



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

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

June 30, 2021 and 2020

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES**

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

JUNE 30, 2021 AND 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Basic Consolidated Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-26
Supplementary Information:	
Consolidating Schedules of Financial Position as of June 30, 2021 and 2020	27
Consolidating Schedule of Activities for the Year Ended June 30, 2021	28
Consolidating Schedule of Activities for the Year Ended June 30, 2020	29
Schedules of Functional Expenses (Scenic Hudson, Inc.) for the Years Ended June 30, 2021 and 2020	30
Schedules of Functional Expenses (The Scenic Hudson Land Trust, Inc.) for the Years Ended June 30, 2021 and 2020	31
Schedules of Functional Expenses (Hudson Highlands Fjord Trail, Inc.) for the Years Ended June 30, 2021 and 2020	32
Schedules of Program-Related Investments in Land Areas as of June 30, 2021 and 2020	33
Sources and Uses of Funds and Other Key Financial Information as of and for the Years Ended June 30, 2021 and 2020	34

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Scenic Hudson, Inc. and Consolidated Subsidiaries (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on the Consolidating and Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 27 through 29 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets and cash flows of the individual organizations and is not a required part of the consolidated financial statements. The supplementary information on pages 30 through 34 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with 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.

Marks Paneth LLP

New York, NY
November 15, 2021

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
Cash and cash equivalents (Notes 2C and 13)	\$ 14,627,338	\$ 13,651,555
Promises to give and grants receivable, net (Notes 2D, 2E and 4)	5,826,797	7,744,804
Investments, at fair value (Notes 2F, 7, 8 and 11D)	254,224,811	207,147,441
Prepaid expenses and other assets (Note 11A)	360,406	673,891
Property and equipment, net (Notes 2G and 5)	1,681,349	157,123
Program-related investments in land areas, at cost (Notes 2J and 6)	90,916,896	87,441,246
TOTAL ASSETS	\$ 367,637,597	\$ 316,816,060
LIABILITIES		
Accounts payable and accrued expenses (Note 10)	\$ 1,785,966	\$ 3,853,916
Notes payable, net (Notes 2D and 8)	6,022,297	6,792,292
TOTAL LIABILITIES	7,808,263	10,646,208
COMMITMENTS AND CONTINGENCIES (Note 11)		
NET ASSETS (Note 2B)		
Without donor restrictions:		
Operating net assets	19,821,283	18,667,670
Board designated - other endowment (Notes 12A and 12C)	24,453,468	20,169,468
Board designated - easement enforcement fund (Notes 12A and 12C)	1,077,026	956,948
Board designated - HHFT (Notes 12A and 12C)	2,986,587	2,500,000
Net program-related investments in land areas, at cost	80,137,793	75,892,148
Total net assets without donor restrictions	128,476,157	118,186,234
With donor restrictions (Note 12B):		
Endowment (Note 12C)	218,314,959	179,198,045
Other net assets with donor restrictions	13,038,218	8,785,573
Total net assets with donor restrictions	231,353,177	187,983,618
TOTAL NET ASSETS	359,829,334	306,169,852
TOTAL LIABILITIES AND NET ASSETS	\$ 367,637,597	\$ 316,816,060

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	For the Year Ended June 30, 2021			For the Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total 2021	Without Donor Restrictions	With Donor Restrictions	Total 2020
OPERATING REVENUES, GAINS AND SUPPORT (Note 2H):						
Contributions, includes in-kind services of \$52,000 and \$318,000, respectively (Notes 2D, 8 and 9)	\$ 12,909,900	\$ 7,179,673	\$ 20,089,573	\$ 9,412,529	\$ 5,098,499	\$ 14,511,028
Government grants (Notes 2D and 11C)	1,097,720	-	1,097,720	708,596	-	708,596
Endowment allocations used to meet spending policy (Note 12)	9,624,000	-	9,624,000	9,119,000	-	9,119,000
Investment activity other than endowment earnings	105,910	-	105,910	204,467	-	204,467
Other revenues	18,600	-	18,600	44,583	-	44,583
Net assets released from restrictions (Note 12)	<u>2,927,028</u>	<u>(2,927,028)</u>	<u>-</u>	<u>17,144,120</u>	<u>(17,144,120)</u>	<u>-</u>
Total Operating Revenues, Gains and Support	<u>26,683,158</u>	<u>4,252,645</u>	<u>30,935,803</u>	<u>36,633,295</u>	<u>(12,045,621)</u>	<u>24,587,674</u>
OPERATING EXPENSES (Note 2I):						
Program services:						
Sales/donations of property interests below cost to state and local government agencies and unaffiliated nonprofit entities (Note 6)	-	-	-	3,279,519	-	3,279,519
Other program services	<u>18,266,097</u>	<u>-</u>	<u>18,266,097</u>	<u>14,792,730</u>	<u>-</u>	<u>14,792,730</u>
Total program services	18,266,097	-	18,266,097	18,072,249	-	18,072,249
Management and general	1,347,598	-	1,347,598	1,688,280	-	1,688,280
Fundraising	<u>1,096,584</u>	<u>-</u>	<u>1,096,584</u>	<u>1,141,713</u>	<u>-</u>	<u>1,141,713</u>
Total Operating Expenses	<u>20,710,279</u>	<u>-</u>	<u>20,710,279</u>	<u>20,902,242</u>	<u>-</u>	<u>20,902,242</u>
NET OPERATING ACTIVITY	<u>5,972,879</u>	<u>4,252,645</u>	<u>10,225,524</u>	<u>15,731,053</u>	<u>(12,045,621)</u>	<u>3,685,432</u>
Transfers to/from board designated endowment (Note 12C)	<u>(323,620)</u>	<u>-</u>	<u>(323,620)</u>	<u>(2,130,575)</u>	<u>-</u>	<u>(2,130,575)</u>
NET OPERATING ACTIVITY AFTER TRANSFERS	<u>5,649,259</u>	<u>4,252,645</u>	<u>9,901,904</u>	<u>13,600,478</u>	<u>(12,045,621)</u>	<u>1,554,857</u>
NON-OPERATING ACTIVITIES (Note 2H):						
Bequests and additions to Board designated funds (Note 2H)	148,491	-	148,491	8,625	-	8,625
Transfers to/from board designated endowment (Note 12C)	323,620	-	323,620	2,130,575	-	2,130,575
Investment activity (Note 7)	5,064,553	47,844,914	52,909,467	880,485	6,433,773	7,314,258
Endowment allocations used to meet spending policy (Note 12)	<u>(896,000)</u>	<u>(8,728,000)</u>	<u>(9,624,000)</u>	<u>(830,000)</u>	<u>(8,289,000)</u>	<u>(9,119,000)</u>
NET NON-OPERATING ACTIVITY	<u>4,640,664</u>	<u>39,116,914</u>	<u>43,757,578</u>	<u>2,189,685</u>	<u>(1,855,227)</u>	<u>334,458</u>
CHANGES IN TOTAL NET ASSETS	10,289,923	43,369,559	53,659,482	15,790,163	(13,900,848)	1,889,315
Net Assets - Beginning of Year	<u>118,186,234</u>	<u>187,983,618</u>	<u>306,169,852</u>	<u>102,396,071</u>	<u>201,884,466</u>	<u>304,280,537</u>
NET ASSETS - END OF YEAR	<u>\$ 128,476,157</u>	<u>\$ 231,353,177</u>	<u>\$ 359,829,334</u>	<u>\$ 118,186,234</u>	<u>\$ 187,983,618</u>	<u>\$ 306,169,852</u>

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

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	For the Year Ended June 30, 2021			For the Year Ended June 30, 2020				
	Program Services	Management and General	Fundraising	Total 2021	Program Services	Management and General	Fundraising	Total 2020
Salaries	\$ 4,770,041	\$ 783,493	\$ 705,212	\$ 6,258,746	\$ 3,999,477	\$ 1,037,767	\$ 703,590	\$ 5,740,834
Payroll taxes and employee benefits (Note 10)	1,311,439	215,407	193,885	1,720,731	1,078,794	279,921	189,782	1,548,497
Total salaries and related costs	6,081,480	998,900	899,097	7,979,477	5,078,271	1,317,688	893,372	7,289,331
Conservation easements and monitoring costs (Note 6)	1,194,727	-	-	1,194,727	1,691,987	-	-	1,691,987
Land project expenses	7,400,402	-	-	7,400,402	3,289,588	-	-	3,289,588
Grants and contributions	237,824	-	-	237,824	8,900	-	-	8,900
Remediation expense	1,561	-	-	1,561	-	-	-	-
and unaffiliated nonprofit entities (Note 6)	-	-	-	-	3,279,519	-	-	3,279,519
Property taxes	415,044	-	-	415,044	449,396	-	-	449,396
Occupancy and insurance (Note 11B)	482,160	43,601	26,411	552,172	505,067	48,837	47,823	601,727
Consultants and experts	1,441,339	57,228	-	1,498,567	2,236,384	35,085	-	2,271,469
Legal and audit	71,055	105,095	-	176,150	336,187	113,548	-	449,735
Employee travel and training	59,105	39,678	1,110	99,893	111,565	25,245	10,256	147,066
Office and other expenses	214,753	29,886	18,103	262,742	178,601	25,152	24,630	228,383
Equipment	20,538	7,960	90	28,588	35,446	9,672	185	45,303
Program management and public outreach costs	376,775	65,250	151,773	593,798	416,350	112,218	165,447	694,015
Interest (Note 8)	230,005	-	-	230,005	412,493	835	-	413,328
Depreciation and amortization (Note 5)	39,329	-	-	39,329	42,495	-	-	42,495
TOTAL	\$ 18,266,097	\$ 1,347,598	\$ 1,096,584	\$ 20,710,279	\$ 18,072,249	\$ 1,688,280	\$ 1,141,713	\$ 20,902,242

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 53,659,482	\$ 1,889,315
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	39,329	42,495
Change in discount on promises to give and grants receivable	(23,809)	16,001
Realized (gain) on sales of investments	(11,068,161)	(6,044,184)
Unrealized (gain) loss on investments	(40,417,723)	1,104,503
Sale/donation of property interests below cost to state and local governmental agencies and unaffiliated nonprofit entities	-	3,279,519
In-kind contribution for imputed interest on notes payable	-	(256,736)
Amortization of imputed interest on notes payable	<u>230,005</u>	<u>412,493</u>
Subtotal	2,419,123	443,406
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Promises to give and grants receivable	1,941,816	1,132,494
Prepaid expenses and other assets	313,485	399,520
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<u>(2,067,950)</u>	<u>1,896,543</u>
Net Cash Provided by Operating Activities	<u>2,606,474</u>	<u>3,871,963</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	14,141,153	49,774,727
Purchases of investments	(9,732,639)	(41,722,688)
Acquisitions of property and equipment	(1,563,555)	(171,174)
Acquisitions of land areas	(3,475,650)	(24,415,094)
Proceeds from sales of land areas	-	84,000
Net Cash Used in Investing Activities	<u>(630,691)</u>	<u>(16,450,229)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	-	2,187,500
Repayment of notes payable	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Net Cash (Used in) Provided by Financing Activities	<u>(1,000,000)</u>	<u>1,187,500</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	975,783	(11,390,766)
Cash and Cash Equivalents - Beginning of Year	<u>13,651,555</u>	<u>25,042,321</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 14,627,338</u>	<u>\$ 13,651,555</u>

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

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The consolidated financial statements of Scenic Hudson, Inc. (“Scenic Hudson”), The Scenic Hudson Land Trust, Inc. (the “Land Trust”) and Hudson Highlands Fjord Trail, Inc. (“HHFT”) have been prepared by consolidating the financial statements of Scenic Hudson, the Land Trust, HHFT and their consolidated subsidiaries (collectively, the “Organization” or “we”) as listed below. All material intercompany transactions and balances have been eliminated in the consolidation.

Scenic Hudson, the Land Trust and HHFT each are not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and have been designated as organizations which are not private foundations. They are incorporated under the laws of the State of New York (the “State”) and are exempt from State and local income and sales taxes. As more precisely described in the following paragraphs, the Land Trust and HHFT each are Type I supporting organizations of Scenic Hudson, as defined under IRC 509(a)(3).

Scenic Hudson serves as the operating entity who employs all staff. The Land Trust (which has no employees) 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. Accordingly, the Land Trust acquires conservation easements and normally holds title to program related investments in land and parks owned by the Organization.

HHFT, which also has no employees, was founded exclusively for the benefit of and to serve the purposes of Scenic Hudson, to the extent that those purposes relate to developing and operating an accessible linear public park located between Cold Spring, New York and Beacon, New York, currently known as “the Fjord Trail.”

The Organization helps people and communities preserve land and farms and create parks where people experience the outdoors and enjoy the Hudson River. It also brings together people, businesses and government to protect the river and natural resources that are the engines of the valley’s local economies.

Today, in the face of new challenges and the effects of climate change, it is dedicated to making the Hudson Valley a great place to live, work and play. The Organization’s focus is on strengthening and maximizing benefits all can enjoy from the region’s great assets—beautiful open spaces, working farms, and vibrant cities and town centers. It does this through the three pillars of its strategic plan:

Promoting Regional Identity

We make the Hudson Valley more attractive to residents and employers by helping to create a shared sense of place and stewardship that is recognized far beyond our borders. We protect world-class scenic beauty; conserve family farms that supply fresh food to local and New York City consumers and drive a growing farm-to-table movement; create parks offering recreation and inviting spaces for people to gather; and mobilize people to speak out against threats to the Hudson River and other irreplaceable natural assets that make the valley a great place to live and visit.

Building Community

We ensure that our work benefits all of the region’s residents, urban and rural, especially as demographic shifts continue. We respond to local concerns in diverse communities by partnering with residents and providing them with the expertise to turn neglected natural areas into safe places to exercise, relax, join with family and friends, and teach children about wildlife. In addition to uniting neighborhoods in a shared purpose, carrying out these initiatives affords much-needed skill-building opportunities for teens and has the potential to attract new investment and jobs—the key for revitalizing our cities.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Strengthening Resiliency

We further climate-change adaptation and resilience in our land conservation and community planning work and develop new climate-mitigation policies consistent with our conservation values. We provide guidance for riverfront communities to adapt to and mitigate rising sea levels and other climate-change impacts and develop strategies for embracing renewable energy without sacrificing core assets—iconic views, farmland, critical habitat, cultural/historic resources—that residents and visitors cherish. We help wildlife adapt by conserving lands containing irreplaceable (and flood-resistant) habitat and migration pathways. We also create and manage our parks to serve as models of resiliency.

Hailed as “one of the nation’s most vigorous regional environmental organizations,” the Organization has been preserving and restoring the Hudson River and its world-class landscapes since its founding in 1963. Since its initial victory halting a hydroelectric plant from defacing Storm King Mountain, considered the birth of the modern grassroots environmental movement, the Organization has worked with residents and communities to create economic opportunities while opening riverfronts to the public and safeguarding the region’s inspiring natural beauty. Today, with more than 25,000 supporters, the Organization is the largest environmental group focused on the Hudson River Valley. To date, the Organization has created or enhanced more than 65 parks, preserves and historic sites up and down the Hudson River and conserved more than 40,000 acres.

The Organization is guided by its vision for the region:

The Hudson Valley is a community of informed and engaged residents working to make the region a model of vibrant riverfront cities and towns linked by inviting parks and trails, beautiful and resilient landscapes, and productive farms.

Contributions and investment income constitute the Organization’s primary sources of revenue to achieve its mission and vision. From time to time, the Organization is the recipient of government grants, which leverage these primary revenue sources and other third-party funding.

Other Consolidated Subsidiaries

Northside Junction, LLC (“Northside Junction”), a New York Limited Liability Company, was formed on June 17, 2020 and organized as a partnership for the purpose of acquiring, rehabilitating, maintaining, leasing and selling or otherwise disposing of its interest in real property located in Poughkeepsie, NY (the “Property”). The Property will be renovated as a historic rehabilitation project to generate federal historic tax credits (“HTCs”) and State historic tax credits (“NY HTCs” and collectively with the HTCs, the “Tax Credits”) in accordance with Sections 47 and 50 of the IRC and Section 210-B-26 of the Laws of New York, respectively. Northside Junction is further intended to enter into one or more Brownfield Site Cleanup Agreement(s) and to be a Volunteer, as defined in Section 27-1405(1)(b) of the State of New York Environmental Conservation Law (the “ECL”), under the New York State Department of Environmental Conservation Brownfield Cleanup Program (“BCP”) in accordance with Title 14 of Article 27 of the ECL. Northside Junction has elected to be taxed as a partnership for Federal and State taxes.

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

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

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

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Accounting and Use of Estimates*

The Organization's consolidated financial statements have been prepared on the accrual basis of accounting. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

B. *Basis of Presentation*

The Organization reports net assets, revenues, gains and losses based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions – represents resources available for support of the Organization's operations over which the Board of Directors (the "Board") has discretionary control and not subject to donor (or certain grantor) restrictions. A description of certain of the net assets without donor restrictions of the Organization follows:
 - Operating net assets – this represents the remaining net assets without donor restrictions of the Organization after removing the net program-related investments in land areas, at cost, held by the Land Trust and Board designated net assets (see Note 12A).
 - Net program-related investments in land areas, at cost – this represents the Land Trust's program-related investments in land areas, at cost (see Note 6), less the notes payable (see Note 8) associated with the program-related investments in the land areas.
- Net Assets With Donor Restrictions – represents net assets subject to donor-imposed restrictions. Some donor-restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donors stipulate that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2021 and 2020, the Organization's net assets with donor restrictions did not include any amounts that must remain intact in perpetuity.

This accounting treatment does not apply to LLC subsidiaries Northside Junction, Fall Kill and Parker consolidated herein.

C. *Cash Equivalents*

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

D. *Promises to Give and Grants Receivable/Contributions and Government Grants*

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional contributions and promises to give, those with a measurable performance or other barrier and a right of return, are not recognized as support until the conditions on which they depend are substantially met. Earned revenue yet to be billed under grant agreements in excess of advances is reported as pledges and grants receivable. Grant and contract receipts in excess of revenue recognized are presented as deferred revenue.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Donated services are recognized in the consolidated financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization records contributed services at their fair value on the date received. The Organization received contributed legal services which amounted to approximately \$52,000 and \$318,000, respectively, for the years ended June 30, 2021 and 2020. Such amounts are reflected as contributions and expense in the accompanying consolidated statements of activities. The Organization also records contribution revenue and a discount for imputed interest on non-interest-bearing notes and loans when the proceeds are received. The notes payable are reported in the consolidated statements of financial position, net of unamortized discount, and the discount is amortized to interest expense over the terms of the notes payable (see Note 8).

Many volunteers, including the Board, have made significant contributions of time in furtherance of the Organization's policies and programs. The value of this contributed time does not meet the criteria of recognition and therefore is not reflected in the accompanying consolidated financial statements.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift.

E. *Allowance for Uncollectible Promises to Give and Grants Receivable*

The Organization determines whether an allowance for uncollectible promises to give and grants receivable should be provided based on prior years' experience and management's analysis of specific promises to give and grants made. As of June 30, 2021 and 2020, the Organization determined an allowance of \$50,000 was appropriate.

F. *Investments*

The Organization reports investments at fair value in the accompanying consolidated statements of financial position. Interest, dividends and gains and losses on investments are reflected in the consolidated statements of activities as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law. Investment income and gains restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the income and gains are recognized.

Investments are stated at fair value, as defined in Notes 2K and 7. Money market funds, equities and fixed income securities are reported at publicly quoted market prices. Investments in commingled funds and alternative investments are recorded at fair value, as determined by the general partners or investment manager. Such funds may trade in derivative instruments that involve varying degrees of market risk including credit exposure, liquidity and interest rates. Due to the level of risk associated with securities and the level of uncertainty related to changes in their value, it is possible that market conditions could have a near-term material effect on balances reported in the accompanying consolidated statements of financial position and activities.

As more fully described in Note 12, it is the Organization's policy to make an annual appropriation to support the acquisition of land areas and conservation easements, as well as other operating activities, at the discretion of the Board, of an amount equal to a designated percentage of the average asset fair values of the respective endowments at the end of a rolling twelve fiscal quarter period. For the years ended June 30, 2021 and 2020, the appropriation amounted to 5% of the average asset fair value for the rolling twelve fiscal quarter periods ended December 31, 2019 and 2018, respectively.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. *Property and Equipment*

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

H. *Operating and Non-Operating Activities*

The Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs, excluding purchases of program-related investments in land areas in fee which are recorded at cost, and supporting activities. Operating activities include an authorized investment income allocation from the donor-restricted endowment (see Note 12B) and all contributions, except for bequests greater than \$10,000 and additions to the easement enforcement fund. All activities related to the Board designated endowment and easement enforcement fund are recognized as non-operating activities.

I. *Functional Allocation of Expenses*

The cost of providing the various programs and supporting services has been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries, payroll taxes and employee benefits, occupancy, office-related expenses and equipment are allocated on the basis of estimated time and effort or square footage. Insurance, consultants and experts, legal and audit, employee training, public outreach, interest, depreciation and amortization are allocated directly to the program or supporting function benefited.

J. *Program-Related Investments in Land Areas and Conservation Easements*

Purchased land areas are recorded at cost. Donated land areas are recognized at fair market value at the date of the contribution. Land project expenses, such as park development and management costs, are expensed in the period incurred. Purchased easements are expensed in the period acquired.

Contributions for the purpose of purchasing land areas or conservation easements are included in net assets with donor restrictions at year-end if the purchase of the land area or conservation easement has not been completed. Donated conservation easements are not recorded as revenue or expense by the Organization, except those conservation easements donated (in full or in part) by third parties to satisfy the requirements of governmental funding programs.

The Organization recognizes that it is the responsibility of the donor to report the appraised value of a donated conservation easement to the Internal Revenue Service; the Organization does not participate in the appraisal or reporting of these values.

K. *Fair Value Measurements*

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 7.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they become due, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, annual appropriations from its Board designated and donor-restricted endowment funds (see Note 12) and a line of credit (see Note 11D).

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing program activities, as well as services undertaken to support those activities, but excludes discretionary capital expenditures (such as the purchase of fee interests in land and conservation easements). Because the Organization only commits to such discretionary capital expenditures when resources are available, it does not need to maintain or manage liquidity in respect of such expenditures; instead, following a commitment, funds are restricted or earmarked for such committed capital expenditure. Funds restricted or committed to discretionary capital expenditures are not included in funds constituting liquidity available for general expenditures.

Financial assets available for such general expenditures, that is, without donor or other restrictions limiting their use, or with donor restrictions the Organization reasonably believes will be met within one year of the consolidated statements of financial position date, comprised the following as of June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 14,627,338	\$ 13,651,555
Less: cash and cash equivalents with donor restrictions not available for general expenditure	(900,000)	(2,504,160)
Available portion of payout on donor-restricted endowments for use over the next fiscal year	2,609,000	2,446,000
Payout on Board designated endowments over the next fiscal year	950,000	830,000
Promises to give for general expenditure due in less than one year	<u>2,932,863</u>	<u>3,083,211</u>
	<u>\$ 20,219,201</u>	<u>\$ 17,506,606</u>

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

As more precisely described in Notes 12A and 12B, the Board Designated Endowment is subject to a spending rate to be determined annually by the Board. Although the Organization does not intend to spend from the Board Designated Endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval), these amounts could be made available if necessary.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 – PROMISES TO GIVE AND GRANTS RECEIVABLE

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

	<u>2021</u>	<u>2020</u>
Without donor restrictions	\$ 2,426,394	\$ 3,033,211
Restricted to future programs and periods	<u>3,400,403</u>	<u>4,711,593</u>
Total	<u>\$ 5,826,797</u>	<u>\$ 7,744,804</u>

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

	<u>2021</u>	<u>2020</u>
Less than one year	\$ 2,932,863	\$ 3,083,211
One to five years	<u>3,020,000</u>	<u>4,811,468</u>
	5,952,863	7,894,679
Less: Reserve for uncollectible receivables	(50,000)	(50,000)
Less: Discount to net present value	<u>(76,066)</u>	<u>(99,875)</u>
Total	<u>\$ 5,826,797</u>	<u>\$ 7,744,804</u>

Promises to give and grants receivable due after one year are discounted to net present value using the risk-adjusted discount rate in effect on the date of the gifts. A discount of \$76,066 and \$99,875 was applied to unconditional promises to give as of June 30, 2021 and 2020, respectively, based on risk-adjusted discount rates between 0.18% and 1.76% and 0.16% and 2.45%, respectively.

NOTE 5 – PROPERTY AND EQUIPMENT

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

	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	\$ 60,737	\$ 60,737	3-7 Years
Transportation equipment	281,407	281,407	4-5 Years
Leasehold improvements	<u>23,910</u>	<u>23,910</u>	5 Years
Total cost	366,054	366,054	
Less: accumulated depreciation and amortization	(248,260)	(208,931)	
Construction in progress	<u>1,563,555</u>	<u>-</u>	
Net book value	<u>\$ 1,681,349</u>	<u>\$ 157,123</u>	

Depreciation and amortization amounted to \$39,329 and \$42,495 for the years ended June 30, 2021 and 2020, respectively. The construction in progress is for pre-development project costs. Total project costs are estimated to be approximately \$30 million with a target completion by spring 2024.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6 – PROGRAM-RELATED INVESTMENTS IN LAND AREAS AND CONSERVATION EASEMENTS

Program-related investments in land areas and conservation easements consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Program-related investments in land areas, at cost	\$ 90,916,896	\$ 87,441,246
Less: reserve for impairment	<u>-</u>	<u>-</u>
Net book value	<u>\$ 90,916,896</u>	<u>\$ 87,441,246</u>

Program-related investments in land areas, at cost, consist of land held for conservation or for transfer/resale.

During the years ended June 30, 2021 and 2020, the Organization acquired program-related investments in land areas for a total of \$3,475,650 and \$24,415,094, respectively.

During the year ended June 30, 2020, the Organization sold 1 property to a third party for fair market value, which was less than the historic acquisition cost (carrying value), resulting in a net loss of \$56,000. In addition, the Organization assigned contract rights to, and contributed \$3,223,519 towards the acquisition of, 1 property by a governmental third party. Collectively, the Organization recognized \$3,279,519 of expenses associated with the aforementioned transactions, which is included in the accompanying consolidated statement of activities as “sales/donations of property interests below cost to state and local government agencies and unaffiliated nonprofit entities.”

The Organization held conservation easements on various properties in the State as of June 30, 2021 and 2020. During the years ended June 30, 2021 and 2020, the Organization purchased easements, inclusive of closing costs, for \$1,086,592 and \$1,665,663, respectively, and such amounts are included in the accompanying consolidated statements of functional expenses as conservation easements and monitoring costs.

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

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

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

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

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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

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

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

- Investments in securities traded on a national securities exchange are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.
- Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price. Corporate bonds are valued based on the last reported bid price provided by broker-dealers or independent pricing services. These financial instruments are classified as Level 2 in the fair value hierarchy.
- Investments in pooled investment funds are valued at fair value based on the applicable percentage ownership of the investment funds' net assets as of the measurement date, as reported to the Organization by the investment fund. The majority of investment funds value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the investment funds, which may include private placements and other securities for which prices are not readily available, are determined by the management or sponsor of the respective investment funds and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. These financial instruments are classified as Level 3 in the fair value hierarchy, except for those pooled investment funds that are measured at fair value using the net asset value per share (or its equivalent) which have not been classified in the fair value hierarchy.

Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The fair value of the Organization's investments in investment funds generally represents the amount the Organization would expect to receive if it were to liquidate its investment in the investment fund, excluding any redemption charges that may apply.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following table presents the Organization’s fair value hierarchy for those assets measured at fair value as of June 30, 2021:

Description	2021 Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	
Money Market Funds	\$ 13,268,046	\$ -	\$ -	\$ 13,268,046
Total Money Market Funds	<u>13,268,046</u>	<u>-</u>	<u>-</u>	<u>13,268,046</u>
Equity Securities				
U.S. Mutual Funds	594,583	-	-	594,583
U.S. Regulated Equity Securities	92,032,783	-	-	92,032,783
Total Equity Securities	<u>92,627,366</u>	<u>-</u>	<u>-</u>	<u>92,627,366</u>
Fixed Income				
Mutual Funds - U.S.	29,049,057	-	-	29,049,057
Total Fixed Income	<u>29,049,057</u>	<u>-</u>	<u>-</u>	<u>29,049,057</u>
Pooled Investment Funds				
Global Commingled Funds	-	-	42,674,342	42,674,342
Alternative Investment Funds	-	-	6,082,153	6,082,153
Total Pooled Investment Funds	<u>-</u>	<u>-</u>	<u>48,756,495</u>	<u>48,756,495</u>
Total Investments at Fair Value	<u>\$ 134,944,469</u>	<u>\$ -</u>	<u>\$ 48,756,495</u>	<u>183,700,964</u>
Investments Measured at Net Asset Value (a):				
Ex-U.S. Commingled Funds				67,244,463
Alternative Investment funds				<u>3,279,384</u>
Total investments measured at Net Asset Value				<u>70,523,847</u>
Total Investments				<u>\$ 254,224,811</u>

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following table presents the Organization’s fair value hierarchy for those assets measured at fair value as of June 30, 2020:

Description	2020 Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	
Money Market Funds	\$ 10,478,458	\$ -	\$ -	\$ 10,478,458
Total Money Market Funds	10,478,458	-	-	10,478,458
Equity Securities				
U.S. Mutual Funds	426,682	-	-	426,682
U.S. Regulated Equity Securities	76,354,396	-	-	76,354,396
Total Equity Securities	76,781,078	-	-	76,781,078
Fixed Income				
Mutual Funds - U.S.	21,712,826	-	-	21,712,826
Total Fixed Income	21,712,826	-	-	21,712,826
Pooled Investment Funds				
Ex-U.S. Commingled Funds	-	-	11,328,915	11,328,915
Global Commingled Funds	-	-	25,011,879	25,011,879
Alternative Investment Funds	-	-	10,691,505	10,691,505
Total Pooled Investment Funds	-	-	47,032,299	47,032,299
Total Investments at Fair Value	\$ 108,972,362	\$ -	\$ 47,032,299	156,004,661
Investments Measured at Net Asset Value (a):				
Ex-U.S. Commingled Funds				44,212,853
Alternative Investment funds				6,929,927
Total investments measured at Net Asset Value				51,142,780
Total Investments				\$ 207,147,441

(a) In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 820-10, “Fair Value Measurement,” certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient, have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The changes in assets measured at fair value for which the Organization has used Level 3 inputs to determine fair value are as follows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 47,032,299	\$ 40,571,223
Transfer from Level 1	-	10,000,000
Purchases	2,788,373	2,490,637
Redemptions	(11,753,443)	(9,657,026)
Net appreciation	<u>10,689,266</u>	<u>3,627,465</u>
Balance, end of year	<u>\$ 48,756,495</u>	<u>\$ 47,032,299</u>

The Organization's policy is to recognize transfers in and transfers out as of the beginning of the reporting period of the event or change in circumstance that caused the transfer. For the year ended June 30, 2020, there was a transfer of \$10,000,000 from Level 1 to Level 3. This transfer in fair value levels related to an initial investment dated July 1, 2019 which was included in money market funds (Level 1) in the fair value hierarchy disclosure as of June 30, 2019.

The following table summarizes the Organization's investments in pooled investment funds at June 30, 2021:

<u>Investment Objective</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently permitted)</u>	<u>Redemption Notice Period</u>
Long-only securities	\$ 21,506,515	\$ -	Monthly	10 business days
Long-only securities	53,429,690	-	Quarterly	30 days notice
Multi-strategy	8,953,152	-	Semi-Annual	60 days notice
Multi-strategy	26,640,811	-	Quarterly	60 days notice
Blockchain fund of funds	874,413	783,750	Not Permitted	
Private equity	<u>7,875,761</u>	<u>13,214,206</u>	Not Permitted	
Total	<u>\$ 119,280,342</u>	<u>\$ 13,997,956</u>		

The Organization's investments in certain funds have liquidity restraints due to lock-up periods. The aggregate fair value of these investments subject to lock-ups was \$8,750,174 with unfunded commitments of \$13,997,956 as of June 30, 2021.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 2,400,083	\$ 3,311,827
Realized gains	11,068,161	6,044,184
Unrealized gains (losses)	40,417,723	(1,104,503)
Investment fees	<u>(976,500)</u>	<u>(937,250)</u>
Total investment activity, net	<u>\$ 52,909,467</u>	<u>\$ 7,314,258</u>

Certain investments serve as collateral for the Organization's notes payable and line of credit as further described in Notes 8 and 11D, respectively.

NOTE 8 – NOTES PAYABLE

In fiscal year 2015, the Organization secured a loan from a foundation in the amount of \$500,000 to purchase land and build parks for public use, which is due during fiscal year 2025, ten years from the date of the loan. The loan is interest-free for the first five years and then bears interest at 0.25% per annum on the unpaid principal balance beginning with the sixth year of the loans until maturity. In fiscal year 2019, the Organization secured a loan from the same foundation in the amount of \$5,000,000 to purchase land which is interest free, but requires an annual principal repayment of \$1,000,000 starting in fiscal year 2020. In fiscal year 2020, the Organization secured a loan from the same foundation in the amount of \$2,000,000 to purchase land which is due during fiscal year 2030, ten years from the date of the loan. The loan is interest-free for the first five years and then bears interest at 3% below prime per annum on the unpaid principal balance beginning with the sixth year of the loans until maturity. The outstanding loans were collateralized by investment accounts holding cash and equity securities with a fair value of approximately \$16,411,000 and \$12,614,000, respectively, as of June 30, 2021 and 2020.

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

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

Imputed interest on the notes payable was calculated at an effective rate between 2.65% and 5.5%, and such imputed interest at the dates the notes were initiated of \$256,736 was recognized as an in-kind contribution during the year ended June 30, 2020. The imputed interest is being amortized over the lives of the loans and imputed interest expense related to the loans amounted to \$230,005 and \$412,493, respectively, including the full amount of unamortized interest expense related to loans repaid prior to maturity date, for the years ended June 30, 2021 and 2020. Notes payable consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Principal balance	\$ 6,318,436	\$ 7,318,436
Less: imputed interest	<u>(296,139)</u>	<u>(526,144)</u>
	<u>\$ 6,022,297</u>	<u>\$ 6,792,292</u>

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 8 – NOTES PAYABLE (Continued)

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

2022	\$ 1,000,000
2023	1,000,000
2024	1,000,000
2025	500,000
2026	-
Thereafter	<u>2,818,436</u>
	<u>\$ 6,318,436</u>

NOTE 9 – SPECIAL EVENTS INCOME

During the years ended June 30, 2021 and 2020, the Organization did not host an in-person gala as a result of the coronavirus pandemic; however, the Organization did solicit its gala donor base to continue their usual event support during this unprecedented time of financial uncertainty. Accordingly, \$685,876 and \$730,892 of such revenues are included in contributions in the accompanying consolidated statements of activities for the years ended June 30, 2021 and 2020, respectively.

NOTE 10 – PENSION PLANS

The Organization has a tax deferred annuity 403(b) plan for eligible employees. The Organization contributes 6% of eligible employees' salaries to the plan and a matching contribution of up to 2% for those employees who contribute to the plan. The cost to the Organization for this plan for the years ended June 30, 2021 and 2020 amounted to \$414,145 and \$399,193, respectively.

The Organization also offers a deferred compensation arrangement under Section 457(b) of the IRC for key employees. The Organization does not make any contributions to the 457(b) plan. The Organization and certain key employees are also parties to a 457(f) plan. The Organization contributed \$130,185 and \$136,170, respectively, to the 457(f) plan for the years ended June 30, 2021 and 2020. As of June 30, 2021 and 2020, the Organization's liability related to the 457(f) plan amounted to \$113,333 and \$213,148, respectively, and such amounts are included in accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. As of June 30, 2021 and 2020, the Organization had made deposits totaling \$25,000 and \$375,756, respectively, on contracts to purchase land areas. Such amounts are included as prepaid expenses and other assets in the accompanying consolidated statements of financial position.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)

B. The Organization’s lease agreements for space provide for future minimum rental payments as follows:

2022	\$	267,000
2023		315,000
2024		<u>248,000</u>
	\$	<u>830,000</u>

During the years ended June 30, 2021 and 2020, rent expense amounted to \$337,325 and \$375,756, respectively.

- C. Government supported programs are subject to audit by the granting agency. The Organization expects that any changes that could result from the audits would not have a material impact on the consolidated financial statements.
- D. The Organization has a line of credit with a bank with a maximum borrowing amount of \$5,000,000. Interest is at the one-month London Interbank Offered Rate (“LIBOR”) plus 2.5%, and the line of credit expires on March 31, 2022. The Organization has pledged certain of its investments as collateral for the borrowings on the line of credit in an amount equal to twice the outstanding borrowings for a maximum collateral amount of \$10,000,000. As of June 30, 2021 and 2020, there were no borrowings outstanding.
- E. The Organization is a party to various lawsuits or complaints generally arising in the ordinary course of business. The Organization believes it has adequate insurance to cover any material damages and, accordingly, such litigation will not have a material adverse effect on its financial condition.
- F. The Organization believes it had no uncertain income tax positions as of June 30, 2021 and 2020 in accordance with ASC 740 “Income Taxes”, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 12 – RESTRICTIONS ON NET ASSETS

A. *Board Designated Net Assets*

Board designated net assets, included within net assets without donor restrictions as “Board designated – other endowment” in the accompanying consolidated statements of financial position, are used to account for funds set aside by Scenic Hudson’s Board (the “Board Designated Endowment”), as well as investment income earned on those funds, to be used as determined upon approval by the Board. Endowment allocations of \$849,000 and \$782,000, designated as “endowment allocations used to meet spending policy” in the accompanying consolidated statements of activities, were appropriated from the Board Designated Endowment to support operations for the years ended June 30, 2021 and 2020, respectively.

In fiscal year 2004, the Board established a Board designated easement enforcement fund. The Board designated the fund as a reserve to pay legal and other easement monitoring costs that may be incurred to defend the Organization’s contractual rights and privileges established through conservation easements owned. Endowment allocations of \$47,000 and \$48,000, designated as “endowment allocations used to meet spending policy” in the accompanying consolidated statements of activities, were appropriated from the easement enforcement fund to support operations for the years ended June 30, 2021 and 2020, respectively. The easement enforcement fund net asset balance amounted to \$1,077,026 and \$956,948 as of June 30, 2021 and 2020, respectively.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 12 – RESTRICTIONS ON NET ASSETS (Continued)

In fiscal year 2020, the Land Trust provided a grant of \$2,500,000 to HHFT (the “Gift”) to support future operating and maintenance costs of the Fjord Trail. The Gift is subject to a Gift Agreement (the “Agreement”) whereby the HHFT Board may determine how, when and in what amounts (up to and including the entire Gift) balances are applied towards such costs. The Agreement also specifies that the original Gift amount shall revert to SHLT under certain circumstances. Because the Gift was made between two related entities, the Gift, as well as investment income earned thereon, are included within net assets without donor restrictions as “Board Designated – HHFT” in the accompanying consolidated statements of financial position notwithstanding the restriction that spending of these funds be limited to operation and maintenance costs of the Fjord Trail.

B. *Net Assets with Donor Restrictions*

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

The Wallace Endowment is classified as net assets with donor restrictions due to the Organization’s ability to spend a percentage of the Wallace Endowment, as established by the Board, so long as the spending policy is in accordance with the spending policy adopted for other endowments of the Organization. The Board of Directors approved that amounts released for spending from the Board Designated Endowment and the Wallace Endowment for the years ended June 30, 2021 and 2020, shall be an amount equal to 5% of the average asset fair values of the respective endowments, at the end of the rolling twelve fiscal quarters ending December 31, 2019 and December 31, 2018, and that management may withdraw these amounts at their discretion to meet program needs. Accordingly, endowment allocations of \$8,490,000 and \$8,060,000, designated as “endowment allocations used to meet spending policy” in the accompanying consolidated statements of activities, were appropriated from the Wallace Endowment to support operations for the years ended June 30, 2021 and 2020, respectively.

The Organization maintains two donor-restricted funds which were established pursuant to a donor-restricted gift from The Shelby Cullom Davis Foundation (the “Foundation”). Firstly, the Land Trust maintains The Kathryn W. Davis Fund for Hudson River Parkland Acquisition, funded with \$10,000,000 from the Foundation which is to be used to acquire land for new parks and preserves, and to acquire conservation easements to secure, protect and/or improve land in the Hudson Valley for public recreation, protection of natural habitat and scenery, and public access to the Hudson River. During the year ended June 30, 2020, the Organization allocated this fund towards the acquisition of property for these purposes.

Secondly, Scenic Hudson maintains the Kathryn W. Davis Fund for Park Planning and Community Land Use, funded with \$5,000,000 from the Foundation which is to be used to support the Organization’s staff, consultants, and other costs for park design, park management and/or acquisition and land use planning. During the year ended June 30, 2014, the Organization received the funds from the Foundation to establish an endowment fund for this restricted purpose. Spending from this fund shall be calculated in the same manner as all other endowment funds maintained by the Organization. Accordingly, endowment allocations of \$238,000 and \$229,000, designated as “endowment allocations used to meet spending policy” in the accompanying consolidated statements of activities, were appropriated from this donor-restricted endowment to support the restricted purpose described above for the years ended June 30, 2021 and 2020, respectively.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 12 – RESTRICTIONS ON NET ASSETS (Continued)

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

	2021	2020
Scenic Hudson, Inc.:		
Restricted to future programs and periods	\$ 6,182,584	\$ 6,145,018
Kathryn W. Davis Fund for Park Planning and Community Land Use Endowment	5,734,164	5,005,762
	11,916,748	11,150,780
The Scenic Hudson Land Trust, Inc.:		
Lila Acheson and DeWitt Wallace Hudson Valley Land Preservation Endowment	212,580,795	174,192,283
Land acquisitions and other land preservation and conservation expenses	6,855,634	2,540,555
	219,436,429	176,732,838
Hudson Highlands Fjord Trail, Inc.:		
Bench Trail at Breakneck Ridge	-	100,000
Total net assets with donor restrictions	\$ 231,353,177	\$ 187,983,618

During the years ended June 30, 2021 and 2020, the Organization released net assets with donor restrictions by satisfying donor-imposed restrictions either by incurring expenses or due to the passage of time.

C. *Endowment Net Assets*

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

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

The Organization maintains several endowment funds as further described in Notes 12A and 12B. However, such Board designated and donor-restricted endowment funds are not subject to the appropriation provisions of NYPMIFA, and therefore, the Organization has implemented only the disclosure guidance provided for in ASC 958-205.

In accordance with U.S. GAAP, organizations are required to disclose any deterioration of the fair value of assets associated with donor-restricted endowment funds that fall below the level the donor requires the Organization to retain in perpetuity. The Organization had no donor-restricted endowment funds required to be maintained in perpetuity as of June 30, 2021 and 2020.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 12 – RESTRICTIONS ON NET ASSETS (Continued)

The Organization's endowment investment policy is to invest primarily in a mix of equities, fixed income securities and alternative investments based on an asset allocation consistent with prudent levels of risk and the desire to preserve the real value of the endowment in terms of its ability to support the Organization's activities over time. The Organization recognizes that the endowment allows for consideration of investment strategies involving a sustainable future. In this context, the Organization seeks to align investments with its mission either through direct investment or by avoiding certain sectors and/or markets. This strategy is monitored regularly in accordance with the aforementioned return objectives. The Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Annual spending from the endowment funds is described in Notes 2F, 12A and 12B.

Changes in endowment net assets for the year ended June 30, 2021 were as follows:

	Board Designated - Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 23,626,416	\$ 179,198,045	\$ 202,824,461
Investment activity:			
Interest and dividends	280,627	2,119,456	2,400,083
Realized gains	1,183,858	9,716,840	10,900,698
Unrealized gains	4,509,616	36,073,466	40,583,082
Investment fees	(110,224)	(866,276)	(976,500)
Total return on investments	5,863,877	47,043,486	52,907,363
Bequests and additions to Board designated fund and net assets with donor restrictions	799,491	-	799,491
Endowment earnings (loss) allocated to other endowment funds	(799,324)	801,428	2,104
Endowment earnings used to meet spending policy for Board designated funds (Note 12A)	(973,379)	(238,000)	(1,211,379)
Endowment earnings used to meet spending policy for Wallace Endowment (Note 12B)	-	(8,490,000)	(8,490,000)
	4,890,665	39,116,914	44,007,579
Endowment net assets, end of year	\$ 28,517,081	\$ 218,314,959	\$ 246,832,040

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 12 – RESTRICTIONS ON NET ASSETS (Continued)

Changes in endowment net assets for the year ended June 30, 2020 were as follows:

	Board Designated - Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 18,936,731	\$ 181,053,272	\$ 199,990,003
Investment activity:			
Interest and dividends	383,265	2,928,562	3,311,827
Realized gains	543,694	5,500,490	6,044,184
Unrealized gains (losses)	29,137	(1,133,640)	(1,104,503)
Investment fees	(75,611)	(861,639)	(937,250)
Total return on investments	880,485	6,433,773	7,314,258
Bequests and additions to Board designated fund and net assets with donor restrictions	2,508,625	-	2,508,625
Transfer from Board designed fund to operating activities	2,130,575	-	2,130,575
Endowment earnings used to meet spending policy for Board designated funds (Note 12A)	(830,000)	(229,000)	(1,059,000)
Endowment earnings used to meet spending policy for Wallace Endowment (Note 12B)	-	(8,060,000)	(8,060,000)
	4,689,685	(1,855,227)	2,834,458
Endowment net assets, end of year	\$ 23,626,416	\$ 179,198,045	\$ 202,824,461

NOTE 13 – CONCENTRATION OF CREDIT RISK

Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. The FDIC provides deposit insurance coverage up to \$250,000 per depositor. As of June 30, 2021 and 2020, there was approximately \$6,172,000 and \$3,888,000, respectively, of cash and cash equivalents held with one bank that exceeded FDIC limits.

In addition, the Organization had cash in money market funds held with one bank that were not insured by the FDIC, which amounted to approximately \$5,116,000 and \$8,552,000 as of June 30, 2021 and 2020, respectively.

NOTE 14 – CORONAVIRUS

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization’s business and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, market volatility, and other circumstances resulting from the COVID-19 pandemic, the Organization is currently unable to fully determine the extent of COVID-19’s impact on its business in future periods. The Organization’s performance in future periods will be heavily influenced by the timing, length, and intensity of the economic recovery in the United States. The Organization continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through November 15, 2021, the date the consolidated financial statements were available to be issued.

SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

	As of June 30, 2021						As of June 30, 2020					
	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Hudson Highlands Fjord Trail, Inc.	Northside Junction, LLC	Consolidating Eliminations	Consolidated Total 2021	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Hudson Highlands Fjord Trail, Inc.	Northside Junction, LLC	Consolidating Eliminations	Consolidated Total 2020
ASSETS												
Cash and cash equivalents	\$ 5,145,572	\$ 2,677,883	\$ 4,557,638	\$ 2,246,245	\$ -	\$ 14,627,338	\$ 6,051,656	\$ 7,202,095	\$ 397,804	\$ -	\$ -	\$ 13,651,555
Promises to give and grants receivable, net	4,152,934	1,673,863	-	-	-	5,826,797	5,091,137	2,653,667	4,820,660	-	(4,820,660)	7,744,804
Investments, at fair value	30,893,451	220,444,773	2,886,587	-	-	254,224,811	25,098,258	182,049,183	-	-	-	207,147,441
Due from related party	273,906	1,256,475	-	-	(1,530,381)	-	-	43,752	-	-	(43,752)	-
Prepaid expenses and other assets	43,526	293,602	23,662	-	(384)	360,406	58,316	589,816	26,143	-	(384)	673,891
Program-related loan receivable from for-profit subsidiary	-	7,597,422	-	-	(7,597,422)	-	-	3,836,422	-	-	(3,836,422)	-
Property and equipment, net	70,546	47,248	-	1,563,555	-	1,681,349	86,472	70,651	-	-	-	157,123
Program-related investments in land areas, at cost	920,000	82,694,522	3,465,568	3,836,806	-	90,916,896	920,000	82,684,440	-	3,836,806	-	87,441,246
TOTAL ASSETS	\$ 41,499,935	\$ 316,685,788	\$ 10,933,455	\$ 7,646,606	\$ (9,128,187)	\$ 367,637,597	\$ 37,305,839	\$ 279,130,026	\$ 5,244,607	\$ 3,836,806	\$ (8,701,218)	\$ 316,816,060
LIABILITIES												
Accounts payable and accrued expenses	\$ 1,148,976	\$ 310,288	\$ 201,137	\$ 202,329	\$ (76,764)	\$ 1,785,966	\$ 1,036,053	\$ 2,362,014	\$ 455,849	\$ -	\$ -	\$ 3,853,916
Grants payable	-	-	-	-	-	-	2,320,660	2,500,000	-	-	(4,820,660)	-
Due to related party	827,408	-	702,973	-	(1,530,381)	-	38,577	-	5,175	-	(43,752)	-
Notes payable, net	-	6,022,297	-	-	-	6,022,297	-	6,792,292	-	-	-	6,792,292
TOTAL LIABILITIES	1,976,384	6,332,585	904,110	202,329	(1,607,145)	7,808,263	3,395,290	11,654,306	461,024	-	(4,864,412)	10,646,206
NET ASSETS/MEMBERS' EQUITY												
Without donor restrictions:												
Operating net assets	3,153,335	13,090,758	3,577,190	-	-	19,821,283	2,590,301	13,893,786	2,183,583	-	-	18,667,670
Board designated - other endowment	24,453,468	-	-	-	-	24,453,468	20,169,468	-	-	-	-	20,169,468
Board designated - easement enforcement fund	-	1,077,026	-	-	-	1,077,026	-	956,948	-	-	-	956,948
Board designated - HHFT	-	-	2,986,587	-	-	2,986,587	-	-	2,500,000	-	-	2,500,000
Net program-related investments in land areas, at cost	-	76,672,225	3,465,568	-	-	80,137,793	-	75,892,148	-	-	-	75,892,148
Total net assets without donor restrictions	27,606,803	90,840,009	10,029,345	-	-	128,476,157	22,759,769	90,742,882	4,683,583	-	-	118,186,234
With donor restrictions:												
Endowment	5,734,164	212,580,795	-	-	-	218,314,959	5,005,762	174,192,283	-	-	-	179,198,045
Other net assets with donor restrictions	6,182,584	6,932,399	-	-	(76,765)	13,038,218	6,145,018	2,540,555	100,000	-	-	8,785,573
Total net assets with donor restrictions	11,916,748	219,513,194	-	-	(76,765)	231,353,177	11,150,780	176,732,838	100,000	-	-	187,983,618
TOTAL NET ASSETS	39,523,551	310,353,203	10,029,345	-	(76,765)	359,829,334	33,910,549	267,475,720	4,783,583	-	-	306,169,852
Members' equity from capital contributions	-	-	-	7,444,277	(7,444,277)	-	-	-	-	3,836,806	(3,836,806)	-
TOTAL NET ASSETS/MEMBERS' EQUITY	39,523,551	310,353,203	10,029,345	7,444,277	(7,521,042)	359,829,334	33,910,549	267,475,720	4,783,583	3,836,806	(3,836,806)	306,169,852
TOTAL LIABILITIES AND NET ASSETS	\$ 41,499,935	\$ 316,685,788	\$ 10,933,455	\$ 7,646,606	\$ (9,128,187)	\$ 367,637,597	\$ 37,305,839	\$ 279,130,026	\$ 5,244,607	\$ 3,836,806	\$ (8,701,218)	\$ 316,816,060

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	Scenic Hudson, Inc.			The Scenic Hudson Land Trust, Inc.			Hudson Highlands Fjord Trail, Inc.			Northside Junction, LLC	Consolidating Eliminations	Consolidated 2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total 2021	Without Donor Restrictions	With Donor Restrictions	Total 2021	Without Donor Restrictions	With Donor Restrictions	Total 2021	Without Donor Restrictions		
	OPERATING REVENUES, GAINS AND SUPPORT:											
Contributions, includes in-kind services of \$52,000 and \$318,000, respectively	\$ 6,698,214	\$ 2,784,513	\$ 9,482,727	\$ 8,870,652	\$ 4,395,160	\$ 13,265,812	\$ 9,001,534	\$ -	\$ 9,001,534	\$ -	\$ (11,660,500)	\$ 20,089,573
Government grants	499,638	-	499,638	598,082	-	598,082	-	-	-	-	-	1,097,720
Endowment allocations used to meet spending policy	1,087,000	-	1,087,000	8,537,000	-	8,537,000	-	-	-	-	-	9,624,000
Investment activity other than endowment earnings	105,658	-	105,658	57	76,765	76,822	195	-	195	-	(76,765)	105,910
Other revenues	-	-	-	18,600	-	18,600	-	-	-	-	-	18,600
Gain on sale of program-related investments in land areas	-	-	-	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	2,746,947	(2,746,947)	-	80,081	(80,081)	-	100,000	(100,000)	-	-	-	-
Total Operating Revenues, Gains and Support	<u>11,137,457</u>	<u>37,566</u>	<u>11,175,023</u>	<u>18,104,472</u>	<u>4,391,844</u>	<u>22,496,316</u>	<u>9,101,729</u>	<u>(100,000)</u>	<u>9,001,729</u>	<u>-</u>	<u>(11,737,265)</u>	<u>30,935,803</u>
OPERATING EXPENSES:												
Program services	7,921,221	-	7,921,221	17,928,861	-	17,928,861	3,985,354	-	3,985,354	-	(11,569,339)	18,266,097
Management and general	1,271,303	-	1,271,303	144,317	-	144,317	7,200	-	7,200	76,765	(151,987)	1,347,598
Fundraising	1,058,278	-	1,058,278	54,245	-	54,245	-	-	-	-	(15,939)	1,096,584
Total Operating Expenses	<u>10,250,802</u>	<u>-</u>	<u>10,250,802</u>	<u>18,127,423</u>	<u>-</u>	<u>18,127,423</u>	<u>3,992,554</u>	<u>-</u>	<u>3,992,554</u>	<u>76,765</u>	<u>(11,737,265)</u>	<u>20,710,279</u>
NET OPERATING ACTIVITY	<u>886,655</u>	<u>37,566</u>	<u>924,221</u>	<u>(22,951)</u>	<u>4,391,844</u>	<u>4,368,893</u>	<u>5,109,175</u>	<u>(100,000)</u>	<u>5,009,175</u>	<u>(76,765)</u>	<u>-</u>	<u>10,225,524</u>
Transfers to/from board designated endowment	(323,620)	-	(323,620)	-	-	-	-	-	-	-	-	(323,620)
NET OPERATING ACTIVITY AFTER TRANSFERS	<u>563,035</u>	<u>37,566</u>	<u>600,601</u>	<u>(22,951)</u>	<u>4,391,844</u>	<u>4,368,893</u>	<u>5,109,175</u>	<u>(100,000)</u>	<u>5,009,175</u>	<u>(76,765)</u>	<u>-</u>	<u>9,901,904</u>
MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES												
Members' capital contributions	-	-	-	-	-	-	-	-	-	3,684,236	(3,684,236)	-
TOTAL MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,684,236</u>	<u>(3,684,236)</u>	<u>-</u>
NON-OPERATING ACTIVITIES:												
Bequests and additions to Board designated funds	148,491	-	148,491	-	-	-	-	-	-	-	-	148,491
Transfers to/from board designated endowment	323,620	-	323,620	-	-	-	-	-	-	-	-	323,620
Investment activity	4,660,888	966,402	5,627,290	167,078	46,878,512	47,045,590	236,587	-	236,587	-	-	52,909,467
Endowment allocations used to meet spending policy	(849,000)	(238,000)	(1,087,000)	(47,000)	(8,490,000)	(8,537,000)	-	-	-	-	-	(9,624,000)
NET NON-OPERATING ACTIVITY	<u>4,283,999</u>	<u>728,402</u>	<u>5,012,401</u>	<u>120,078</u>	<u>38,388,512</u>	<u>38,508,590</u>	<u>236,587</u>	<u>-</u>	<u>236,587</u>	<u>-</u>	<u>-</u>	<u>43,757,578</u>
CHANGES IN TOTAL NET ASSETS	<u>4,847,034</u>	<u>765,968</u>	<u>5,613,002</u>	<u>97,127</u>	<u>42,780,356</u>	<u>42,877,483</u>	<u>5,345,762</u>	<u>(100,000)</u>	<u>5,245,762</u>	<u>3,607,471</u>	<u>(3,684,236)</u>	<u>53,659,482</u>
Net assets/members' equity - Beginning of Year	<u>22,759,769</u>	<u>11,150,780</u>	<u>33,910,549</u>	<u>90,742,882</u>	<u>176,732,838</u>	<u>267,475,720</u>	<u>4,683,583</u>	<u>100,000</u>	<u>4,783,583</u>	<u>3,836,806</u>	<u>(3,836,806)</u>	<u>306,169,852</u>
NET ASSETS/MEMBERS' EQUITY - END OF YEAR	<u>\$ 27,606,803</u>	<u>\$ 11,916,748</u>	<u>\$ 39,523,551</u>	<u>\$ 90,840,009</u>	<u>\$ 219,513,194</u>	<u>\$ 310,353,203</u>	<u>\$ 10,029,345</u>	<u>\$ -</u>	<u>\$ 10,029,345</u>	<u>\$ 7,444,277</u>	<u>\$ (7,521,042)</u>	<u>\$ 359,829,334</u>

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	Scenic Hudson, Inc.			The Scenic Hudson Land Trust, Inc.			Hudson Highlands Fjord trail			Northside Junction, LLC	Consolidating Eliminations	Consolidated 2020 Total
	Without Donor	With Donor	Total 2020	Without Donor	With Donor	Total 2020	Without Donor	With Donor	Total 2020	Without Donor		
	Restrictions	Restrictions		Restrictions	Restrictions		Restrictions	Restrictions				
OPERATING REVENUES, GAINS AND SUPPORT:												
Contributions, net of costs of direct benefits to donors	\$ 6,615,585	\$ 3,498,499	\$ 10,114,084	\$ 4,800,048	\$ 1,500,000	\$ 6,300,048	\$ 3,034,556	\$ 100,000	\$ 3,134,556	\$ -	\$ (5,037,660)	\$ 14,511,028
Government grants	56,716	-	56,716	651,880	-	651,880	-	-	-	-	-	708,596
Endowment allocations used to meet spending policy	1,011,000	-	1,011,000	8,108,000	-	8,108,000	-	-	-	-	-	9,119,000
Investment activity other than endowment earnings	101,179	-	101,179	103,288	-	103,288	-	-	-	-	-	204,467
Other revenues	20,000	-	20,000	24,583	-	24,583	-	-	-	-	-	44,583
Gain on sale of land areas	-	-	-	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	5,998,000	(5,998,000)	-	11,146,120	(11,146,120)	-	-	-	-	-	-	-
Total Operating Revenues, Gains and Support	13,802,480	(2,499,501)	11,302,979	24,833,919	(9,646,120)	15,187,799	3,034,556	100,000	3,134,556	-	(5,037,660)	24,587,674
OPERATING EXPENSES:												
Program services:												
Sales/donations of property interests below cost to state and local government agencies and unaffiliated nonprofit entities	-	-	-	3,279,519	-	3,279,519	-	-	-	-	-	3,279,519
Other program services	10,550,864	-	10,550,864	10,835,740	-	10,835,740	849,473	-	849,473	-	(7,443,347)	14,792,730
Total program services	10,550,864	-	10,550,864	14,115,259	-	14,115,259	849,473	-	849,473	-	(7,443,347)	18,072,249
Management and general	1,605,993	-	1,605,993	158,717	-	158,717	1,500	-	1,500	-	(77,930)	1,688,280
Fundraising	1,122,759	-	1,122,759	35,337	-	35,337	-	-	-	-	(16,383)	1,141,713
Total Operating Expenses	13,279,616	-	13,279,616	14,309,313	-	14,309,313	850,973	-	850,973	-	(7,537,660)	20,902,242
NET OPERATING ACTIVITY	522,864	(2,499,501)	(1,976,637)	10,524,606	(9,646,120)	878,486	2,183,583	100,000	2,283,583	-	2,500,000	3,685,432
Transfers to/from board designated endowment	(2,130,575)	-	(2,130,575)	-	-	-	-	-	-	-	-	(2,130,575)
NET OPERATING ACTIVITY AFTER TRANSFERS	(1,607,711)	(2,499,501)	(4,107,212)	10,524,606	(9,646,120)	878,486	2,183,583	100,000	2,283,583	-	2,500,000	1,554,857
MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES												
Members' capital contributions	-	-	-	-	-	-	-	-	-	3,836,806	(3,836,806)	-
TOTAL MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES	-	-	-	-	-	-	-	-	-	3,836,806	(3,836,806)	-
NON-OPERATING ACTIVITIES:												
Bequests and additions to Board designated funds	-	-	-	8,625	-	8,625	2,500,000	-	2,500,000	-	(2,500,000)	8,625
Transfers to/from board designated endowment	2,130,575	-	2,130,575	-	-	-	-	-	-	-	-	2,130,575
Investment activity	847,857	170,678	1,018,535	32,628	6,263,095	6,295,723	-	-	-	-	-	7,314,258
Endowment allocations used to meet spending policy	(782,000)	(229,000)	(1,011,000)	(48,000)	(8,060,000)	(8,108,000)	-	-	-	-	-	(9,119,000)
NET NON-OPERATING ACTIVITY	2,196,432	(58,322)	2,138,110	(6,747)	(1,796,905)	(1,803,652)	2,500,000	-	2,500,000	-	(2,500,000)	334,458
CHANGES IN TOTAL NET ASSETS	588,721	(2,557,823)	(1,969,102)	10,517,859	(11,443,025)	(925,166)	4,683,583	100,000	4,783,583	3,836,806	(3,836,806)	1,889,315
Net assets - Beginning of Year	22,171,048	13,708,603	35,879,651	80,225,023	188,175,863	268,400,866	-	-	-	-	-	304,280,537
NET ASSETS - END OF YEAR	\$ 22,759,769	\$ 11,150,780	\$ 33,910,549	\$ 90,742,882	\$ 176,732,838	\$ 267,475,720	\$ 4,683,583	\$ 100,000	\$ 4,783,583	\$ 3,836,806	\$ (3,836,806)	\$ 306,169,852

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(SCENIC HUDSON, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>For the Year Ended June 30, 2021</u>				<u>For the Year Ended June 30, 2020</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2021</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2020</u>
Salaries	\$ 4,770,041	\$ 783,493	\$ 705,212	\$ 6,258,746	\$ 3,999,477	\$ 1,037,767	\$ 703,590	\$ 5,740,834
Payroll taxes and employee benefits	1,311,439	215,407	193,885	1,720,731	1,078,794	279,921	189,782	1,548,497
Total salaries and related costs	6,081,480	998,900	899,097	7,979,477	5,078,271	1,317,688	893,372	7,289,331
Occupancy	307,935	43,601	26,411	377,947	346,791	48,837	47,823	443,451
Consultants and experts	925,000	57,228	-	982,228	1,604,482	35,085	-	1,639,567
Legal and audit	5,080	54,644	-	59,724	31,565	66,998	-	98,563
Employee travel and training	57,458	39,678	1,110	98,246	107,890	25,245	10,256	143,391
Office - general	211,080	29,886	18,103	259,069	178,601	25,152	24,630	228,383
Equipment	20,538	7,960	90	28,588	35,446	9,672	185	45,303
Program and public outreach costs	296,724	39,406	113,467	449,597	3,153,834	76,481	146,493	3,376,808
Interest	-	-	-	-	-	835	-	835
Depreciation and amortization	15,926	-	-	15,926	13,984	-	-	13,984
Costs of direct benefits to donors	-	-	-	-	-	-	-	-
TOTAL	<u>\$ 7,921,221</u>	<u>\$ 1,271,303</u>	<u>\$ 1,058,278</u>	<u>\$ 10,250,802</u>	<u>\$ 10,550,864</u>	<u>\$ 1,605,993</u>	<u>\$ 1,122,759</u>	<u>\$ 13,279,616</u>

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(THE SCENIC HUDSON LAND TRUST, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>For the Year Ended June 30, 2021</u>			<u>For the Year Ended June 30, 2020</u>				
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2021</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2020</u>
Conservation easements and monitoring costs	\$ 1,136,428	\$ -	\$ -	\$ 1,136,428	\$ 1,691,987	\$ -	\$ -	\$ 1,691,987
Land project expenses	4,346,358	-	-	4,346,358	3,289,588	-	-	3,289,588
Program and business management services	2,523,800	101,066	54,245	2,679,111	2,205,863	113,667	35,337	2,354,867
Grants and contributions	9,087,258	-	-	9,087,258	2,508,900	-	-	2,508,900
Remediation expense	1,561	-	-	1,561	-	-	-	-
Loss on sale/transfer of property interests to state and local government agencies and unaffiliated nonprofit entities	-	-	-	-	3,279,519	-	-	3,279,519
Property taxes	391,382	-	-	391,382	449,396	-	-	449,396
Insurance	174,225	-	-	174,225	158,276	-	-	158,276
Legal and audit fees	14,441	43,251	-	57,692	90,726	45,050	-	135,776
Interest	230,005	-	-	230,005	412,493	-	-	412,493
Depreciation and amortization	23,403	-	-	23,403	28,511	-	-	28,511
TOTAL	<u>\$ 17,928,861</u>	<u>\$ 144,317</u>	<u>\$ 54,245</u>	<u>\$ 18,127,423</u>	<u>\$ 14,115,259</u>	<u>\$ 158,717</u>	<u>\$ 35,337</u>	<u>\$ 14,309,313</u>

See independent auditors' report.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(HUDSON HIGHLANDS FJORD TRAIL, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2021</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2020</u>
Consultants and experts	\$ 516,339	\$ -	\$ -	\$ 516,339	\$ 631,902	\$ -	\$ -	\$ 631,902
Legal and audit fees	51,534	7,200	-	58,734	213,896	1,500	-	215,396
Program and public outreach costs	275,590	-	-	275,590	-	-	-	-
Employee travel and training	1,647	-	-	1,647	3,675	-	-	3,675
Office expenses	3,673	-	-	3,673	-	-	-	-
Land project expenses	3,054,044	-	-	3,054,044	-	-	-	-
Property taxes	23,662	-	-	23,662	-	-	-	-
Conservation easements and monitoring costs	58,299	-	-	58,299	-	-	-	-
Grants and contributions	566	-	-	566	-	-	-	-
TOTAL	<u>\$ 3,985,354</u>	<u>\$ 7,200</u>	<u>\$ -</u>	<u>\$ 3,992,554</u>	<u>\$ 849,473</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 850,973</u>

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
SCHEDULES OF PROGRAM-RELATED INVESTMENTS IN LAND AREAS
AS OF JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Scenic Hudson, Inc.:		
Hyde Park - Morgan Estate	\$ 920,000	\$ 920,000
Scenic Hudson Land Trust, Inc.		
Esopus Meadows Point, River Road	1,010,803	1,010,803
Esopus, River Road, Waskew/EMEC	267,274	267,274
Four Mile Point Road, Cossackie (Four Mile Point)	217,955	217,955
Ramshorn Marsh, Catskill - Blenner	237,484	237,484
Ramshorn Marsh, Catskill - Vincent	402,002	402,002
Black Creek - Route 9W, Esopus	2,840,009	2,840,009
Esopus, River Road	714,583	714,583
Poet's Walk/Astor Cove I/Mandara	1,726,922	1,726,922
Esopus Meadows Point, Mazza	164,320	164,320
Shaupeneak Ridge, Esopus	989,779	989,779
Ramshorn Marsh, Catskill - Iten	167,468	167,468
Beacon Terminal, Madam Brett	320,886	320,886
Foundry Cove (Marin), Cold Spring	523,062	523,062
Foundry Cove (Spevak), Cold Spring	1,924,329	1,924,329
Beacon Waterfront - Garrett Storm	881,296	881,296
Beacon Waterfront - Kellam	781,805	781,805
King James Weyant, Ft Montgomery	272,040	272,040
Shaupeneak Ridge, Additions	91,303	91,303
Wappingsers Greenway	229,920	229,920
Fishkill Base of Mt. Beacon	443,510	443,510
Beacon Waterfront - Cohen	1,608,552	1,608,552
Stockport - Saurusaitis	75,172	75,172
Snake Hill - New Windsor	1,092,921	1,092,921
Binnen Kill - Chi	413,472	413,472
Beacon - University Settlement Camp	36,001	36,001
Hyde Park - Clear View Acres (Dominican Camp)	1,269,218	1,269,218
Hyde Park - Golden	410,825	410,825
Black Creek - Gordon	1,108,701	1,108,701
Foundry Cove (Kemble), Cold Spring	188,372	188,372
Illinois Mountain	1,355,217	1,355,217
Esopus Meadows Point, Patchoros	513,447	513,447
FDR Viewshed - WA Lloyd	2,117,223	2,117,223
Black Creek - Mahairas	141,977	141,977
FDR Viewshed - Murillo	964,368	964,368
Shaupeneak Ridge - Laties	714,137	714,137
Black Creek - Matera	393,401	393,401
Franny Reese State Park - Djirdjirian	88,363	88,363
Shaupeneak Ridge, Venditti	26,598	26,598
South Bay - Dansky	578,185	578,185
Olana View Shed - ALDD Co. Inc.	929,190	929,190
Esopus, River Road - Esopus Lakes (Silver Realty)	3,569,367	3,569,367
Shaupeneak Ridge, Rosen Frog Hollow Farm	513,473	513,473
South Bay - 4269 Route 9	226,168	226,168
Hohenstein/Bronck Island	420,072	420,072
Esopus Meadows - DeCicco	44,865	44,865
Esopus Meadows - Gordon	1,220,433	1,220,433
Shaupeneak Ridge, Arnika	1,028,735	1,028,735
NBR Enterprises LLC	388,860	388,860
Lower Esopus River Watch	64,428	64,428
Esopus River Road - Esopus Lakes (Bamer)	508,201	508,201
Esopus River Road - Bohan	14,521	14,521
Shaupeneak Ridge - Tax Parcel	37,526	37,526
Waste Management	801,727	801,727
Christian Brothers - Esopus	46,408	46,408
Paparelli	63,149	63,149
Olson Property	69,743	69,743
Popo/Rothlein	4,293,404	4,293,404
Shanok Property	150,488	150,488
Dominican Sisters - Falling Waters	2,581,387	2,581,387
Illinois Mountain - Alsdorf	59,105	59,105
Orsi-Dickerson	10,599	10,599
Lambert	640,187	640,187
Wally Property	418,603	418,603
Muise Property	13,956	13,956
Kalin Property	1,243,197	1,243,197
Catskill Creek LLC	562,071	562,071
Ayers	112,346	112,346
Lake Valhalla	12,355,819	12,355,819
Gordon LLC	484,197	484,197
Stockport Flats/Krizar	943,000	943,000
Firmbach	110,899	110,899
Heritage Acres	4,101,084	4,101,084
Quarry Waters LLC	13,314,832	13,314,790
Kincart	268,085	267,392
Rivit Creek	315,828	315,828
Longhitano	1,045,708	1,042,208
Tilcon	783,989	782,541
Aloe	1,635,645	1,631,574
	<u>82,694,195</u>	<u>82,684,441</u>
Northside Junction, LLC:		
58-70 Parker Avenue	3,226,362	3,226,034
164 Garden Street	610,771	610,771
	<u>3,837,133</u>	<u>3,836,805</u>
Hudson Highlands Fjord Trail, Inc		
Dutchess Manor	3,044,962	-
14 Coris Lane	420,606	-
	<u>3,465,568</u>	<u>-</u>
Program-related investments in land areas, at cos	<u>\$ 90,916,896</u>	<u>\$ 87,441,246</u>

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
SOURCES AND USES OF FUNDS AND OTHER KEY FINANCIAL INFORMATION
AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
SOURCES OF FUNDS:		
Contributions without donor restrictions	\$ 14,007,620	\$ 10,121,125
Releases of contributions with donor restrictions	2,927,028	17,144,120
Endowment earnings used to meet spending policy	9,624,000	9,119,000
Proceeds from sales of natural land areas and improvements	-	84,000
Other revenues	124,510	249,050
Total Sources of Funds	26,683,158	36,717,295
USES OF FUNDS:		
Purchases of natural land areas and improvements (in fee)	3,475,650	24,415,094
Program services expenses:		
Purchases of conservation easements and easement monitoring costs	1,194,727	1,691,987
Park construction and management	7,400,402	3,289,588
Salaries and related benefits	6,081,480	5,078,271
Other	3,589,488	8,012,403
Supporting services expenses	2,444,182	2,829,993
Total Uses of Funds	24,185,929	45,317,336
NET SOURCES AND USES OF FUNDS	\$ 2,497,229	\$ (8,600,041)
OTHER KEY FINANCIAL INFORMATION:		
Program-related investments in land areas, at cost - beginning of year	\$ 87,441,246	\$ 66,389,671
Purchases of natural land areas and improvements (in fee)	3,475,650	24,415,094
Sales/donations of property interests to state and local governmental agencies and unaffiliated nonprofit entities at cost	-	(3,363,519)
Program-related investments in land areas, at cost - end of year	\$ 90,916,896	\$ 87,441,246

See independent auditors' report.