



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

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

June 30, 2022 and 2021

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

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

JUNE 30, 2022 AND 2021

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-3
Basic Consolidated Financial Statements:	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8-28
Supplementary Information:	
Consolidating Schedules of Financial Position as of June 30, 2022 and 2021	29
Consolidating Schedule of Activities for the Year Ended June 30, 2022	30
Consolidating Schedule of Activities for the Year Ended June 30, 2021	31
Schedules of Functional Expenses (Scenic Hudson, Inc.) for the Years Ended June 30, 2022 and 2021	32
Schedules of Functional Expenses (The Scenic Hudson Land Trust, Inc.) for the Years Ended June 30, 2022 and 2021	33
Schedules of Functional Expenses (Hudson Highlands Fjord Trail, Inc.) for the Years Ended June 30, 2022 and 2021	34
Schedules of Program-Related Investments in Land Areas as of June 30, 2022 and 2021	35
Sources and Uses of Funds and Other Key Financial Information as of and for the Years Ended June 30, 2022 and 2021	36



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INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Scenic Hudson, Inc. and Consolidated Subsidiaries (collectively, the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, and the changes in their net assets and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on 2021 Financial Statements

The consolidated financial statements as of and for the year ended June 30, 2021 were audited by Marks Paneth LLP whose report dated November 15, 2021 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.



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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as of and for the year ended June 30, 2022, shown on pages 29-30 and 32-36, 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 audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



The supplementary information as of and for the year ended June 30, 2021, shown on pages 29 and 31-36, was subjected to the auditing procedures in the June 30, 2021 audit of the consolidated financial statements by Marks Paneth LLP whose report on such information stated, based on their audit, it was fairly stated in all material respects in relation to the June 30, 2021 consolidated financial statements as a whole.

Mayer Hoffman McCann CPAs

New York, NY
February 15, 2023

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021**

	2022	2021
ASSETS		
Cash and cash equivalents (Notes 2C and 13)	\$ 69,454,674	\$ 14,627,338
Promises to give and grants receivable, net (Notes 2D, 2E and 4)	5,694,457	5,826,797
Investments, at fair value (Notes 2F, 7, 8 and 11D)	211,957,531	254,224,811
Prepaid expenses and other assets (Note 11A)	5,404,482	360,406
Property and equipment, net (Notes 2G and 5)	89,497	117,794
Program-related investments in land areas, at cost (Notes 2J and 6)	67,556,023	90,916,896
Construction in progress (Note 5)	3,683,806	1,563,555
TOTAL ASSETS	\$ 363,840,470	\$ 367,637,597
LIABILITIES		
Accounts payable and accrued expenses (Note 10)	\$ 1,904,056	\$ 1,785,966
Notes payable, net (Notes 2D and 8)	1,366,143	6,022,297
TOTAL LIABILITIES	3,270,199	7,808,263
COMMITMENTS AND CONTINGENCIES (Note 11)		
NET ASSETS (Note 2B)		
Without donor restrictions:		
Operating net assets	47,885,303	19,821,283
Board designated - other endowment (Notes 12A and 12C)	20,171,099	24,453,468
Board designated - easement enforcement fund (Notes 12A and 12C)	870,838	1,077,026
Board designated - HHFT (Notes 12A and 12C)	2,549,472	2,986,587
Net program-related investments in land areas, at cost	61,433,074	80,137,793
Total net assets without donor restrictions	132,909,786	128,476,157
With donor restrictions (Note 12B):		
Endowment (Note 12C)	175,612,527	218,314,959
Other net assets with donor restrictions	52,047,958	13,038,218
Total net assets with donor restrictions	227,660,485	231,353,177
TOTAL NET ASSETS	360,570,271	359,829,334
TOTAL LIABILITIES AND NET ASSETS	\$ 363,840,470	\$ 367,637,597

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

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	For the Year Ended June 30, 2022			For the Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2021
OPERATING REVENUES, GAINS AND SUPPORT (Note 2H):						
Contributions (Notes 2D and 9)	\$ 4,457,000	\$ 49,630,048	\$ 54,087,048	\$ 12,857,900	\$ 7,179,673	\$ 20,037,573
In-kind contributions (Notes 2D, 8 and 15)	50,279	-	50,279	52,000	-	52,000
Government grants (Notes 2D and 11C)	35,154	-	35,154	1,097,720	-	1,097,720
Endowment allocations used to meet spending policy (Note 12)	9,794,000	-	9,794,000	9,624,000	-	9,624,000
Investment activity other than endowment earnings	45,260	-	45,260	105,910	-	105,910
Other revenues	3,000	-	3,000	18,600	-	18,600
Gain on sale of program-related investments in land areas (Note 6)	3,005,251	-	3,005,251	-	-	-
Net assets released from restrictions (Note 12)	10,620,307	(10,620,307)	-	2,927,028	(2,927,028)	-
Total Operating Revenues, Gains and Support	<u>28,010,251</u>	<u>39,009,741</u>	<u>67,019,992</u>	<u>26,683,158</u>	<u>4,252,645</u>	<u>30,935,803</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)	-	-	-	-	-	-
Other program services	15,779,216	-	15,779,216	18,266,097	-	18,266,097
Total program services	15,779,216	-	15,779,216	18,266,097	-	18,266,097
Management and general	1,340,078	-	1,340,078	1,347,598	-	1,347,598
Fundraising	1,337,412	-	1,337,412	1,096,584	-	1,096,584
Total Operating Expenses	<u>18,456,706</u>	<u>-</u>	<u>18,456,706</u>	<u>20,710,279</u>	<u>-</u>	<u>20,710,279</u>
NET OPERATING ACTIVITY	9,553,545	39,009,741	48,563,286	5,972,879	4,252,645	10,225,524
Transfers to/from board designated endowment (Note 12C)	-	-	-	(323,620)	-	(323,620)
NET OPERATING ACTIVITY AFTER TRANSFERS	<u>9,553,545</u>	<u>39,009,741</u>	<u>48,563,286</u>	<u>5,649,259</u>	<u>4,252,645</u>	<u>9,901,904</u>
NON-OPERATING ACTIVITIES (Note 2H):						
Bequests and additions to Board designated funds (Note 2H)	263,133	-	263,133	148,491	-	148,491
Transfers to/from board designated endowment (Note 12C)	-	-	-	323,620	-	323,620
Investment activity (Note 7)	(4,433,049)	(33,858,433)	(38,291,482)	5,064,553	47,844,914	52,909,467
Endowment allocations used to meet spending policy (Note 12)	(950,000)	(8,844,000)	(9,794,000)	(896,000)	(8,728,000)	(9,624,000)
NET NON-OPERATING ACTIVITY	<u>(5,119,916)</u>	<u>(42,702,433)</u>	<u>(47,822,349)</u>	<u>4,640,664</u>	<u>39,116,914</u>	<u>43,757,578</u>
CHANGES IN TOTAL NET ASSETS	4,433,629	(3,692,692)	740,937	10,289,923	43,369,559	53,659,482
Net Assets - Beginning 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>
NET ASSETS - END OF YEAR	<u>\$ 132,909,786</u>	<u>\$ 227,660,485</u>	<u>\$ 360,570,271</u>	<u>\$ 128,476,157</u>	<u>\$ 231,353,177</u>	<u>\$ 359,829,334</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, 2022 AND 2021**

	<u>For the Year Ended June 30, 2022</u>			<u>For the Year Ended June 30, 2021</u>				
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2022</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2021</u>
Salaries	\$ 4,920,330	\$ 739,461	\$ 853,149	\$ 6,512,940	\$ 4,770,041	\$ 783,493	\$ 705,212	\$ 6,258,746
Payroll taxes and employee benefits (Note 10)	<u>1,361,090</u>	<u>199,627</u>	<u>254,070</u>	<u>1,814,787</u>	<u>1,311,439</u>	<u>215,407</u>	<u>193,885</u>	<u>1,720,731</u>
Total salaries and related costs	6,281,420	939,088	1,107,219	8,327,727	6,081,480	998,900	899,097	7,979,477
Conservation easements and monitoring costs (Note 6)	454,888	-	-	454,888	1,194,727	-	-	1,194,727
Land project expenses	5,185,019	-	-	5,185,019	7,400,402	-	-	7,400,402
Grants and contributions	131,746	-	-	131,746	237,824	-	-	237,824
Remediation expense	-	-	-	-	1,561	-	-	1,561
Property taxes	363,275	-	-	363,275	415,044	-	-	415,044
Occupancy and insurance (Note 11B)	496,302	50,571	50,571	597,444	482,160	43,601	26,411	552,172
Consultants and experts	708,203	104,120	-	812,323	1,441,339	57,228	-	1,498,567
Legal and audit	103,040	82,972	-	186,012	71,055	105,095	-	176,150
Employee travel and training	61,553	8,526	10,851	80,930	59,105	39,678	1,110	99,893
Office and other expenses	235,079	27,350	34,809	297,238	214,753	29,886	18,103	262,742
Equipment	72,862	-	-	72,862	20,538	7,960	90	28,588
Program management and public outreach costs	1,517,778	91,036	133,962	1,742,776	376,775	65,250	151,773	593,798
Interest (Note 8)	146,521	-	-	146,521	230,005	-	-	230,005
Depreciation and amortization (Note 5)	21,530	15,927	-	37,457	39,329	-	-	39,329
Bad debt expense	-	20,488	-	20,488	-	-	-	-
TOTAL	<u>\$ 15,779,216</u>	<u>\$ 1,340,078</u>	<u>\$ 1,337,412</u>	<u>\$ 18,456,706</u>	<u>\$ 18,266,097</u>	<u>\$ 1,347,598</u>	<u>\$ 1,096,584</u>	<u>\$ 20,710,279</u>

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

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 740,937	\$ 53,659,482
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	37,457	39,329
Change in discount on promises to give and grants receivable	(30,788)	(23,809)
Realized (gain) on sales of investments	(5,133,085)	(11,068,161)
Unrealized loss (gain) on investments	44,918,084	(40,417,723)
Gain on sale of program-related investments in land areas	(3,005,251)	-
In-kind contribution for imputed interest on notes payable	(50,279)	-
Amortization of imputed interest on notes payable	144,125	230,005
Bad debt expense	20,488	-
Subtotal	37,641,688	2,419,123
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Promises to give and grants receivable	142,640	1,941,816
Prepaid expenses and other assets	(5,044,076)	313,485
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	118,090	(2,067,950)
Net Cash Provided by Operating Activities	32,858,342	2,606,474
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	24,624,499	14,141,153
Purchases of investments	(22,142,218)	(9,732,639)
Acquisitions of property and equipment	(2,129,411)	(1,563,555)
Acquisitions of land areas	(2,323,352)	(3,475,650)
Proceeds from sales of land areas	28,689,476	-
Net Cash Provided by (Used in) Investing Activities	26,718,994	(630,691)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	750,000	-
Repayment of notes payable	(5,500,000)	(1,000,000)
Net Cash Used in Financing Activities	(4,750,000)	(1,000,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	54,827,336	975,783
Cash and Cash Equivalents - Beginning of Year	14,627,338	13,651,555
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 69,454,674	\$ 14,627,338

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, 2022 AND 2021**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The consolidated financial statements of Scenic Hudson, Inc., The Scenic Hudson Land Trust, Inc. (the “Land Trust”), Hudson Highlands Fjord Trail, Inc. and Northside Junction LLC (collectively, the “Organization”) have been prepared by consolidating each entity’s financial statements with those of their consolidated subsidiaries as explained below. All material intercompany transactions and balances have been eliminated in the consolidation.

Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc.

Scenic Hudson, Inc. (“SH”) and The Land Trust (collectively, “Scenic Hudson” or “we”) each are not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and have been designated as organizations which are not private foundations. They are incorporated under the laws of the State of New York (the “State”) and are exempt from State and local income and sales taxes. The Land Trust is a Type I supporting organization of Scenic Hudson, Inc., as defined under IRC 509(a)(3). Each organization is accountable to its own governing Board of Directors.

Operations and staff are housed within SH; and SH provides the Land Trust with the services of its employees, office space and general administrative support through a Services Agreement. The Land Trust, which has no employees was founded exclusively for the benefit of and to serve the purposes of SH, to the extent that those purposes relate to acquiring and holding land in the Hudson 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.

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

Today, in the face of new challenges and the effects of climate change, Scenic Hudson is dedicated to making the Hudson Valley a great place to live, work and play. Scenic Hudson’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.

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 the Hudson Valley’s 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, 2022 AND 2021**

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,” Scenic Hudson 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, Scenic Hudson 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, Scenic Hudson is the largest environmental group focused on the Hudson River Valley. To date, Scenic Hudson 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.

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

Hudson Highlands Fjord Trail, Inc.

Hudson Highlands Fjord Trail, Inc. (“HHFT”) is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and has been designated as an organization which is not a private foundation. HHFT is incorporated under the laws of the State of New York and is exempt from State and local income and sales taxes. HHFT is a Type I supporting organization of Scenic Hudson, Inc., as defined under IRC 509(a)(3) and is accountable to its own governing Board of Directors.

HHFT operates as an independent subsidiary of Scenic Hudson in furtherance of its primary purpose to develop and operate an accessible, walkable and bikeable linear public park spanning 7.5 miles between New York’s Village of Cold Spring and City of Beacon known as the “Fjord Trail.” Notwithstanding the foregoing, SH provides HHFT with the services of its employees and general administrative support through a Services Agreement. HHFT was founded exclusively for the benefit of and to serve the purposes of Scenic Hudson, to the extent that those purposes are consistent with those of HHFT.

The Fjord Trail began as a grassroots community project when residents of New York’s Cold Spring and Philipstown began discussing solutions to visitor safety and congestion at nearby Breakneck Ridge. The primary challenge was to create a safe pedestrian route for the growing number of hikers flocking to the spectacular trails of the Hudson Highlands. Heavy pedestrian use of State Route 9D, a 55-mph highway, was seen by concerned neighbors as an accident waiting to happen.

In partnership with the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”), a coalition of local nonprofits and municipal leaders formed to consider a safer way forward. Squeezed in along the edges of roadways and through village streets, the first solutions identified were purely practical. The complexity of the project area—at the intersection of the Hudson River, New York State parkland, a highway, a commuter rail line, and a thriving community—called for the input of regional and state agencies.

The Fjord Trail project evolved as conservation leaders, local stakeholders, OPRHP and others began to see the opportunity for something visionary: a 7.5-mile linear park that connected the Village of Cold Spring to the City of Beacon—and connected people meaningfully to the Hudson River’s edge, the natural and cultural history of the region, and each other.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

With the guiding support of the late Dr. Kathryn W. Davis and key input from community members, design experts, and a Steering Committee consisting of nineteen public and nonprofit partners, the current plan for the Hudson Highlands Fjord Trail was established.

The Fjord Trail will serve as the gateway to some of the most breathtaking and popular day hikes in the United States, including Breakneck Ridge, Mount Taurus, and Little Stony Point. Currently in the planning phase, completion of the Fjord Trail is projected for 2027.

Restoring wildlife habitat and easing the burden of heavy recreational visitation on local communities are core components of the HHFT's mission.

Contributions, government grants and investment income constitute HHFT's primary sources of revenue.

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, 2022 AND 2021**

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 HHFT, and Board designated net assets (see Note 12A).
 - Net program-related investments in land areas, at cost – this represents the Land Trust's and HHFT'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, 2022 and 2021, 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, 2022 AND 2021**

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 recorded in-kind contributions related to interest expense savings at approximately \$50,000 for the year ended June 30, 2022 and contributed legal services which amounted to approximately \$52,000 for the year ended June 30, 2021. 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, 2022 and 2021, 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, 2022 and 2021, the appropriation amounted to 5% of the average asset fair value for the rolling twelve fiscal quarter periods ended December 31, 2020 and 2019, respectively.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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.

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, 2022 AND 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. *Recently Enacted Accounting Standards*

On September 17, 2020, the FASB issued an Accounting Standards Update No. 2020-07 (“Update”) that increases transparency around contributed nonfinancial assets (also known as “gifts-in-kind”) received by not-for-profit (“NFP”) organizations—including transparency on how those assets are used and how they are valued (see Note 15).

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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 69,454,674	\$ 14,627,338
Less: cash and cash equivalents with donor restrictions not available for general expenditure	(43,148,586)	(900,000)
Less: cash internally restricted for specific programs	(11,124,341)	-
Available portion of payout on donor-restricted endowments for use over the next fiscal year	3,028,300	2,609,000
Payout on Board designated endowments over the next fiscal year	1,058,000	950,000
Promises to give for general expenditure due in less than one year	<u>1,342,411</u>	<u>2,932,863</u>
	<u>\$ 20,610,458</u>	<u>\$ 20,219,201</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, 2022 AND 2021**

NOTE 4 – PROMISES TO GIVE AND GRANTS RECEIVABLE

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

	<u>2022</u>	<u>2021</u>
Without donor restrictions	\$ 1,395,633	\$ 2,426,394
Restricted to future programs and periods	<u>4,298,824</u>	<u>3,400,403</u>
Total	<u>\$ 5,694,457</u>	<u>\$ 5,826,797</u>

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

	<u>2022</u>	<u>2021</u>
Less than one year	\$ 1,362,101	\$ 2,932,863
One to five years	<u>4,427,634</u>	<u>3,020,000</u>
	5,789,735	5,952,863
Less: Reserve for uncollectible receivables	(50,000)	(50,000)
Less: Discount to net present value	<u>(45,278)</u>	<u>(76,066)</u>
Total	<u>\$ 5,694,457</u>	<u>\$ 5,826,797</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 \$45,278 and \$76,066 was applied to unconditional promises to give as of June 30, 2022 and 2021, respectively, based on risk-adjusted discount rates between 0.09% and 2.98% and 0.18% and 1.76%, respectively.

NOTE 5 – PROPERTY AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

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

	<u>2022</u>	<u>2021</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	\$ 69,897	\$ 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	375,214	366,054	
Less: accumulated depreciation and amortization	<u>(285,717)</u>	<u>(248,260)</u>	
Net book value	<u>\$ 89,497</u>	<u>\$ 117,794</u>	

Depreciation and amortization amounted to \$37,457 and \$39,329 for the years ended June 30, 2022 and 2021, respectively.

The construction in progress is for pre-development project costs and amounted to \$3,683,806 and \$1,563,555 as of June 30, 2022 and 2021, respectively. Total project costs are estimated to be approximately \$30 million with a target completion during calendar year 2024.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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>2022</u>	<u>2021</u>
Program-related investments in land areas, at cost	\$ 67,556,023	\$ 90,916,896
Less: reserve for impairment	<u>-</u>	<u>-</u>
Net book value	<u>\$ 67,556,023</u>	<u>\$ 90,916,896</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, 2022 and 2021, the Organization acquired program-related investments in land areas for a total of \$2,323,352 and \$3,475,650, respectively.

During the year ended June 30, 2022, the Organization sold 3 properties with a carrying value of \$25,684,225 to private and governmental third parties for fair market value, resulting in a net gain of \$3,005,251 which is included in the accompanying consolidated statement of activities as gain on sale of program-related investments in land areas.

As of June 30, 2022, the Organization maintains ownership of a portion of one of the aforementioned properties, on which it sold a conservation easement during the year ended June 30, 2022. Through the sale of the conservation easement to a governmental third party, the Organization wrote down the carrying value of the property to restricted fair value.

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, 2022 AND 2021**

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.
- 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, 2022 AND 2021**

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, 2022:

Description	2022 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	\$ 9,268,105	\$ -	\$ -	\$ 9,268,105
Total Money Market Funds	<u>9,268,105</u>	<u>-</u>	<u>-</u>	<u>9,268,105</u>
Equity Securities				
U.S. Mutual Funds	618,782	-	-	618,782
U.S. Regulated Equity Securities	<u>73,548,083</u>	<u>-</u>	<u>-</u>	<u>73,548,083</u>
Total Equity Securities	<u>74,166,865</u>	<u>-</u>	<u>-</u>	<u>74,166,865</u>
Fixed Income				
Corporate debt and treasuries	<u>28,254,442</u>	<u>-</u>	<u>-</u>	<u>28,254,442</u>
Total Fixed Income	<u>28,254,442</u>	<u>-</u>	<u>-</u>	<u>28,254,442</u>
Pooled Investment Funds				
Global Commingled Funds	-	-	31,846,659	31,846,659
Alternative Investment Funds	<u>-</u>	<u>-</u>	<u>11,790,317</u>	<u>11,790,317</u>
Total Pooled Investment Funds	<u>-</u>	<u>-</u>	<u>43,636,976</u>	<u>43,636,976</u>
Total Investments at Fair Value	<u>\$ 111,689,412</u>	<u>\$ -</u>	<u>\$ 43,636,976</u>	<u>155,326,388</u>
Investments Measured at Net Asset Value (a):				
Ex-U.S. Commingled Funds				53,968,636
Alternative Investment funds				<u>2,662,507</u>
Total investments measured at Net Asset Value				<u>56,631,143</u>
Total Investments				<u>\$ 211,957,531</u>

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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	<u>92,032,783</u>	<u>-</u>	<u>-</u>	<u>92,032,783</u>
Total Equity Securities	<u>92,627,366</u>	<u>-</u>	<u>-</u>	<u>92,627,366</u>
Fixed Income				
Mutual Funds - U.S.	<u>29,049,057</u>	<u>-</u>	<u>-</u>	<u>29,049,057</u>
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	<u>-</u>	<u>-</u>	<u>6,082,153</u>	<u>6,082,153</u>
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>

(a) In accordance with 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, 2022 AND 2021**

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>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 48,756,495	\$ 47,032,299
Transfer from Level 1	-	-
Purchases	5,032,468	2,788,373
Redemptions	(1,270,968)	(11,753,443)
Net (loss) appreciation	<u>(8,881,019)</u>	<u>10,689,266</u>
Balance, end of year	<u>\$ 43,636,976</u>	<u>\$ 48,756,495</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 years ended June 30, 2022 and 2021, there were no transfers.

The following table summarizes the Organization's investments in pooled investment funds at June 30, 2022:

<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	\$ 18,863,024	\$ -	Monthly	10 business days
Long-only securities	29,857,190	-	Quarterly	30 days notice
Long-only securities	9,388,468	-	Semi-Annual	60 days notice
Multi-strategy	4,737,988	-	Monthly	60 days notice
Multi-strategy	6,320,476	-	Quarterly	
Multi-strategy	16,648,149	-	Semi-Annual	
Blockchain fund of funds	1,640,928	1,396,682	Not Permitted	
Private Equity	12,811,896	14,920,734	Not Permitted	
Total	<u>\$ 100,268,119</u>	<u>\$ 16,317,416</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 \$15,952,232 with unfunded commitments of \$12,873,602 as of June 30, 2022.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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>2022</u>	<u>2021</u>
Interest and dividends	\$ 2,618,329	\$ 2,400,083
Realized gains	5,133,085	11,068,161
Unrealized gains (losses)	(44,918,084)	40,417,723
Investment fees	(1,123,811)	(976,500)
Foreign tax	<u>(1,001)</u>	<u>-</u>
Total investment activity, net	<u>\$ (38,291,482)</u>	<u>\$ 52,909,467</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, that would have been due during fiscal year 2025, ten years from the date of the loan. The loan was interest-free for the first five years and then bore interest at 0.25% per annum on the unpaid principal balance beginning with the sixth year of the loans. The interest was scheduled to be accrued through maturity. The loan was repaid during fiscal year 2022.

In fiscal year 2019, the Organization secured a loan from the same foundation in the amount of \$5,000,000 to purchase land which was interest free but required an annual principal repayment of \$1,000,000 starting in fiscal year 2020. The loan was repaid during fiscal year 2022.

In fiscal year 2020, the Organization secured a loan from the same foundation in the amount of \$2,000,000 to purchase land that would have been due during fiscal year 2030, ten years from the date of the loan. The loan was issued as an interest-free loan for the first five years that would then bear interest at 3% below prime per annum on the unpaid principal balance beginning with the sixth year of the loan until its maturity date. The loan was repaid during fiscal year 2022.

During the fiscal year ended June 30, 2022, the Organization secured an interest-free loan from a foundation in the amount of \$750,000 to acquire land, which is due during fiscal year 2027.

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 loans mentioned in this footnote was calculated at effective rates between 2.65% and 5.5%, determined at the time of the initiation of each such loan. An in-kind contribution of \$50,279 was recognized for the interest free loan secured during the year ended June 30, 2022. Such imputed interest is being amortized over the lives of the loans and is recognized as interest expense during the year each such loan is outstanding. Imputed interest expense related to the loans, including the full amount of unamortized interest expense related to loans repaid prior to their maturity dates, amounted to \$202,295 and \$296,139, respectively, for the years ended June 30, 2022 and 2021.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 8 – NOTES PAYABLE (Continued)

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

	<u>2022</u>	<u>2021</u>
Principal balance	\$ 1,568,438	\$ 6,318,436
Less: imputed interest	<u>(202,295)</u>	<u>(296,139)</u>
	<u>\$ 1,366,143</u>	<u>\$ 6,022,297</u>

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

2023	\$ -
2024	-
2025	-
2026	-
2027	-
Thereafter	<u>1,366,143</u>
	<u>\$ 1,366,143</u>

The outstanding loans are collateralized by investment accounts holding cash and equity securities with a fair value of approximately \$1,226,000 and \$16,411,000 as of June 30, 2022 and 2021, respectively.

NOTE 9 – SPECIAL EVENTS INCOME

During the years ended June 30, 2022 and 2021, 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, \$268,896 and \$685,876 of such revenues are included in contributions in the accompanying consolidated statements of activities for the years ended June 30, 2022 and 2021, 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, 2022 and 2021 amounted to \$436,356 and \$414,145, 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 \$135,000 and \$130,185, respectively, to the 457(f) plan for the years ended June 30, 2022 and 2021. As of June 30, 2022 and 2021, the Organization's liability related to the 457(f) plan amounted to \$248,333 and \$113,333, 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, 2022 and 2021, the Organization had made deposits totaling \$0 and \$25,000, 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, 2022 AND 2021**

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)

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

2023	\$	400,718
2024		402,224
2025		<u>98,400</u>
	\$	<u>901,342</u>

During the years ended June 30, 2022 and 2021, rent expense amounted to \$357,685 and \$337,325, 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%. 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, 2022 and 2021, 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, 2022 and 2021 in accordance with FASB ASC Topic 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 \$903,000 and \$849,000, 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, 2022 and 2021, 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 \$47,000, 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, 2022 and 2021, respectively. The easement enforcement fund net asset balance amounted to \$870,838 and \$1,077,026 as of June 30, 2022 and 2021, respectively.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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 the Land Trust 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, 2022 and 2021, 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, 2020 and December 31, 2019, and that management may withdraw these amounts at their discretion to meet program needs. Accordingly, endowment allocations of \$8,600,000 and \$8,490,000, 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, 2022 and 2021, 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 \$244,000 and \$238,000, 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, 2022 and 2021, respectively.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 12 – RESTRICTIONS ON NET ASSETS (Continued)

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

	2022	2021
Scenic Hudson, Inc.:		
Restricted to future programs and periods	\$ 5,352,536	\$ 6,182,584
Kathryn W. Davis Fund for Park Planning and Community Land Use Endowment	4,556,193	5,734,164
	9,908,729	11,916,748
The Scenic Hudson Land Trust, Inc.:		
Lila Acheson and DeWitt Wallace Hudson Valley Land Preservation Endowment	171,056,334	212,580,795
Land acquisitions and other land preservation and conservation expenses	1,695,422	6,855,634
	172,751,756	219,436,429
Hudson Highlands Fjord Trail, Inc.:		
Phase 1 Construction	45,000,000	-
Total net assets with donor restrictions	\$ 227,660,485	\$ 231,353,177

During the years ended June 30, 2022 and 2021, the Organization released net assets with donor restrictions by satisfying donor-imposed restrictions either by incurring expenses or due to the passage of time.

HHFT recognized \$45,000,000 of donor restricted revenue as of June 30, 2022, representing the receipt of funds for Phase I of the Fjord trail. Future revenues will be recorded according to the Organization's accounting policy for Promises to Give and Grants Receivable/Contributions and Government Grants.

C. *Endowment Net Assets*

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

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

The Organization maintains several endowment funds as further described in Notes 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, 2022 and 2021.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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, 2022 were as follows:

	Board Designated - Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 28,517,081	\$ 218,314,959	\$ 246,832,040
Investment activity:			
Interest and dividends	351,784	2,265,543	2,617,327
Realized gains	676,453	4,456,635	5,133,088
Unrealized (losses)	(5,976,552)	(38,841,643)	(44,818,195)
Investment fees	(151,006)	(972,806)	(1,123,812)
Total return on investments	(5,099,321)	(33,092,271)	(38,191,592)
Bequests and additions to Board designated fund and net assets with donor restrictions	440,308	-	440,308
Endowment earnings (loss) allocated to other endowment funds	674,716	(766,161)	(91,445)
Transfer to Easement Enforcement Fund	8,625	-	8,625
Endowment earnings used to meet spending policy for Board designated funds (Note 12A)	(950,000)	(244,000)	(1,194,000)
Endowment earnings used to meet spending policy for Wallace Endowment (Note 12B)	-	(8,600,000)	(8,600,000)
	(4,925,672)	(42,702,432)	(47,628,104)
Endowment net assets, end of year	\$ 23,591,409	\$ 175,612,527	\$ 199,203,936

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 12 – RESTRICTIONS ON NET ASSETS (Continued)

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

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, 2022 and 2021, there was approximately \$23,302,000 and \$6,172,000, 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 \$6,275,000 and \$5,116,000 as of June 30, 2022 and 2021, 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 of operations.

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 15 – IN-KIND CONTRIBUTIONS

In-kind contributions for the year ended June 30, 2022 consisted of the following:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Imputed interest on interest-free loan	<u>\$ 50,279</u>	Loan to purchase land areas	No associated donor restriction	Current interest rate

Donated services for the year ended June 30, 2021 consisted of the following:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Legal services	<u>\$ 52,000</u>	Various administrative legal matters	No associated donor restriction	Based on current rates of legal services provided by law firm

NOTE 16 – RECLASSIFICATIONS

Certain amounts in the June 30, 2021 consolidated financial statements have been reclassified to conform to the June 30, 2022 presentation. The reclassifications had no effect on net assets.

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through February 15, 2023, 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, 2022 AND 2021**

	As of June 30, 2022						As of June 30, 2021					
	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Hudson Highlands Fjord Trail, Inc.	Northside Junction, LLC	Consolidating Eliminations	Consolidated Total 2022	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Hudson Highlands Fjord Trail, Inc.	Northside Junction, LLC	Consolidating Eliminations	Consolidated Total 2021
ASSETS												
Cash and cash equivalents	\$ 6,183,009	\$ 17,247,984	\$ 40,875,095	\$ 5,148,586	\$ -	\$ 69,454,674	\$ 5,145,572	\$ 2,677,883	\$ 4,557,638	\$ 2,246,245	\$ -	\$ 14,627,338
Promises to give and grants receivable, net	3,530,404	2,164,053	-	-	-	5,694,457	4,152,934	1,673,863	-	-	-	5,826,797
Investments, at fair value	26,205,560	183,352,498	2,399,473	-	-	211,957,531	30,893,451	220,444,773	2,886,587	-	-	254,224,811
Due from related party	1,097,466	3,088	-	-	(1,100,554)	-	273,906	1,256,475	-	-	(1,530,381)	-
Prepaid expenses and other assets	135,670	256,318	5,012,494	-	-	5,404,482	43,526	293,602	23,662	-	(384)	360,406
Program-related loan receivable from for-profit subsidiary	384	12,585,165	-	-	(12,585,549)	-	-	7,597,422	-	-	(7,597,422)	-
Property and equipment, net	63,780	25,717	-	-	-	89,497	70,546	47,248	-	-	-	117,794
Program-related investments in land areas, at cost	920,000	59,333,649	3,465,568	3,836,806	-	67,556,023	920,000	82,694,522	3,465,568	3,836,806	-	90,916,896
Construction in progress	-	-	-	3,683,806	-	3,683,806	-	-	-	1,563,555	-	1,563,555
TOTAL ASSETS	\$ 38,136,273	\$ 274,968,472	\$ 51,752,630	\$ 12,669,198	\$ (13,686,103)	\$ 363,840,470	\$ 41,499,935	\$ 316,685,788	\$ 10,933,455	\$ 7,646,606	\$ (9,128,187)	\$ 367,637,597
LIABILITIES												
Accounts payable and accrued expenses	\$ 968,004	\$ 444,455	\$ 218,470	\$ 385,840	\$ (112,713)	\$ 1,904,056	\$ 1,148,976	\$ 310,288	\$ 201,137	\$ 202,329	\$ (76,764)	\$ 1,785,966
Due to related party	-	590,924	509,630	-	(1,100,554)	-	827,408	-	702,973	-	(1,530,381)	-
Notes payable, net	-	1,366,143	-	-	-	1,366,143	-	6,022,297	-	-	-	6,022,297
TOTAL LIABILITIES	968,004	2,401,522	728,100	385,840	(1,213,267)	3,270,199	1,976,384	6,332,585	904,110	202,329	(1,607,145)	7,808,263
NET ASSETS/MEMBERS' EQUITY												
Without donor restrictions:												
Operating net assets	7,088,441	40,787,372	9,490	-	-	47,885,303	3,153,335	13,090,758	3,577,190	-	-	19,821,283
Board designated - other endowment	20,171,099	-	-	-	-	20,171,099	24,453,468	-	-	-	-	24,453,468
Board designated - easement enforcement fund	-	870,838	-	-	-	870,838	-	1,077,026	-	-	-	1,077,026
Board designated - HHFT	-	-	2,549,472	-	-	2,549,472	-	-	2,986,587	-	-	2,986,587
Net program-related investments in land areas, at cost	-	57,967,506	3,465,568	-	-	61,433,074	-	76,672,225	3,465,568	-	-	80,137,793
Total net assets without donor restrictions	27,259,540	99,625,716	6,024,530	-	-	132,909,786	27,606,803	90,840,009	10,029,345	-	-	128,476,157
With donor restrictions:												
Endowment	4,556,193	171,056,334	-	-	-	175,612,527	5,734,164	212,580,795	-	-	-	218,314,959
Other net assets with donor restrictions	5,352,536	1,884,900	45,000,000	-	(189,478)	52,047,958	6,182,584	6,932,399	-	-	(76,765)	13,038,218
Total net assets with donor restrictions	9,908,729	172,941,234	45,000,000	-	(189,478)	227,660,485	11,916,748	219,513,194	-	-	(76,765)	231,353,177
TOTAL NET ASSETS	37,168,269	272,566,950	51,024,530	-	(189,478)	360,570,271	39,523,551	310,353,203	10,029,345	-	(76,765)	359,829,334
Members' equity from capital contributions	-	-	-	12,283,358	(12,283,358)	-	-	-	-	7,444,277	(7,444,277)	-
TOTAL NET ASSETS/MEMBERS' EQUITY	37,168,269	272,566,950	51,024,530	12,283,358	(12,472,836)	360,570,271	39,523,551	310,353,203	10,029,345	7,444,277	(7,521,042)	359,829,334
TOTAL LIABILITIES AND NET ASSETS	\$ 38,136,273	\$ 274,968,472	\$ 51,752,630	\$ 12,669,198	\$ (13,686,103)	\$ 363,840,470	\$ 41,499,935	\$ 316,685,788	\$ 10,933,455	\$ 7,646,606	\$ (9,128,187)	\$ 367,637,597

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Scenic Hudson, Inc.			The Scenic Hudson Land Trust, Inc.			Hudson Highlands Fjord Trail, Inc.			Northside Junction, LLC	Consolidating Eliminations	Consolidated 2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions		
OPERATING REVENUES, GAINS AND SUPPORT:												
Contributions	\$ 11,722,493	\$ 1,959,165	\$ 13,681,658	\$ 12,000	\$ 2,670,883	\$ 2,682,883	\$ 5,396	\$ 45,000,000	\$ 45,005,396	\$ -	\$ (7,282,889)	\$ 54,087,048
In-kind services	-	-	-	50,279	-	50,279	-	-	-	-	-	50,279
Government grants	35,154	-	35,154	-	-	-	-	-	-	-	-	35,154
Endowment allocations used to meet spending policy	1,147,000	-	1,147,000	8,647,000	-	8,647,000	-	-	-	-	-	9,794,000
Investment activity other than endowment earnings	7,365	-	7,365	11,752	112,713	124,465	26,143	-	26,143	-	(112,713)	45,260
Other revenues	-	-	-	3,000	-	3,000	-	-	-	-	-	3,000
Gain on sale of program-related investments in land areas	-	-	-	3,005,251	-	3,005,251	-	-	-	-	-	3,005,251
Net assets released from restrictions	2,789,213	(2,789,213)	-	7,831,094	(7,831,094)	-	-	-	-	-	-	-
Total Operating Revenues, Gains and Support	15,701,225	(830,048)	14,871,177	19,560,376	(5,047,498)	14,512,878	31,539	45,000,000	45,031,539	-	(7,395,602)	67,019,992
OPERATING EXPENSES:												
Program services	9,031,251	-	9,031,251	10,335,718	-	10,335,718	3,592,039	-	3,592,039	-	(7,179,792)	15,779,216
Management and general	1,260,212	-	1,260,212	165,800	-	165,800	7,200	-	7,200	35,949	(129,083)	1,340,078
Fundraising	1,280,412	-	1,280,412	66,963	-	66,963	-	-	-	-	(9,963)	1,337,412
Total Operating Expenses	11,571,875	-	11,571,875	10,568,481	-	10,568,481	3,599,239	-	3,599,239	35,949	(7,318,838)	18,456,706
NET OPERATING ACTIVITY	4,129,350	(830,048)	3,299,302	8,991,895	(5,047,498)	3,944,397	(3,567,700)	45,000,000	41,432,300	(35,949)	(76,764)	48,563,286
NET OPERATING ACTIVITY AFTER TRANSFERS	4,129,350	(830,048)	3,299,302	8,991,895	(5,047,498)	3,944,397	(3,567,700)	45,000,000	41,432,300	(35,949)	(76,764)	48,563,286
MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES												
Members' capital contributions	-	-	-	-	-	-	-	-	-	4,875,030	(4,875,030)	-
TOTAL MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES	-	-	-	-	-	-	-	-	-	4,875,030	(4,875,030)	-
NON-OPERATING ACTIVITIES:												
Bequests and additions to Board designated funds	204,508	-	204,508	8,625	-	8,625	50,000	-	50,000	-	-	263,133
Investment activity	(3,778,121)	(933,971)	(4,712,092)	(167,813)	(32,924,462)	(33,092,275)	(487,115)	-	(487,115)	-	-	(38,291,482)
Endowment allocations used to meet spending policy	(903,000)	(244,000)	(1,147,000)	(47,000)	(8,600,000)	(8,647,000)	-	-	-	-	-	(9,794,000)
NET NON-OPERATING ACTIVITY	(4,476,613)	(1,177,971)	(5,654,584)	(206,188)	(41,524,462)	(41,730,650)	(437,115)	-	(437,115)	-	-	(47,822,349)
CHANGES IN TOTAL NET ASSETS	(347,263)	(2,008,019)	(2,355,282)	8,785,707	(46,571,960)	(37,786,253)	(4,004,815)	45,000,000	40,995,185	4,839,081	(4,951,794)	740,937
Net assets/members' equity - Beginning of Year	27,606,803	11,916,748	39,523,551	90,840,009	219,513,194	310,353,203	10,029,345	-	10,029,345	7,444,277	(7,521,042)	359,829,334
NET ASSETS/MEMBERS' EQUITY - END OF YEAR	\$ 27,259,540	\$ 9,908,729	\$ 37,168,269	\$ 99,625,716	\$ 172,941,234	\$ 272,566,950	\$ 6,024,530	\$ 45,000,000	\$ 51,024,530	\$ 12,283,358	\$ (12,472,836)	\$ 360,570,271

**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, net of costs of direct benefits to donors	\$ 6,698,214	\$ 2,784,513	\$ 9,482,727	\$ 8,870,652	\$ 4,395,160	\$ 13,265,812	\$ 8,949,534	\$ -	\$ 8,949,534	\$ -	\$ (11,660,500)	\$ 20,037,573
In-kind services	-	-	-	-	-	-	52,000	-	52,000	-	-	52,000
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	195	-	(76,765)	105,910
Other revenues	-	-	-	18,600	-	18,600	-	-	-	-	-	18,600
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	11,137,457	37,566	11,175,023	18,104,472	4,391,844	22,496,316	9,101,729	(100,000)	9,001,729	-	(11,737,265)	30,935,803
OPERATING EXPENSES:												
Program services:												
Sales/donations of property interests below cost to state and local government agencies and unaffiliated nonprofit entities	-	-	-	-	-	-	-	-	-	-	-	-
Other 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
Total 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	-	-	-	-	(15,938)	1,096,584
Total Operating Expenses	10,250,802	-	10,250,802	18,127,423	-	18,127,423	3,992,554	-	3,992,554	76,765	(11,737,265)	20,710,279
NET OPERATING ACTIVITY	886,655	37,566	924,221	(22,951)	4,391,844	4,368,893	5,109,175	(100,000)	5,009,175	(76,765)	-	10,225,524
Transfers to/from board designated endowment	(323,620)	-	(323,620)	-	-	-	-	-	-	-	-	(323,620)
NET OPERATING ACTIVITY AFTER TRANSFERS	563,035	37,566	600,601	(22,951)	4,391,844	4,368,893	5,109,175	(100,000)	5,009,175	(76,765)	-	9,901,904
MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES												
Members' capital contributions	-	-	-	-	-	-	-	-	-	3,684,236	(3,684,236)	-
TOTAL MEMBERS' INTEREST IN CONSOLIDATED SUBSIDIARIES	-	-	-	-	-	-	-	-	-	3,684,236	(3,684,236)	-
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	4,283,999	728,402	5,012,401	120,078	38,388,512	38,508,590	236,587	-	236,587	-	-	43,757,578
CHANGES IN TOTAL NET ASSETS	4,847,034	765,968	5,613,002	97,127	42,790,356	42,877,483	5,345,762	(100,000)	5,245,762	3,607,471	(3,684,236)	53,659,482
Net assets/members' equity - Beginning 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
NET ASSETS/MEMBERS' EQUITY - END OF YEAR	\$ 27,606,803	\$ 11,916,748	\$ 39,523,551	\$ 90,840,009	\$ 219,513,194	\$ 310,353,203	\$ 10,029,345	\$ -	\$ 10,029,345	\$ 7,444,277	\$ (7,521,042)	\$ 359,829,334

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(SCENIC HUDSON, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>For the Year Ended June 30, 2022</u>				<u>For the Year Ended June 30, 2021</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2022</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2021</u>
Salaries	\$ 4,920,330	\$ 739,461	\$ 853,149	\$ 6,512,940	\$ 4,770,041	\$ 783,493	\$ 705,212	\$ 6,258,746
Payroll taxes and employee benefits	<u>1,361,090</u>	<u>199,627</u>	<u>254,070</u>	<u>1,814,787</u>	<u>1,311,439</u>	<u>215,407</u>	<u>193,885</u>	<u>1,720,731</u>
Total salaries and related costs	6,281,420	939,088	1,107,219	8,327,727	6,081,480	998,900	899,097	7,979,477
Occupancy	311,807	50,571	50,571	412,949	307,935	43,601	26,411	377,947
Consultants and experts	699,753	104,120	-	803,873	925,000	57,228	-	982,228
Legal and audit	5,750	33,672	-	39,422	5,080	54,644	-	59,724
Employee travel and training	58,131	8,526	10,851	77,508	57,458	39,678	1,110	98,246
Office - general	186,478	27,350	34,809	248,637	211,080	29,886	18,103	259,069
Equipment	72,862	-	-	72,862	20,538	7,960	90	28,588
Program and public outreach costs	1,415,050	60,470	76,962	1,552,482	296,724	39,406	113,467	449,597
Depreciation and amortization	-	15,927	-	15,927	15,926	-	-	15,926
Bad debt expense	-	20,488	-	20,488	-	-	-	-
TOTAL	<u>\$ 9,031,251</u>	<u>\$ 1,260,212</u>	<u>\$ 1,280,412</u>	<u>\$ 11,571,875</u>	<u>\$ 7,921,221</u>	<u>\$ 1,271,303</u>	<u>\$ 1,058,278</u>	<u>\$ 10,250,802</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, 2022 AND 2021**

	<u>For the Year Ended June 30, 2022</u>			<u>For the Year Ended June 30, 2021</u>				
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2022</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2021</u>
Conservation easements and monitoring costs	\$ 447,649	\$ -	\$ -	\$ 447,649	\$ 1,136,428	\$ -	\$ -	\$ 1,136,428
Land project expenses	2,322,573	-	-	2,322,573	4,346,358	-	-	4,346,358
Program and business management services	2,530,652	123,700	66,963	2,721,315	2,523,800	101,066	54,245	2,679,111
Grants and contributions	4,330,746	-	-	4,330,746	9,087,258	-	-	9,087,258
Remediation expense	-	-	-	-	1,561	-	-	1,561
Property taxes	331,229	-	-	331,229	391,382	-	-	391,382
Insurance	184,495	-	-	184,495	174,225	-	-	174,225
Legal and audit fees	20,323	42,100	-	62,423	14,441	43,251	-	57,692
Interest	146,521	-	-	146,521	230,005	-	-	230,005
Depreciation and amortization	21,530	-	-	21,530	23,403	-	-	23,403
TOTAL	<u>\$ 10,335,718</u>	<u>\$ 165,800</u>	<u>\$ 66,963</u>	<u>\$ 10,568,481</u>	<u>\$ 17,928,861</u>	<u>\$ 144,317</u>	<u>\$ 54,245</u>	<u>\$ 18,127,423</u>

**SCENIC HUDSON, INC. AND
CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
(HUDSON HIGHLANDS FJORD TRAIL, INC.)
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2022</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2021</u>
Consultants and experts	\$ 8,450	\$ -	\$ -	\$ 8,450	\$ 516,339	\$ -	\$ -	\$ 516,339
Legal and audit fees	76,967	7,200	-	84,167	51,534	7,200	-	58,734
Program and public outreach costs	552,868	-	-	552,868	275,590	-	-	275,590
Employee travel and training	3,422	-	-	3,422	1,647	-	-	1,647
Office expenses	48,601	-	-	48,601	3,673	-	-	3,673
Land project expenses	2,862,446	-	-	2,862,446	3,054,044	-	-	3,054,044
Property taxes	32,046	-	-	32,046	23,662	-	-	23,662
Conservation easements and monitoring costs	7,239	-	-	7,239	58,299	-	-	58,299
Grants and contributions	-	-	-	-	566	-	-	566
TOTAL	<u>\$ 3,592,039</u>	<u>\$ 7,200</u>	<u>\$ -</u>	<u>\$ 3,599,239</u>	<u>\$ 3,985,354</u>	<u>\$ 7,200</u>	<u>\$ -</u>	<u>\$ 3,992,554</u>

SCENIC HUDSON, INC. AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTARY INFORMATION
SCHEDULES OF PROGRAM-RELATED INVESTMENTS IN LAND AREAS
AS OF JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</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, Coxsackie (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 - Ilen	167,468	167,468
Beacon Terminal, Madam Brett	320,886	320,886
Foundry Cove (Marin), Cold Spring	523,062	523,062
Foundry Cove (Spevak), Cold Spring	1,924,329	1,924,329
Beacon Waterfront - Garrett Storm	881,296	881,296
Beacon Waterfront - Kellam	781,805	781,805
King James Weyant, Ft Montgomery	272,040	272,040
Shaupeneak Ridge, Additions	91,303	91,303
Wappingers Greenway	229,920	229,920
Fishkill Base of Mt. Beacon	443,510	443,510
Beacon Waterfront - Cohen	1,608,552	1,608,552
Stockport - Saurusaitis	75,172	75,172
Snake Hill - New Windsor	1,092,921	1,092,921
Binnen Kill - Chi	413,472	413,472
Beacon - University Settlement Camp	36,001	36,001
Hyde Park - Clear View Acres (Dominican Camp)	1,269,218	1,269,218
Hyde Park - Golden	410,825	410,825
Black Creek - Gordon	1,108,701	1,108,701
Foundry Cove (Kemble), Cold Spring	188,372	188,372
Illinois Mountain	1,355,217	1,355,217
Esopus Meadows Point, Patchoros	513,447	513,447
FDR Viewshed - WA Lloyd	2,117,223	2,117,223
Black Creek - Mahairas	141,977	141,977
FDR Viewshed - Murilo	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/Bronch 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 (Barner)	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 - Aisdorf	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	770,417	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
Kincart	268,085	268,085
Rivit Creek	315,828	315,828
Longhitano	1,047,408	1,045,708
Ticon	-	783,989
Aloe	1,636,034	1,635,972
AT&T	77,588	-
Furnari	344,342	-
Divney	982,575	-
DBTL Realty Corp	842,971	-
Hickman	74,112	-
	<u>59,333,649</u>	<u>82,694,522</u>
Northside Junction, LLC:		
58-70 Parker Avenue	3,226,035	3,226,035
164 Garden Street	610,771	610,771
	<u>3,836,806</u>	<u>3,836,806</u>
Hudson Highlands Fjord Trail, Inc.:		
Dutchess Manor	3,044,962	3,044,962
14 Coris Lane	420,606	420,606
	<u>3,465,568</u>	<u>3,465,568</u>
Program-related investments in land areas, at cost	<u>\$ 67,556,023</u>	<u>\$ 90,916,896</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, 2022 AND 2021**

	2022	2021
SOURCES OF FUNDS:		
Contributions without donor restrictions	\$ 4,492,154	\$ 14,007,620
Releases of contributions with donor restrictions	10,620,307	2,927,028
Endowment earnings used to meet spending policy	9,794,000	9,624,000
Proceeds from sales of natural land areas and improvements	28,689,476	-
Other revenues	48,260	124,510
Total Sources of Funds	53,644,197	26,683,158
USES OF FUNDS:		
Purchases of natural land areas and improvements (in fee)	2,323,352	3,475,650
Program services expenses:		
Purchases of conservation easements and easement monitoring costs	454,888	1,194,727
Park construction and management	5,185,019	7,400,402
Salaries and related benefits	6,281,420	6,081,480
Other	3,857,889	3,589,488
Supporting services expenses	2,677,490	2,444,182
Total Uses of Funds	20,780,058	24,185,929
NET SOURCES AND USES OF FUNDS	\$ 32,864,139	\$ 2,497,229
OTHER KEY FINANCIAL INFORMATION:		
Program-related investments in land areas, at cost - beginning of year	\$ 90,916,896	\$ 87,441,246
Purchases of natural land areas and improvements (in fee)	2,323,352	3,475,650
Sales/donations of property interests to state and local governmental agencies and unaffiliated nonprofit entities at cost	(25,684,225)	-
Program-related investments in land areas, at cost - end of year	\$ 67,556,023	\$ 90,916,896

See independent auditors' report.