>	<u>\$ 277,390</u>

NOTE 13 – PENSION PLAN

The Organization has a tax deferred annuity 403(b) plan for eligible employees. The Organization contributes 6% of eligible employees' salaries to the plan annually. The cost to the Organization for this plan for the years ended June 30, 2009 and 2008 amounted to \$132,408 and \$163,474, respectively. Contributions to the 403(b) plan were suspended on April 1, 2009. The Organization also offers a deferred compensation arrangement under Section 457(b) of the IRC for key employees. The Organization does not make any contributions to the 457(b) plan. The Organization and the President are also parties to a 457(f) plan. The Organization contributed \$49,530 and \$44,703 to the 457(f) plan for the years ended June 30, 2009 and 2008, respectively.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

- A. As of June 30, 2009 and 2008, the Organization had deposits of \$131,158 and \$80,000, respectively, on contracts to purchase land areas and conservation easements. Such amounts are included as prepaid expenses and other assets in the accompanying consolidated statements of financial position and were for the purchase of land areas and conservation easements as follows as of June 30:

	<u>2009</u>	<u>2008</u>
Shanok Property	\$ 137,338	\$ -
Stockport Holdings	-	1,150,000
Illinois Mountain	-	1,412,827
Timber Cove	-	652,641
Conservation easements	<u>-</u>	<u>1,388,650</u>
	<u>\$ 137,338</u>	<u>\$ 4,604,118</u>

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 14 – COMMITMENTS AND CONTINGENCIES (Continued)

- B. The Organization's lease agreement for office space provides for future minimum rental payments as follows:

2010	\$ 289,100
2011	289,100
2012	<u>216,825</u>
	<u>\$ 795,025</u>

The minimum rental payments are subject to adjustments based on increases in real estate taxes, insurance and other operating expenses. The rent expense for the years ended June 30, 2009 and 2008 amounted to approximately \$306,000 and \$300,000, respectively.

- C. Government supported programs are subject to audit by the granting agency. Management expects that any changes that could result from the audits would not have a material impact on the consolidated financial statements.
- D. The Organization and The Village of Irvington (the "Village") are tenants-in-common with a 60% and 40% undivided interest, respectively, in certain property and have entered into a co-ownership agreement on February 11, 1997 with a twenty-year term. The Organization purchased two parcels of land for \$5,493,268 and the Village agreed to invest money for planning, remediation of site contamination and for the creation of a park on the land.

The Village is solely responsible to manage the property and the project, and the Village assumes the total responsibility for costs and expenses associated with carrying out the project. The Organization has the right to enforce it and to approve all of the steps along the way, choice of consultants, design of improvements, etc. The Village cannot sell, lease, mortgage or otherwise encumber the property without the Organization's prior approval. The Village indemnifies and holds the Organization harmless against costs, expenses, and liabilities associated with the project. At the end of the twenty-year term, if the Village has fulfilled its obligations, the Village may purchase the property from the Organization for \$1, but must grant a conservation easement to the Organization, which dedicates the use of the land to public park purposes in perpetuity.

- E. The Organization and the Village of Haverstraw (the "Village") are tenants-in-common with a 35% and 65% undivided interest, respectively, in certain riverfront property located in the Village. The tenants-in-common entered into a co-ownership agreement on February 11, 1998 (the "Agreement") providing for the use, occupancy, management, development and improvement of the subject property by the Village.

The Agreement also provides for an annual 5% increase in the Village's ownership interest of the property and corresponding semi-annual payments of \$9,000 commencing August 1, 1998 through February 1, 2013 (see Note 5). If the Village fulfills its obligations under the terms of the Agreement, it may purchase the property at the end of the fifteen-year term for \$1, but must grant a conservation easement to the Organization, which dedicates the use of the land to public park purposes in perpetuity.

- F. The Organization and the City of Peekskill (the "City") are tenants-in-common with a 60% and 40% undivided interest, respectively, in certain waterfront property located in the City. The tenants-in-common entered into a co-ownership agreement (the "Agreement") on July 31, 1998 for a fifteen-year term commencing August 12, 1998. The City is responsible for all costs in connection with the condition, operation, repair, replacement, maintenance and management of the property, including spending not less than \$1.5 million over the first three years to complete Phase 1 and 2 improvements, exclusive of remediation costs, in accordance with an approved land use plan and the other provisions, as more fully described in the Agreement.

Provided that the Agreement is in full force and effect on the fifteenth anniversary of the commencement date, the City will purchase the Organization's interest in the property for \$1 and will grant the Organization a conservation easement restricting the development of the property insuring its management and use as a public park and not-for-profit touristic, interpretive and educational amenity.

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 14 – COMMITMENTS AND CONTINGENCIES (Continued)

- G. The Organization, the County of Westchester and the Town of Cortland (the "Town") jointly purchased the Hillpoint property in Cortland. The Organization received the "Northerly" portion (203 acres) and the County of Westchester and the Town received the "Southerly" portion (147 acres). The Organization and the Town entered into a "Park Management Agreement." The terms of this agreement are summarized as follows: the Town will operate and manage and incur the expenses thereof, both the "Northerly" and "Southerly" portions. The "Northerly" portion shall remain in the ownership of the Organization until the fifteenth anniversary of the commencement date, which will be July 10, 2014. At that time, the Organization will transfer the "Northerly" portion to the Town. The Town, in turn, will grant the Organization a conservation easement as called for by the agreement.
- H. Highlands Battlesite Properties, LLC has leased the property known as Fort Montgomery to the Palisades Interstate Park Commission ("PIPC") as of December 10, 2002. The agreement states that no rent will be paid by PIPC; however, PIPC is responsible for the management and environmental cleanup of Fort Montgomery. At the end of the lease term, PIPC will have the right to purchase the property at below fair market value.
- I. As of June 30, 2009, the Organization had approximately \$1,548,000 of mechanics liens filed against certain of its properties, of which approximately \$219,000 has been accrued and is included in accounts payable and accrued expenses in the accompanying consolidated financial statements. The remaining mechanics liens of approximately \$1,329,000 have not been accrued in the Organization's consolidated financial statements, since the Organization has determined that it is not responsible for the unpaid fees that gave rise to the mechanics liens.

NOTE 15 – RESTRICTIONS ON NET ASSETS

- A. **Board Designated Net Assets** - Board designated net assets, reflected as Board designated – other in the accompanying consolidated statements of financial position, are used to account for funds set aside by Scenic Hudson, Inc.'s Board of Directors (the "Board Designated Endowment"), as well as investment income earned on those funds, to be used as determined upon approval by the Board. Investment income of \$335,000 and \$285,300, designated as endowment gains used to meet spending policy in the accompanying consolidated statements of activities, was appropriated from the Board Designated Endowment to support operations for the years ended June 30, 2009 and 2008, respectively.

In fiscal year 2004, the Board of Directors established a Board designated easement enforcement fund. The Board of Directors has restricted the fund as a reserve to pay legal and other easement monitoring costs that may be incurred to defend the Organization's contractual rights and privileges established through conservation easements owned. The easement enforcement fund net asset balance amounted to \$663,613 and \$833,428 as of June 30, 2009 and 2008, respectively.

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

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 15 – RESTRICTIONS ON NET ASSETS (Continued)

The Wallace Endowment is classified as temporarily restricted due to the Organization's ability to spend a percentage of the Wallace Endowment as established by the Board of Directors, so long as the spending policy is in accordance with the spending policy adopted for other endowments of the Organization. The Board of Directors approved that amounts released for spending from the Board Designated Endowment and the Wallace Endowment for the years ended June 30, 2009 and 2008, shall be an amount equal to 5% of the average asset fair market values of the respective endowments, at the end of the rolling twelve fiscal quarters ending December 31, 2007 and December 31, 2006, and that management may withdraw these amounts at their discretion to meet program needs. Accordingly, investment income of \$7,096,000 and \$6,521,000, designated as endowment gains used to meet spending policy in the accompanying consolidated statements of activities, was appropriated from the Wallace Endowment to support operations for the years ended June 30, 2009 and 2008, respectively.

Temporarily restricted net assets consist of the following as of June 30:

	<u>2009</u>	<u>2008</u>
Scenic Hudson, Inc.:		
Restricted to future programs and periods	\$ 17,936,643	\$ 18,310,095
Future interest in pooled income fund	69,985	72,102
Future interest in charitable remainder trust	<u>90,103</u>	<u>115,990</u>
	<u>18,096,731</u>	<u>18,498,187</u>
The Scenic Hudson Land Trust, Inc.:		
Lila Acheson and DeWitt Wallace Hudson Valley Land Preservation Endowment	108,669,275	144,952,445
Land acquisitions and other land preservation and conservation expenses	<u>2,653,433</u>	<u>2,236,646</u>
	<u>111,322,708</u>	<u>147,189,091</u>
Total temporarily restricted net assets	<u>\$ 129,419,439</u>	<u>\$ 165,687,278</u>

During the years ended June 30, 2009 and 2008, the Organization released temporarily restricted net assets by incurring expenses or the passage of time, thus satisfying the restrictions.

- C. **Endowment Net Assets** – The FASB Staff Position No. 117-1 ("FSP No. 117-1") provides guidance on the net asset classifications of donor-restricted endowment funds for a not-for-profit organization that is subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). FSP No. 117-1 also improves disclosure about the organization's endowment funds, whether or not the organization is subject to UPMIFA. UPMIFA has not been enacted in New York State. Therefore, the Organization has implemented only the disclosure guidance provided for in FSP No. 117-1.

The Organization's Board of Directors has interpreted state law to include preservation of an endowment gift's historic value measured as of the gift date, absent explicit donor stipulations to the contrary. The policy for valuing the Organization's investments is described in Note 2F. In accordance with accounting principles generally accepted in the United States of America, any deterioration of the fair value of assets associated with donor restricted endowment funds that falls below the level the donor requires the Organization to retain in perpetuity is to be reported in unrestricted net assets. The Organization has not incurred such deficiencies in its endowment funds as of June 30, 2009 and 2008.

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 15 – RESTRICTIONS ON NET ASSETS (Continued)

The Organization's endowment investment policy is to invest primarily in a mix of equities, alternative investments and fixed income securities based on an asset allocation to satisfy its overall endowment financial and investment objectives, such as to preserve the principal, protect against inflation, receive stable returns and achieve long-term growth. The Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Annual spending from the endowment fund is described in Notes 2F and 15B. Unless authorized by the Board of Directors, the appropriations from the endowment should not deplete the historical dollar value of the endowment fund.

Changes in endowment net assets for the year ended June 30, 2009 are as follows:

	Board Designated - Unrestricted	Temporarily Restricted	Total
Endowment net assets, beginning of year	\$ 8,706,847	\$ 144,952,445	\$ 153,659,292
Investment activity:			
Interest and dividends	197,041	3,098,566	3,295,607
Realized gains (losses)	(7,367)	1,059,093	1,051,726
Unrealized losses	(1,056,736)	(33,156,347)	(34,213,083)
Investment fees	(18,300)	(452,426)	(470,726)
Total return on investments	(885,362)	(29,451,114)	(30,336,476)
Earnings (loss) allocated to Board designated easement enforcement fund (Note 15A)	(263,944)	263,944	-
	(1,149,306)	(29,187,170)	(30,336,476)
Bequests and additions to Board designated fund	251,869	-	251,869
Transfers from operating activities	258,941	-	258,941
Easement monitoring expenses	(2,872)	-	(2,872)
Endowment earnings used to meet spending policy for Board designated – other (Note 15A)	(335,000)	-	(335,000)
Endowment earnings used to meet spending for Wallace Endowment (Note 15B)	-	(7,096,000)	(7,096,000)
	(976,368)	(36,283,170)	(37,259,538)
Endowment net assets, end of year	\$ 7,730,479	\$ 108,669,275	\$ 116,399,754

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 15 – RESTRICTIONS ON NET ASSETS (Continued)

Changes in endowment net assets for the year ended June 30, 2008 are as follows:

	Board Designated - Unrestricted	Temporarily Restricted	Total
Endowment net assets, beginning of year	\$ 8,227,919	\$ 159,109,428	\$ 167,337,347
Investment activity:			
Interest and dividends	210,722	3,506,370	3,717,092
Realized gains (losses)	329,108	7,165,740	7,404,848
Unrealized losses	(512,287)	(17,632,994)	(18,145,281)
Investment fees	(23,744)	(589,602)	(613,346)
Total return on investments	(86,201)	(7,550,486)	(7,636,687)
Earnings (loss) allocated to Board designated easement enforcement fund (Note 15A)	85,497	(85,497)	-
	(704)	(7,635,983)	(7,636,687)
Bequests and additions to Board designated fund	622,218	-	622,218
Transfers from operating activities	148,646	-	148,646
Easement monitoring expenses	(5,932)	-	(5,932)
Endowment earnings used to meet spending policy for Board designated – other (Note 15A)	(285,300)	-	(285,300)
Endowment earnings used to meet spending for Wallace Endowment (Note 15B)	-	(6,521,000)	(6,521,000)
	478,928	(14,156,983)	(13,678,055)
Endowment net assets, end of year	\$ 8,706,847	\$ 144,952,445	\$ 153,659,292

NOTE 16 – CONCENTRATIONS

- A. **Concentration of Credit Risk** – The Organization maintains its cash and cash equivalent balances in financial institutions located in the United States of America. Cash accounts that potentially subject the Organization to a concentration of credit risk include cash accounts with banks (including donor restricted cash as described in Note 9) that exceeded the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. During 2008, FDIC insurance coverage for interest bearing accounts was increased from \$100,000 to \$250,000, expiring on December 31, 2013. For non-interest bearing accounts, such coverage is unlimited to December 31, 2009, for participating banks. As of June 30, 2009 and 2008, the Organization had cash accounts that exceeded the FDIC insurance limits by approximately \$0 and \$88,000, respectively. In addition, the Organization had cash held in money market funds that were not insured, which amounted to approximately \$4,821,000 and \$4,771,000 as of June 30, 2009 and 2008, respectively.
- B. **Concentration of Pledges Receivable** – During the year ended June 30, 2007, a single donor contributed \$20,000,000 to the Organization. Such promise to give was recorded net of a discount to present value. As of June 30, 2009 and 2008, the net pledge receivable associated with this contribution amounted to approximately 86% of the total pledges receivable.

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 17 – FAIR VALUE OF FINANCIAL INSTRUMENTS

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

Financial assets carried at fair value at June 30, 2009 are classified in the table in one of the three levels as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets Carried at Fair Value:				
Investments:				
Equity securities	\$ 40,918,338	\$ -	\$ -	\$ 40,918,338
Limited partnerships - equity securities	-	19,045,944	-	19,045,944
Mutual funds - equity securities	26,916,858	-	-	26,916,858
Fixed income - securities and mutual funds	25,640,417	-	-	25,640,417
Alternative investments (hedge funds and funds of funds)	-	-	10,067,209	10,067,209
Money market funds	5,325,230	-	-	5,325,230
Total investments	98,800,843	19,045,944	10,067,209	127,913,996
Assets held in split-interest agreements	-	160,088	-	160,088
Total Assets Carried at Fair Value	<u>\$ 98,800,843</u>	<u>\$ 19,206,032</u>	<u>\$ 10,067,209</u>	<u>\$ 128,074,084</u>

Investments in money market funds, equity and fixed-income securities and actively traded mutual funds are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Assets held in split-interest agreements are designated as Level 2 since the determination of fair value is based on a model-derived valuation using discount rates and published life expectancy tables. Investments in hedge funds, funds of funds and private equity funds are designated as Level 3 as indicative of the investment manager's classification of the Organization's investment in the funds. It is not meant to be indicative of the classification of the investments in the underlying portfolio of the investment in alternative investment into the SFAS No. 157 fair value hierarchy.

The changes in financial assets measured at fair value for which the Organization has used Level 3 inputs to determine fair value are as follows:

Balance, June 30, 2008	\$ 16,228,403
Purchases	4,258,457
Redemptions	(8,654,263)
Realized gains	2,646,183
Unrealized losses	<u>(4,411,571)</u>
Balance, June 30, 2009	<u>\$ 10,067,209</u>

The carrying amounts of all other financial instruments approximate fair value because of their short maturities.

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION
AS OF JUNE 30, 2009 AND 2008

	As of June 30, 2009				As of June 30, 2008			
	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Consolidating Eliminations	Consolidated Total 2009	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Consolidating Eliminations	Consolidated Total 2008
ASSETS								
Cash and cash equivalents	\$ 1,656,286	\$ 2,244,329	\$ -	\$ 3,900,615	\$ 2,340,505	\$ 1,696,309	\$ -	\$ 4,036,814
Pledges receivable, net	19,491,197	1,614,573	-	21,105,770	19,453,590	886,480	-	20,340,070
Other unrestricted receivables	-	-	-	-	-	1,260,664	-	1,260,664
Investments, at fair value	6,943,436	120,970,560	-	127,913,996	8,115,910	162,311,868	-	170,427,778
Due from related party	3,116,334	-	(3,116,334)	-	2,914,716	-	(2,914,716)	-
Prepaid expenses and other assets	60,624	246,237	-	306,861	40,065	227,937	-	268,002
Property and equipment, net	27,824	-	-	27,824	33,485	2,022	-	35,507
Land areas, at cost	-	53,826,273	-	53,826,273	-	50,310,852	-	50,310,852
Assets held in split-interest agreements	160,088	-	-	160,088	188,092	-	-	188,092
Development costs	-	1,025,032	-	1,025,032	-	825,032	-	825,032
Assets whose use is limited - donor restricted	200,805	1,000,000	-	1,200,805	100,000	750,000	-	850,000
TOTAL ASSETS	\$ 31,656,594	\$ 180,927,004	\$ (3,116,334)	\$ 209,467,264	\$ 33,186,363	\$ 218,271,164	\$ (2,914,716)	\$ 248,542,811
LIABILITIES								
Accounts payable and accrued expenses	\$ 299,420	\$ 902,585	\$ -	\$ 1,202,005	\$ 384,395	\$ 604,562	\$ -	\$ 988,957
Grants payable	-	169,540	-	169,540	-	1,000,000	-	1,000,000
Due to related party	-	3,116,334	(3,116,334)	-	-	2,914,716	(2,914,716)	-
Note payable	5,000,000	-	-	5,000,000	5,000,000	-	-	5,000,000
TOTAL LIABILITIES	5,299,420	4,188,459	(3,116,334)	6,371,545	5,384,395	4,519,278	(2,914,716)	6,988,957
NET ASSETS								
Unrestricted:								
Operating	1,193,577	64,752,224	-	65,945,801	1,430,362	65,729,367	-	67,159,729
Board designated - other	7,066,866	-	-	7,066,866	7,873,419	-	-	7,873,419
Board designated - easement enforcement fund	-	663,613	-	663,613	-	833,428	-	833,428
Total unrestricted	8,260,443	65,415,837	-	73,676,280	9,303,781	66,562,795	-	75,866,576
Temporarily restricted:								
Endowment	-	108,669,275	-	108,669,275	-	144,952,445	-	144,952,445
Other temporarily restricted	18,096,731	2,653,433	-	20,750,164	18,498,187	2,236,646	-	20,734,833
Total temporarily restricted	18,096,731	111,322,708	-	129,419,439	18,498,187	147,189,091	-	165,687,278
TOTAL NET ASSETS	26,357,174	176,738,545	-	203,095,719	27,801,968	213,751,886	-	241,553,854
TOTAL LIABILITIES AND NET ASSETS	\$ 31,656,594	\$ 180,927,004	\$ (3,116,334)	\$ 209,467,264	\$ 33,186,363	\$ 218,271,164	\$ (2,914,716)	\$ 248,542,811

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Scenic Hudson, Inc.			The Scenic Hudson Land Trust, Inc.			Consolidating Eliminations	Consolidated 2009 Total
	Unrestricted	Temporarily Restricted	Total 2009	Unrestricted	Temporarily Restricted	Total 2009		
OPERATING REVENUES AND SUPPORT:								
Contributions	\$ 4,169,372	\$ 1,196,126	\$ 5,365,498	\$ 383,411	\$ 1,084,555	\$ 1,467,966	\$ (2,054,376)	\$ 4,779,088
Endowment earnings used to meet spending policy	335,000	-	335,000	7,096,000	-	7,096,000	-	7,431,000
Investment activity other than endowment earnings	23,213	-	23,213	(69,591)	-	(69,591)	-	(46,378)
Realized gain on sale of land and other assets	-	-	-	58,619	-	58,619	-	58,619
Other revenues	1,728	-	1,728	34,749	-	34,749	-	36,477
Net assets released from restrictions	1,365,158	(1,569,580)	(204,422)	872,190	(667,768)	204,422	-	-
Total Operating Revenues and Support	5,894,471	(373,454)	5,521,017	8,375,378	416,787	8,792,165	(2,054,376)	12,258,806
OPERATING EXPENSES:								
Program services	4,258,565	-	4,258,565	9,049,415	-	9,049,415	(1,789,070)	11,518,910
Management and general	481,091	-	481,091	113,730	-	113,730	(75,930)	518,891
Fundraising	1,132,659	-	1,132,659	189,376	-	189,376	(189,376)	1,132,659
Total Operating Expenses	5,872,315	-	5,872,315	9,352,521	-	9,352,521	(2,054,376)	13,170,460
Transfers to board designated endowment	(258,941)	-	(258,941)	-	-	-	-	(258,941)
NET OPERATING ACTIVITY	(236,785)	(373,454)	(610,239)	(977,143)	416,787	(560,356)	-	(1,170,595)
NON-OPERATING ACTIVITIES:								
Bequests and additions to Board designated fund	154,868	-	154,868	97,001	-	97,001	-	251,869
Transfer from operating activities	258,941	-	258,941	-	-	-	-	258,941
Change in value of split-interest agreements	-	(28,002)	(28,002)	-	-	-	-	(28,002)
Easement monitoring expenses	-	-	-	(2,872)	-	(2,872)	-	(2,872)
Investment activity	(885,362)	-	(885,362)	(263,944)	(29,187,170)	(29,451,114)	-	(30,336,476)
Endowment earnings used to meet spending policy	(335,000)	-	(335,000)	-	(7,096,000)	(7,096,000)	-	(7,431,000)
NET NON-OPERATING ACTIVITY	(806,553)	(28,002)	(834,555)	(169,815)	(36,283,170)	(36,452,985)	-	(37,287,540)
CHANGE IN TOTAL NET ASSETS	(1,043,338)	(401,456)	(1,444,794)	(1,146,958)	(35,866,383)	(37,013,341)	-	(38,458,135)
Net assets - beginning of year	9,303,781	18,498,187	27,801,968	66,562,795	147,189,091	213,751,886	-	241,553,854
NET ASSETS - END OF YEAR	\$ 8,260,443	\$ 18,096,731	\$ 26,357,174	\$ 65,415,837	\$ 111,322,708	\$ 176,738,545	\$ -	\$ 203,095,719

See independent auditors' report.

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

	Scenic Hudson, Inc.		The Scenic Hudson Land Trust, Inc.		Consolidating Eliminations	Consolidated Total 2008
	Unrestricted	Temporarily Restricted	Total 2008	Unrestricted	Temporarily Restricted	Total 2008
OPERATING REVENUES AND SUPPORT:						
Contributions	\$ 4,144,601	\$ 2,461,421	\$ 6,606,022	\$ 1,062,984	\$ 650,000	\$ 1,712,984
Endowment earnings used to meet spending policy	285,300	-	285,300	6,521,000	-	6,521,000
Investment activity other than endowment earnings	155,625	-	155,625	133,072	-	133,072
Realized gain on sale of land and other assets	8,321	-	8,321	409,165	-	409,165
Other revenues	4,128	-	4,128	31,955	-	31,955
Net assets released from restrictions	1,363,555	(3,198,435)	(1,834,880)	2,108,668	(273,788)	1,834,880
Total Operating Revenues and Support	5,961,530	(737,014)	5,224,516	10,266,844	376,212	10,643,056
OPERATING EXPENSES:						
Program services	4,151,719	-	4,151,719	6,819,542	-	6,819,542
Management and general	470,564	-	470,564	271,344	-	271,344
Fundraising	1,113,135	-	1,113,135	22,017	-	22,017
Total Operating Expenses	5,735,418	-	5,735,418	7,112,903	-	7,112,903
Transfers to board designated endowment	(148,646)	-	(148,646)	-	-	-
NET OPERATING ACTIVITY	77,466	(737,014)	(659,548)	3,153,941	376,212	3,530,153
NON-OPERATING ACTIVITIES:						
Requests and additions to Board designated fund	550,686	-	550,686	71,532	-	71,532
Transfer from operating activities	148,646	-	148,646	-	-	-
Change in value of split-interest agreements	-	(17,077)	(17,077)	-	-	-
Easement monitoring expenses	-	-	-	(5,932)	-	(5,932)
Investment activity	(86,201)	-	(86,201)	85,497	(7,635,983)	(7,550,486)
Endowment earnings used to meet spending policy	(285,300)	-	(285,300)	-	(6,521,000)	(6,806,300)
NET NON-OPERATING ACTIVITY	327,831	(17,077)	310,754	151,097	(14,156,983)	(13,895,132)
CHANGE IN TOTAL NET ASSETS	405,297	(754,091)	(348,794)	3,305,038	(13,780,771)	(10,824,527)
Net assets - beginning of year	8,898,484	19,252,278	28,150,762	63,257,757	160,969,862	224,227,619
NET ASSETS - END OF YEAR	\$ 9,303,781	\$ 18,498,187	\$ 27,801,968	\$ 66,562,795	\$ 147,189,091	\$ 213,751,886

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
(SCENIC HUDSON, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	FOR THE YEAR ENDED JUNE 30, 2009			FOR THE YEAR ENDED JUNE 30, 2008				
	Program Services	Management and Administration	Fundraising	TOTAL EXPENSES 2009	Program Services	Management and Administration	Fundraising	TOTAL EXPENSES 2008
Salaries	\$ 2,739,442	\$ 270,620	\$ 615,821	\$ 3,625,883	\$ 2,529,242	\$ 280,262	\$ 644,608	\$ 3,454,112
Payroll taxes and employee benefits	529,990	52,357	119,141	701,488	506,437	56,128	130,020	692,585
Total salaries and related costs	3,269,432	322,977	734,962	4,327,371	3,035,679	336,390	774,628	4,146,697
Occupancy	290,299	46,169	60,625	397,093	290,121	45,764	59,872	395,757
Consultants and experts	127,459	12,054	202,164	341,677	200,980	1,985	147,371	350,336
Legal and audit	22,710	32,121	-	54,831	20,015	31,959	1,855	53,829
Employee travel and training	95,489	11,560	16,969	124,018	92,637	7,049	16,928	116,614
Office - general	86,056	14,604	29,392	130,052	105,758	18,930	24,959	149,647
Equipment	10,180	14,460	181	24,821	38,096	5,802	2,100	45,998
Program and public outreach costs	109,279	27,146	88,366	224,791	173,496	22,685	85,422	281,603
Interest	242,000	-	-	242,000	187,000	-	-	187,000
Depreciation and amortization	5,661	-	-	5,661	7,937	-	-	7,937
TOTAL - 2009	\$ 4,258,565	\$ 481,091	\$ 1,132,659	\$ 5,872,315	\$ 4,151,719	\$ 470,564	\$ 1,113,135	\$ 5,735,418

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
(THE SCENIC HUDSON LAND TRUST, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	FOR THE YEAR ENDED JUNE 30, 2009				FOR THE YEAR ENDED JUNE 30, 2008			
	Program Services	Management and Administration	Fundraising	TOTAL EXPENSES 2009	Program Services	Management and Administration	Fundraising	TOTAL EXPENSES 2008
Conservation easements and closing costs	\$ 4,293,949	\$ -	\$ -	\$ 4,293,949	\$ 2,258,092	\$ -	\$ -	\$ 2,258,092
Land project expenses	1,984,056	-	-	1,984,056	1,329,820	-	-	1,329,820
Program management services	1,789,070	75,930	189,376	2,054,376	1,538,950	177,133	22,017	1,738,100
Grants and contributions	492,272	-	-	492,272	1,141,000	-	-	1,141,000
Remediation expense	29,287	-	-	29,287	80,240	-	-	80,240
Property taxes	278,943	-	-	278,943	218,594	-	-	218,594
Insurance	72,728	-	-	72,728	77,184	-	-	77,184
Legal and audit fees	24,997	37,800	-	62,797	59,697	94,211	-	153,908
Rental expenses	10,926	-	-	10,926	23,256	-	-	23,256
Miscellaneous	71,165	-	-	71,165	88,665	-	-	88,665
Depreciation and amortization	2,022	-	-	2,022	4,044	-	-	4,044
TOTAL	\$ 9,049,415	\$ 113,730	\$ 189,376	\$ 9,352,521	\$ 6,819,542	\$ 271,344	\$ 22,017	\$ 7,112,903

SCENIC HUDSON, INC. AND THE SCENIC HUDSON LAND TRUST, INC.
(THE SCENIC HUDSON LAND TRUST, INC.)
SCHEDULES OF LAND AREAS
AS OF JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Fishkill Ridge, Mt. Beacon	\$ 1,217,608	\$ 1,217,608
Fishkill Ridge, Mt. Beacon, Fishkill (Capolino)	89,400	89,400
Fishkill Ridge, NVC	99,447	99,447
Fishkill Ridge, Reichenstein	249,190	249,190
Mt. Beacon (Bradley), Fishkill	502,799	502,799
Mt. Beacon, Base of, Beacon	443,510	443,510
Beacon Terminal, Madam Brett Park	320,886	320,886
Beacon Waterfront - Park	1,707,684	1,707,684
Beacon Waterfront LLC	1,563,969	1,563,969
Beacon, University Settlement Camp	36,001	36,001
Poet's Walk/Astor Cove I/Mandara	1,726,922	1,726,922
New Hamburg, Wappingers Greenway	229,920	229,920
Hyde Park, Clear View Farm	1,269,218	1,269,218
Hyde Park, Golden	410,825	410,825
Hyde Park, Drive-In	3,230,345	3,230,345
Hyde Park, FDR/Valkill Link	327,356	327,356
Hyde Park, Piney Property	162,916	162,916
Tivoli Bays	516,409	516,409
Brandow Point, Athens	264,202	264,202
Binnen Kill - Chi	413,472	413,472
Mt. Merino - Olana	1,018,113	1,018,113
Four Mile Point Road, Coxsackie (Four Mile Point)	217,955	217,955
RamsHorn Marsh, Catskill	237,484	237,484
RamsHorn Marsh, Catskill	402,002	402,002
RamsHorn Marsh, Catskill	167,468	167,468
Vosburgh Swamp, (Rasmussen), Athens	2,426,765	2,426,765
Vosburgh Swamp, (Tufano), Athens	1,336,199	1,336,199
Vosburgh Swamp, (Bock), Athens	229,664	-
Stockport - Rod & Fun Road	-	461,182
Stockport - Saurusaitis	75,172	75,172
Stockport - Amlstead	1,174,442	-
King James Weyant, Ft Montgomery	272,040	272,040
Ft Montgomery Battle Site - Route 9W	417,139	417,139
Snake Hill, New Windsor	1,092,921	1,092,921
Illinois Mountain	1,410,218	-
Philipstown, Route 9D (Osborn)	40,000	40,000
Philipstown, Canada Hill (Gilbert)	25,364	25,364
Garrison, Route 9D, Manitou (aka Mystery Point)	4,975,768	4,975,768
Westpoint Foundry Preserve (Marin), Cold Spring	523,062	523,062
Westpoint Foundry Preserve (Spevak), Cold Spring	1,924,329	1,924,329
Westpoint Foundry Preserve (Campbell), Cold Spring	666,832	-
Haverstraw, Palmieri Property	417,035	435,035
Esopus Meadows, River Road, Esopus	1,010,803	1,010,803
Esopus Meadows, Mazza, Esopus	164,320	164,320
Esopus Meadows, River Road, (Waskew/EMEC), Esopus	267,274	267,274
Esopus Meadows, River Road, Esopus	714,583	714,583
Esopus Meadows, River Road (Patchoros) , Esopus	513,447	-
Black Creek - Route 9W, Esopus	2,840,009	2,840,009
Black Creek - Highland Vineyards, Esopus	1,225,303	1,225,303
Black Creek - Gordon	1,108,701	1,108,701
Shaupeneak Ridge, Esopus	989,779	989,779
Shaupeneak Ridge, Additions	91,303	91,303
Irvington - Downriver Associates	2,259,585	2,259,585
Irvington - Interstate Trading	3,240,065	3,240,065
Peekskill Waterfront	2,045,585	2,045,585
Cortland, Hillpoint	3,523,465	3,523,465
	<u>\$ 53,826,273</u>	<u>\$ 50,310,852</u>