W/P

PRICEWATERHOUSECOOPERS L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
677 BROADWAY, 7TH FLOOR
ALBANY,NY 12207

MR. JOSEPH KAZLAUSKAS
SCENIC HUDSON, INC.
ONE CIVIC CENTER PLAZA, SUITE 200
POUGHKEEPSIE, NY 12601

DEAR MR. KAZLAUSKAS:

ENCLOSED ARE THE ORIGINAL AND ONE COPY OF YOUR INCOME TAX RETURNS FOR THE PERIOD ENDED JUNE 30, 2006 FOR:

SCENIC HUDSON, INC. AS FOLLOWS...

2005 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX
2005 SCHEDULE A - ORGANIZATION EXEMPT UNDER 501(C)(3)
2005 SCHEDULE B - SCHEDULE OF CONTRIBUTORS
2005 NEW YORK FORM 500 - ANNUAL FINANCIAL REPORT
2004 CONNECTICUT ANNUAL CHARITY REGISTRATION APPLICATION

EACH ORIGINAL SHOULD BE DATED, SIGNED AND FILED IN ACCORDANCE WITH THE FILING INSTRUCTIONS. THE COPY SHOULD BE RETAINED FOR YOUR FILES.

WE SINCERELY APPRECIATE THIS OPPORTUNITY TO SERVE YOU. PLEASE CONTACT US IF YOU HAVE QUESTIONS CONCERNING THE RETURNS OR IF WE MAY BE OF FURTHER ASSISTANCE.

VERY TRULY YOURS,

PRICEWATERHOUSECOOPERS L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

PRICEWATERHOUSECOOPERS L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
677 BROADWAY, 7TH FLOOR
ALBANY,NY 12207

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INSTRUCTIONS FOR FILING
SCENIC HUDSON, INC.
FORM 990 WITH SCH. A - EXEMPT UNDER 501(C)(3)
FOR THE PERIOD ENDED JUNE 30, 2006

****

SIGNATURE...
THE ORIGINAL RETURN SHOULD BE SIGNED (USING FULL NAME AND TITLE) AND DATED BY AN AUTHORIZED OFFICER OF THE ORGANIZATION.

FILING...
THE SIGNED RETURN SHOULD BE FILED ON OR BEFORE NOVEMBER 15, 2006 WITH...

INTERNAL REVENUE SERVICE
OGDEN, UT 84201-0027

PAYMENT OF TAX...
NO PAYMENT OF TAX IS REQUIRED.

TO DOCUMENT THE TIMELY FILING OF YOUR TAX RETURN(S), WE SUGGEST THAT YOU OBTAIN AND RETAIN PROOF OF MAILING. PROOF OF MAILING CAN BE ACCOMPLISHED BY SENDING THE TAX RETURN(S) BY REGISTERED OR CERTIFIED MAIL (METERED BY THE U.S. POSTAL SERVICE) OR THROUGH THE USE OF AN IRS APPROVED DELIVERY METHOD PROVIDED BY AN IRS DESIGNATED PRIVATE DELIVERY SERVICE.

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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2005

Open to Public Inspection

A For the 2005 calendar year, or tax year beginning 07/01 **, 2005, and ending** 06/30/2006

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Final return ☐ Amended return ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: SCENIC HUDSON, INC.

Number and street (or P.O. box if mail is not delivered to street address) | Room/suite: ONE CIVIC CENTER PLAZA, SUITE 200

City or town, state or country, and ZIP + 4: POUGHKEEPSIE, NY 12601

D Employer identification number: 13-2898799

E Telephone number: (845)473-4440

F Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

• **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? ☐ Yes ☐ No (If "No," attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

G Website: ▶ N/A

J **Organization type** (check only one) ▶ ☒ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

I Group Exemption Number ▶

K Check here ▶ ☐ if the organization's gross receipts are normally not more than $25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

M Check ▶ ☐ if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 4,371,294.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances *(See the instructions.)*

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	1a	3,123,339.		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c	92,260.		
	d	Total (add lines 1a through 1c) (cash $ 3,215,599. noncash $)			1d	3,215,599.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	269.
	3	Membership dues and assessments			3	
	4	Interest on savings and temporary cash investments			4	59,807.
	5	Dividends and interest from securities			5	153,095.
	6 a	Gross rents	6a			
	b	Less: rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)			6c	
	7	Other investment income (describe ▶)			7	
	8 a	Gross amount from sales of assets other than inventory	8a	(A) Securities: 927,117. (B) Other:		
	b	Less: cost or other basis and sales expenses	8b	(A) Securities: 679,560. (B) Other:		
	c	Gain or (loss) (attach schedule)	8c	(A) Securities: 247,557. (B) Other:		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))			8d	247,557.
	9	Special events and activities (attach schedule). If any amount is from gaming, check here ▶ ☐				
	a	Gross revenue (not including $ of contributions reported on line 1a)	9a			
	b	Less: direct expenses other than fundraising expenses	9b			
	c	Net income or (loss) from special events (subtract line 9b from line 9a)			9c	
	10 a	Gross sales of inventory, less returns and allowances	10a			
	b	Less: cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	
	11	Other revenue (from Part VII, line 103)			11	15,407.
	12	**Total revenue** (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	3,691,734.
Expenses	13	Program services (from line 44, column (B))			13	2,609,118.
	14	Management and general (from line 44, column (C))			14	420,858.
	15	Fundraising (from line 44, column (D))			15	622,657.
	16	Payments to affiliates (attach schedule)			16	
	17	**Total expenses** (add lines 16 and 44, column (A))			17	3,652,633.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	39,101.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	9,893,072.
	20	Other changes in net assets or fund balances (attach explanation) STMT 1 STMT 2			20	157,568.
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	10,089,741.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2005)

JSA
5E1010 2.000

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. *(See the instructions.)*

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash $ ______ noncash $ ______) If this amount includes foreign grants, check here ▶ ☐	22				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				STMT 3
25 Compensation of officers, directors, etc.	25	484,158.	484,158.		
26 Other salaries and wages	26	2,328,065.	1,806,973.	187,959.	333,133.
27 Pension plan contributions	27	135,792.	109,992.	9,505.	16,295.
28 Other employee benefits	28	225,845.	185,746.	13,919.	26,180.
29 Payroll taxes	29	236,133.	191,268.	16,529.	28,336.
30 Professional fundraising fees	30				
31 Accounting fees	31	17,450.		17,450.	
32 Legal fees	32	1,462.	1,462.		
33 Supplies	33				
34 Telephone	34				
35 Postage and shipping	35				
36 Occupancy	36	310,519.	215,292.	47,398.	47,829.
37 Equipment rental and maintenance	37				
38 Printing and publications	38				
39 Travel	39	116,508.	91,782.	17,853.	6,873.
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc. (attach schedule)	42	24,155.	24,155.		
43 Other expenses not covered above (itemize):					
a CONSULTING EXPENSE	43a	469,629.	424,935.	15,744.	28,950.
b SMALL EQUIPMENT PURCHASES	43b	45,750.	23,453.	8,842.	13,455.
c PUBLIC OUTREACH	43c	377,396.	239,487.	34,431.	103,478.
d REIMBURSEMENTS FROM SCENI	43d	-1,247,664.	-1,247,664.		
e INVESTMENT ADVISORY FEES	43e	20,132.		20,132.	
f OFFICE GENERAL EXPENSE	43f	107,303.	58,079.	31,096.	18,128.
g	43g				
44 **Total functional expenses.** Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	3,652,633.	2,609,118.	420,858.	622,657.

Joint Costs. Check ▶ [X] if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in **(B)** Program services? ▶ [X] Yes [ ] No

If "Yes," enter **(i)** the aggregate amount of these joint costs $ 3,105,276. ; **(ii)** the amount allocated to Program services $ 2,099,343.; **(iii)** the amount allocated to Management and general $ 383,276. ; and **(iv)** the amount allocated to Fundraising $ 622,657.

Part III Statement of Program Service Accomplishments *(See the instructions.)*

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶SEE STATEMENT 4 All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	**Program Service Expenses** (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a LAND PRESERVATION-THROUGH ITS AFFLIIATED LAND TRUST, SCENIC HUDSON SAFEGUARDS IRREPLACEABLE LANDS, VITAL ECOSYSTEMS AND WORKING FARMS, WHILE IT ALSO RECLAIMS NEGLECTED URBAN WATERFRONTS. (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	242,837.
b ENVIRONMENTAL QUALITY-SCENIC HUDSON USES EVERY FORM OF ADVOCACY IN WORKING FOR CLEAN AIR AND WATER IN THE HUDSON VALLEY. IN COLLABORATION WITH THE STATE AND LOCAL GOVERN-MENTS, CITIZENS, SCIENTISTS AND LAWYERS, WE KEEP THE PUBLIC AND POLICY-MAKERS INFORMED ON CRITICAL QUALITY-OF-LIFE ISSUES. (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	621,830.
c RIVERFRONT COMMUNITIES-SCENIC HUDSON WORKS WITH CONCERNED CITIZENS, LOCAL OFFICIALS, GOVERNMENT GROUPS AND DEVELOPERS TO ENCOURAGE SMART GROWTH. WE PROMOTE PLANNING AND DESIGN STANDARDS THAT PROTECT SCENIC AND HISTORIC ASSETS, COUNTERACT SPRAWL, MITIGATE ENVIRONMENTAL IMPACTS AND ENHANCE THE PUBLIC ASSESS TO THE HUDSON RIVER. (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	670,716.
d EDUCATION & VOLUNTEERS-WORKING WITH THE NEXT GENERATION OF HUDSON VALLEY RESIDENTS OUR EDUCATION AND VOLUNTEER PROGRAMS OFFER A VARIETY OF ACTIVITIES FOR CHILDREN & ADULTS. OUR WORK IN LOCAL SCHOOLS EMPHASIZES OUR PARKS AS OUTDOOR CLASS-ROOMS TO INSTILL AN UNDERSTANDING OF THE RIVER'S ECOLOGY. (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	604,310.
e Other program services (attach schedule) SEE STATEMENT 5 (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	469,425.
f Total of Program Service Expenses (should equal line 44, column (B), Program services). . . . . ▶	2,609,118.

Part IV Balance Sheets *(See the instructions.)*

	Note: *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.*			(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing			25,000.	45	25,000.
	46 Savings and temporary cash investments			1,366,098.	46	1,415,620.
	47a Accounts receivable	47a				
	b Less: allowance for doubtful accounts	47b			47c	
	48a Pledges receivable	48a				
	b Less: allowance for doubtful accounts	48b			48c	
	49 Grants receivable			2,236,255.	49	1,974,143.
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)				50	
	51a Other notes and loans receivable (attach schedule)	51a				
	b Less: allowance for doubtful accounts	51b			51c	
	52 Inventories for sale or use				52	
	53 Prepaid expenses and deferred charges			29,304.	53	29,726.
	54 Investments - securities (attach schedule) STMT 6 ▶ ☐ Cost ☒ FMV			6,146,896.	54	6,692,673.
	55a Investments - land, buildings, and equipment: basis	55a				
	b Less: accumulated depreciation (attach schedule)	55b			55c	
	56 Investments - other (attach schedule)				56	
	57a Land, buildings, and equipment: basis	57a	120,204.			
	b Less: accumulated depreciation (attach schedule)	57b	100,988.	43,371.	57c	19,216.
	58 Other assets (describe ▶ STMT 7)			203,922.	58	207,915.
	59 **Total assets** (must equal line 74). Add lines 45 through 58.			10,050,846.	59	10,364,293.
Liabilities	60 Accounts payable and accrued expenses			153,932.	60	270,710.
	61 Grants payable			3,842.	61	3,842.
	62 Deferred revenue				62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)				63	
	64a Tax-exempt bond liabilities (attach schedule)				64a	
	b Mortgages and other notes payable (attach schedule)				64b	
	65 Other liabilities (describe ▶)				65	
	66 **Total liabilities.** Add lines 60 through 65			157,774.	66	274,552.
Net Assets or Fund Balances	**Organizations that follow SFAS 117, check here ▶** ☒ and complete lines 67 through 69 and lines 73 and 74.					
	67 Unrestricted			7,403,545.	67	7,983,778.
	68 Temporarily restricted			2,489,527.	68	2,105,963.
	69 Permanently restricted				69	
	Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 70 through 74.					
	70 Capital stock, trust principal, or current funds				70	
	71 Paid-in or capital surplus, or land, building, and equipment fund				71	
	72 Retained earnings, endowment, accumulated income, or other funds				72	
	73 **Total net assets or fund balances** (add lines 67 through 69 **or** lines 70 through 72; column (A) **must** equal line 19; column (B) **must** equal line 21)			9,893,072.	73	10,089,741.
	74 **Total liabilities and net assets/fund balances.** Add lines 66 and 73.			10,050,846.	74	10,364,293.

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return *(See the instructions.)*

a	Total revenue, gains, and other support per audited financial statements			a	5,097,716.
b	Amounts included on line a but not on Part I, line 12:				
1	Net unrealized gains on investments	b1	158,318.		
2	Donated services and use of facilities	b2			
3	Recoveries of prior year grants	b3			
4	Other (specify): SEE STATEMENT 8	b4	1,247,664.		
	Add lines b1 through b4			b	1,405,982.
c	Subtract line b from line a			c	3,691,734.
d	Amounts included on Part I, line 12, but not on line a:				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines d1 and d2			d	
e	**Total revenue** (Part I, line 12). Add lines c and d ▶			e	3,691,734.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements			a	4,900,297.
b	Amounts included on line a but not on Part I, line 17:				
1	Donated services and use of facilities	b1			
2	Prior year adjustments reported on Part I, line 20	b2			
3	Losses reported on Part I, line 20	b3			
4	Other (specify): SEE STATEMENT 9	b4	1,247,664.		
	Add lines b1 through b4			b	1,247,664.
c	Subtract line b from line a			c	3,652,633.
d	Amounts included on Part I, line 17, but not on line a:				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines d1 and d2			d	
e	**Total expenses** (Part I, line 17). Add lines c and d ▶			e	3,652,633.

Part V Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) *(See the instructions.)*

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
EDWARD SULLIVAN ONE CIVIC CENTER PLAZA	PRESIDENT 42	217,000.	13,714.	8,935.
STEVEN ROSENBERG ONE CIVIC CENTER PLAZA	EXECUTIVE DIRECTOR 40	146,620.	14,298.	1,449.
JOSEPH KAZLAUSKAS ONE CIVIC CENTER PLAZA	CF & OO 40	120,538.	12,654.	1,195.
SEE ATTACHED				

Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)*

			Yes	No
75a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 30			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b		X
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? **Note.** Related organizations include section 509(a)(3) supporting organizations.	75c		X
	If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.			
d	Does the organization have a written conflict of interest policy?	75d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
	-0-	-0-	-0-	-0-

Part VI Other Information *(See the instructions.)*

			Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		X
78a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	78b	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X	
b	If "Yes," enter the name of the organization ▶ SCENIC HUDSON LAND TRUST, INC. and check whether it is [X] exempt or [ ] nonexempt			
81a	Enter direct and indirect political expenditures. (See line 81 instructions.) 81a NONE			
b	Did the organization file **Form 1120-POL** for this year?	81b		X

Part VI Other Information *(continued)*

			Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) — 82b			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85	*501(c)(4), (5), or (6) organizations.* a Were substantially all dues nondeductible by members?	85a	N/A	
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	85b	N/A	
	If "Yes" was answered to either 85a or 85b, **do not** complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c	Dues, assessments, and similar amounts from members — 85c N/A			
d	Section 162(e) lobbying and political expenditures — 85d N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices — 85e N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) — 85f N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	
86	*501(c)(7) orgs.* Enter: a Initiation fees and capital contributions included on line 12 — 86a N/A			
b	Gross receipts, included on line 12, for public use of club facilities — 86b N/A			
87	*501(c)(12) orgs.* Enter: a Gross income from members or shareholders — 87a N/A			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) — 87b N/A			
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88		X
89a	*501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ NONE ; section 4912 ▶ NONE ; section 4955 ▶ NONE			
b	*501(c)(3) and 501(c)(4) orgs.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X

c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ NONE

d Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ NONE

90a List the states with which a copy of this return is filed ▶ CT,NY,

b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.) 90b 48

91a The books are in care of ▶ THE ORGANIZATION Telephone no. ▶ 845-473-4440

Located at ▶ ONE CIVIC CENTER PLAZA, POUGHKEEPSIE, NY , ZIP + 4 ▶ 12601

			Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b		X
	If "Yes," enter the name of the foreign country ▶			
	See the instructions for exceptions and filing requirements for **Form TD F 90-22.1**, Report of Foreign Bank and Financial Accounts.			
c	At any time during the calendar year, did the organization maintain an office outside of the United States?	91c		X
	If "Yes," enter the name of the foreign country ▶			

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* ***Form 1041*** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 NONE

Part VII Analysis of Income-Producing Activities *(See the instructions.)*

Note: *Enter gross amounts unless otherwise indicated.*	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a MERCHANDISE SALE					269.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	59,807.	
96 Dividends and interest from securities			14	153,095.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	247,557.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b MISC INCOME					15,407.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				460,459.	15,676.

105 **Total** (add line 104, columns (B), (D), and (E)) ▶ 476,135.

Note: *Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.*

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes *(See the instructions.)*

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	ALL ITEMS SOLD CONTAIN INFORMATION ON THE BEAUTY,
93A	SIGNIFICANCE AND HISTORY OF THE HUDSON RIVER.
103B	INCOME FROM MISCELLANEOUS ACTIVITIES RELATED TO
103B	ORGANIZATION'S EXEMPT PURPOSE.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities *(See the instructions.)*

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts *(See the instructions.)*

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: *If "Yes" to **(b)**, file Form 8870 **and** Form 4720 (see instructions).*

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

▶ Signature of officer | Date

▶ Type or print name and title.

Paid Preparer's Use Only

Preparer's signature ▶ Jeffrey C. Kent	Date 11-13-2006	Check if self-employed ▶ ☐	Preparer's SSN or PTIN (See Gen. Inst. W) P00593765
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ PRICEWATERHOUSECOOPERS L.L.P. 677 BROADWAY ALBANY, NY 12207		EIN ▶ 13-4008324	Phone no. ▶ 518-462-2030

SCHEDULE A
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or 4947(a)(1) Nonexempt Charitable Trust
Supplementary Information - (See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047
2005

Name of the organization: SCENIC HUDSON, INC.
Employer identification number: 13-2898799

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than $50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
SEE STATEMENT 10				
Total number of other employees paid over $50,000 . . ▶	18			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 11		
Total number of others receiving over $50,000 for professional services . . . . ▶ NONE		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 12		
Total number of other contractors receiving over $50,000 for other services . . . . ▶ NONE		

Part III Statements About Activities (See page 2 of the instructions.)

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ $ 20,682. (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	1	X	
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)*			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? STMT 13	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)	3a		X
b	Do you have a section 403(b) annuity plan for your employees?	3b	X	
c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3c		X
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a		X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

5 [ ] A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).

6 [ ] A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)

7 [ ] A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

8 [ ] A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).

9 [ ] A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶

10 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)

11a [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

11b [ ] A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

12 [ ] An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)

13 [ ] An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: **(1)** lines 5 through 12 above; or **(2)** section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: ▶ [ ] Type 1 [ ] Type 2 [ ] Type 3

Provide the following information about the supported organizations. (See page 6 of the instructions.)

(a) Name(s) of supported organization(s)	**(b)** Line number from above

14 [ ] An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) ***Use cash method of accounting.***

Note: *You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.*

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	5,075,501.	3,169,219.	4,363,651.	2,534,559.	15,142,930.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	111.	997.	463.	-5,442.	-3,871.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	140,683.	100,674.	119,267.	164,799.	525,423.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	STMT 14 3,893.	32,455.	9,101.	100.	45,549.
23 Total of lines 15 through 22	5,220,188.	3,303,345.	4,492,482.	2,694,016.	15,710,031.
24 Line 23 minus line 17	5,220,077.	3,302,348.	4,492,019.	2,699,458.	15,713,902.
25 Enter 1% of line 23	52,202.	33,033.	44,925.	26,940.	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶ **26a** 314,278.

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ **26b** 477,840.

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ **26c** 15,713,902.

d Add: Amounts from column (e) for lines: 18 525,423. 19 ______ 22 45,549. 26b 477,840. ▶ **26d** 1,048,812.

e Public support (line 26c minus line 26d total) ▶ **26e** 14,665,090.

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ **26f** 93.3256 %

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." **Do not file this list with your return.** Enter the sum of such amounts for each year:

NOT APPLICABLE

(2004) ______ (2003) ______ (2002) ______ (2001) ______

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of **(1)** the amount on line 25 for the year or **(2)** $5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) **Do not file this list with your return.** After computing the difference between the amount received and the larger amount described in **(1)** or **(2)**, enter the sum of these differences (the excess amounts) for each year:

(2004) ______ (2003) ______ (2002) ______ (2001) ______

c Add: Amounts from column (e) for lines: 15 ______ 16 ______ 17 ______ 20 ______ 21 ______ ▶ **27c**

d Add: Line 27a total. ______ and line 27b total ______ ▶ **27d**

e Public support (line 27c total minus line 27d total) ▶ **27e**

f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶ **27f**

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ **27g** %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ **27h** %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. **Do not file this list with your return.** Do not include these grants in line 15.

Part V **Private School Questionnaire** (See page 7 of the instructions.) NOT APPLICABLE
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

			Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A **Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check ▶ a [X] if the organization belongs to an affiliated group. Check ▶ b [ ] if you checked **"a"** and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	522.	522.
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	85,160.	20,160.
38 Total lobbying expenditures (add lines 36 and 37)	38	85,682.	20,682.
39 Other exempt purpose expenditures	39	10,239,768.	3,631,951.
40 Total exempt purpose expenditures (add lines 38 and 39)	40	10,325,450.	3,652,633.
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is - / **The lobbying nontaxable amount is -**			
Not over $500,000 ... 20% of the amount on line 40			
Over $500,000 but not over $1,000,000 ... $100,000 plus 15% of the excess over $500,000			
Over $1,000,000 but not over $1,500,000 ... $175,000 plus 10% of the excess over $1,000,000	41	666,273.	332,632.
Over $1,500,000 but not over $17,000,000 ... $225,000 plus 5% of the excess over $1,500,000			
Over $17,000,000 ... $1,000,000			
42 Grassroots nontaxable amount (enter 25% of line 41)	42	166,568.	83,158.
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: *If there is an amount on either line 43 or line 44, you must file Form 4720.*

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	**(a)** 2005	**(b)** 2004	**(c)** 2003	**(d)** 2002	**(e)** Total
45 Lobbying nontaxable amount	332,632.	314,539.	349,464.	334,837.	1,331,472.
46 Lobbying ceiling amount (150% of line 45(e))					1,997,208.
47 Total lobbying expenditures	20,682.	5,568.	1,510.	13,391.	41,151.
48 Grassroots nontaxable amount	83,158.	78,635.	87,366.	83,709.	332,868.
49 Grassroots ceiling amount (150% of line 48(e))					499,302.
50 Grassroots lobbying expenditures	522.	3,009.	NONE	NONE	3,531.

Part VI-B **Lobbying Activity by Nonelecting Public Charities** NOT APPLICABLE
(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines **c** through **h**.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines **c** through **h**.)			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Part VII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	**51a(i)**		X
(ii) Other assets	**a(ii)**		X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	**b(i)**		X
(ii) Purchases of assets from a noncharitable exempt organization	**b(ii)**		X
(iii) Rental of facilities, equipment, or other assets	**b(iii)**		X
(iv) Reimbursement arrangements	**b(iv)**		X
(v) Loans or loan guarantees	**b(v)**		X
(vi) Performance of services or membership or fundraising solicitations	**b(vi)**		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	**c**		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2005

Name of organization

SCENIC HUDSON, INC.

Employer identification number

13-2898799

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.** (**Note:** *Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule - see instructions.)*

General Rule -

[X] For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules -

[ ] For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test under Regulations sections 1.509(a)-3/1.170A-9(e) and received from any one contributor, during the year, a contribution of the greater of $5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year.) . . . . ▶ $ ________

Caution: *Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).*

Name of organization SCENIC HUDSON, INC.

Employer identification number 13-2898799

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	WARREN ADELSON 842 SLEEPY HOLLOW RD SCARBOROUGH, NY 10510-2518	55,645.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	SCENIC HUDSON LAND TRUST, INC. ONE CIVIC CENTER PLAZA, SUITE 200 POUGHKEEPSIE, NY 12601	272,876.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	THE SHELBY CULLOM DAVIS FOUNDATION 3 BETHESDA METRO CENTER BETHESDA, MD 20814	500,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	THE EDUCATIONAL FOUNDATION OF AMERICA 35 CHURCH LN WESTPORT, CT 06880-3515	180,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5	THE STARR FOUNDATION 399 PARK AVENUE 17TH FLOOR NEW YORK, NY	100,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
6	VALERIE VAN DER HEYDEN 46 E MAIN STREET BREVARD, NC 28712-3738	160,041.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization SCENIC HUDSON, INC.

Employer identification number 13-2898799

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	THE NEW YORK COMMUNITY TRUST 909 THIRD AVE NEW YORK, NY 10022	118,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
8	NYSCA-COUNSEL FOR THE ARTS 175 VARICK STREET NEW YORK, NY 10014	67,200.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
9	VARIOUS UNDER 2% THRESHOLD ,	1,736,777.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
10	VARIOUS- GOVERNMENTAL ,	25,060.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
			Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
			Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

DESCRIPTION		AMOUNT
UNREALIZED GAIN ON INVESTMENTS		158,318.
	TOTAL	158,318.

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES

DESCRIPTION		AMOUNT
REFUND OF PY CONTRIBUTION		750.
	TOTAL	750.

FORM 990, PART II, LINE 25 - OFFICER COMPENSATION SCHEDULE

OFFICER NAME AND TYPE OF COMPENSATION	PROGRAM SERVICES
EDWARD SULLIVAN	
COMPENSATION:	217,000.
STEVEN ROSENBERG	
COMPENSATION:	146,620.
JOSEPH KAZLAUSKAS	
COMPENSATION:	120,538.
TOTALS	484,158.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE

THE ORGANIZATION WAS FOUNDED TO PRESERVE, RESTORE & ENHANCE THE ECOLOGICAL, SCENIC, HISTORIC & RECREATIONAL RESOURCES OF THE HUDSON RIVER.

FORM 990, PART III - OTHER PROGRAM SERVICES (LINE E)

DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
COMMUNICATIONS-A VARIETY OF COMMUNICATIONS & PUBLIC RELATIONS PROGRAMS HELP SCENIC HUDSON RAISE AWARENESS OF IMPORTANT ENVIRONMENTAL LAND-USE ISSUES.		469,425.
TOTALS		469,425.

FORM 990, PART IV - INVESTMENTS - SECURITIES

DESCRIPTION	ENDING BOOK VALUE
EQUITY SECURITIES AND FIXED INCOME FUNDS	6,692,673.
TOTALS	6,692,673.

STATEMENT 6

FORM 990, PART IV - OTHER ASSETS

DESCRIPTION	ENDING BOOK VALUE
ASSETS HELDIN POOLED INCOME FD	68,503.
INTEREST IN CHARITABLE REMAINDER UNITRUST	120,245.
SECURITY DEPOSITS	19,167.
TOTALS	207,915.

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

DESCRIPTION	AMOUNT
REIMBURSEMENT FROM SCENIC HUDSON LAND TRUST, INC.	1,247,664.
TOTAL	1,247,664.

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

DESCRIPTION	AMOUNT
REIMBURSEMENT FROM SCENIC HUDSON LAND TRUST, INC.	1,247,664.
TOTAL	1,247,664.

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCOUNT
ERIN RILEY ONE CIVIC CENTER PLAZA STE 200 POUGHKEEPSIE, NY 12601	VP EXTERNAL AFFAIRS 40	100,135.	11,369.	553.
WARREN REISS ONE CIVIC CENTER PLAZA STE 200 POUGHKEEPSIE, NY 12601	GENERAL COUNSEL 40	94,470.	11,011.	527.
JAMES BURGESS ONE CIVIC CENTER PLAZA STE 200 POUGHKEEPSIE, NY 12601	DIR. OF COMM. 40	85,365.	10,435.	648.
ROBERT ELLIOT ONE CIVIC CENTER PLAZA STE 200 POUGHKEEPSIE, NY 12601	SR ADVISOR 24.5	107,000.	674.	
SETH MCKEE ONE CIVIC CENTER PLAZA STE 200 POUGHKEEPSIE, NY 12601	DIR LAND CONSERV. 40	76,979.	10,164.	851.
	TOTAL COMPENSATION	463,949.	43,653.	2,579.

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.

NAME AND ADDRESS	TYPE OF SERVICE	COMPENSATION
M BOOTH & ASSOCIATES, INC. 300 PARK AVE SOUTH 12TH FLOOR NEW YORK, NY 10010	PUBLIC RELATIONS	64,000.
ROHER/SPRAGUE 50 AOURH BUCKOUT STREET IRVINGTON, NY 10533	COMMUNICTION DESIGN	50,321.
TOTAL COMPENSATION		114,321.

STATEMENT 11

SCH. A, PART II-B COMPENSATION OF THE 5 HIGHEST PAID FOR OTHER SERV.

NAME AND ADDRESS	TYPE OF SERVICE	COMPENSATION
MAAR PRINTING SERVICES 49 OAKLEY STREET POUGHKEEPSIE, NY 12601	PRINTING SERVICE	52,414.
NE CAP 497 E. MAIN STREET ANSONIA, CT 06401 CAPS W/LOGOS EMBROIDERED	PROMOTIONAL	56,680.
	TOTAL COMPENSATION	109,094.

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D

EDWARD SULLIVAN, PRESIDENT, STEVEN ROSENBERG, EXECUTIVE DIRECTOR, & JOSEPH KAZLAUSKAS, CHIEF FINANCE & OPERATIONS OFFICER RECEIVED COMPENSATION OF $ 217,000, $146,620 AND $ 120,538 RESPECTIVELY. THESE SALARIES HAVE BEEN APPROVED BY THE BOARD OF DIRECTORS AND ARE DETERMINED TO BE COMMERSURAL WITH THE DUTIES AND RESPONSIBILITIES OF THEIR POSITIONS.

SCHEDULE A, PART IV-A - OTHER INCOME

DESCRIPTION	2004	2003	2002	2001	TOTAL
MISCELLANEOUS	3,893.	32,455.	9,101.	100.	45,549.
TOTALS	3,893.	32,455.	9,101.	100.	45,549.

EIN: 13-2898799

Scenic Hudson, Inc.
Board of Directors
June 30, 2006

Atwater, Phyllis Y.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Byrne-Ling, Mary	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Cameron, James R.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Clancy, Maureen K.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Evarts Jr., Esq., William M	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Flinn, Irvine D.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Freeman, Robert P.	*Vice Chair*	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Gamble, Kristin	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Gannett, Anna Carlson	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Glynn, Gary A.	Treasurer	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Hammer, Kathy	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Hart, Marjorie L.	Director / *Former Chair*	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Hoch, Lisina M.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Huseby, Sven	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Impellizzeri, Anne E.	Secretary	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Long, Gretchen	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Martucci, Frank	*Vice Chair*	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
McMullan, W. Patrick	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Mortimer, David H.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Platt, Nicholas	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Rauch, III Rudolph S.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Redden, David N.	Director / *Former Chair*	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Rich, Esq., Frederic C.	*Chair*	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Ross, Barry	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Seippel, Leigh	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Taylor, Phyllis	Assistant Treasurer	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Varet, Michael A.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Watson, Dawn	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Widdowson, Nigel	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Zagoreos, Alexander E.	Director / *Former Chair*	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601

STATEMENT 15

SCENIC HUDSON, INC
EIN: 13-2898799
12/31/2005

FORM 990, PART IV, LINE 57

FURNITURE & EQUIPMENT	96,294
LEASEHOLD IMPROVEMENTS	23,910
	120,204
LESS: ACCUMULATED DEPRECIATION	(100,988)
	19,216

FORM 990, PART II, LINE 42

Depreciation Expense	24,155

STATEMENT 16

SCHEDULE D (Form 1041)

Department of the Treasury Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the separate instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).

OMB No. 1545-0092

2005

Name of estate or trust: SCENIC HUDSON, INC.

Employer identification number: 13-2898799

Note: *Form 5227 filers need to complete **only** Parts I and II.*

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

	(a) Description of property (Example, 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 34)	(f) Gain or (Loss) for the entire year (col. (d) less col. (e))
1						

2	Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3	Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4	Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2004 Capital Loss Carryover Worksheet	4	( )
5	**Net short-term gain or (loss).** Combine lines 1 through 4 in column (f). Enter here and on line 13, column (3) below ▶	5	

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

	(a) Description of property (Example, 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 34)	(f) Gain or (Loss) for the entire year (col. (d) less col. (e))
6						
	SEE STATEMENT 1			927,117.	679,560.	247,557.

7	Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8	Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9	Capital gain distributions	9	
10	Gain from Form 4797, Part I	10	
11	Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2004 Capital Loss Carryover Worksheet	11	( )
12	**Net long-term gain or (loss).** Combine lines 6 through 11 in column (f). Enter here and on line 14a, column (3) below ▶	12	247,557.

Part III Summary of Parts I and II

Caution: *Read the instructions **before** completing this part.*

			(1) Beneficiaries' (see page 36)	(2) Estate's or trust's	(3) Total
13	**Net short-term gain or (loss)**	13			
14	**Net long-term gain or (loss):**				
a	Total for year	14a			247,557.
b	Unrecaptured section 1250 gain (see line 18 of the worksheet on page 35)	14b			
c	28% rate gain or (loss)	14c			
15	**Total net gain or (loss).** Combine lines 13 and 14a ▶	15			247,557.

Note: *If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4. If lines 14a and 15, column (2), are net gains, go to Part V, and **do not** complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet,** as necessary.*

Part IV **Capital Loss Limitation**

16 Enter here and enter as a (loss) on Form 1041, line 4, the **smaller** of:		
a The loss on line 15, column (3) **or**		
b $3,000	16	( )

If the loss on line 15, column (3), is more than $3,000, ***or*** *if Form 1041, page 1, line 22, is a loss, complete the* ***Capital Loss Carryover Worksheet*** *on page 37 of the instructions to determine your capital loss carryover.*

Part V **Tax Computation Using Maximum Capital Gains Rates** (Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), **and** Form 1041, line 22 is more than zero.)

Note: *If line 14b, column (2) or line 14c, column (2) is more than zero, complete the worksheet on page 38 of the instructions and skip Part V. Otherwise, go to line 17.*

17 Enter taxable income from Form 1041, line 22			17			
18 Enter the **smaller** of line 14a or 15 in column (2) but not less than zero	18					
19 Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2)	19					
20 Add lines 18 and 19	20					
21 If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- ▶	21					
22 Subtract line 21 from line 20. If zero or less, enter -0-			22			
23 Subtract line 22 from line 17. If zero or less, enter -0-			23			
24 Enter the **smaller** of the amount on line 17 or $2,000			24			
25 Is the amount on line 23 equal to or more than the amount on line 24? ☐ **Yes.** Skip lines 25 through 27; go to line 28 and check the "No" box. ☐ **No.** Enter the amount from line 23			25			
26 Subtract line 25 from line 24			26			
27 Multiply line 26 by 5% (.05)					27	
28 Are the amounts on lines 22 and 26 the same? ☐ **Yes.** Skip lines 28 through 31; go to line 32. ☐ **No.** Enter the **smaller** of line 17 or line 22			28			
29 Enter the amount from line 26 (If line 26 is blank, enter -0-)			29			
30 Subtract line 29 from line 28			30			
31 Multiply line 30 by 15% (.15)					31	
32 Figure the tax on the amount on line 23. Use the 2005 Tax Rate Schedule on page 23 of the instructions					32	
33 Add lines 27, 31, and 32					33	
34 Figure the tax on the amount on line 17. Use the 2005 Tax Rate Schedule on page 23 of the instructions					34	
35 **Tax on all taxable income.** Enter the **smaller** of line 33 or line 34 here and on line 1a of Schedule G, Form 1041					35	

Schedule D Detail of Long-term Capital Gains and Losses

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Long-term Gain/Loss
CAPITAL GAINS (LOSSES) FROM SECURITIES					
ARDEN	05/28/2003	07/01/2005	146,111.	120,500.	25,611.
ARTISAN INTERNATIONAL	08/13/2001	10/14/2005	42,523.	33,527.	8,996.
M A WEATHERBIE	VAR	VAR	137,424.	105,363.	32,061.
NEUBERGER BERMAN	VAR	VAR	87,135.	51,076.	36,059.
PIMCO TOTAL RETURN	VAR	VAR	14,389.	NONE	14,389.
SILCHESTER INTERNATIONAL	VAR	VAR	31,291.	NONE	31,291.
WINSLOW GREEN GROWTH FUND	05/17/2002	10/27/2005	277,988.	211,050.	66,938.
WINSLOW MANAGED ACCOUNTS	VAR	VAR	190,256.	158,044.	32,212.
TOTAL CAPITAL GAINS (LOSSES) FROM SECURITIES			927,117.	679,560.	247,557.
Totals			927,117.	679,560.	247,557.

PRICEWATERHOUSECOOPERS L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
677 BROADWAY, 7TH FLOOR
ALBANY,NY 12207

****

INSTRUCTIONS FOR FILING
SCENIC HUDSON, INC.
NEW YORK FORM 500 - ANNUAL FILING FOR CHARITABLE ORG.
FOR THE PERIOD ENDED JUNE 30, 2006

****

SIGNATURE...

THE ORIGINAL RETURN SHOULD BE DATED AND SIGNED BY TWO OFFICERS OF ORGANIZATION.

FILING...

THE SIGNED RETURN SHOULD BE FILED ON OR BEFORE NOVEMBER 15, 2006 WITH...

NEW YORK STATE DEPARTMENT OF LAW
(OFFICE OF THE ATTORNEY GENERAL)
CHARITIES BUREAU - REGISTRATION SECTION
120 BROADWAY
NEW YORK, NEW YORK 10271

AN ANNUAL FILING FEE OF $775. MUST BE SUBMITTED WITH THE REPORT PAYABLE TO THE NYS DEPARTMENT OF LAW.

TO DOCUMENT THE TIMELY FILING OF YOUR TAX RETURN(S), WE SUGGEST THAT YOU OBTAIN AND RETAIN PROOF OF MAILING. PROOF OF MAILING CAN BE ACCOMPLISHED BY SENDING THE TAX RETURN(S) BY REGISTERED OR CERTIFIED MAIL (METERED BY THE U.S. POSTAL SERVICE).

****

Form **CHAR500**

*This form used for Article 7-A, EPTL and dual filers (replaces forms CHAR 497, CHAR 010 and CHAR 006)

Annual Filing for Charitable Organizations

New York State Department of Law (Office of the Attorney General)
Charities Bureau - Registration Section
120 Broadway
New York, NY 10271
www.oag.state.ny.us/charities/charities.html

2005

Open to Public Inspection

1. General Information

a. For the fiscal year beginning (mm/dd/yyyy) 07/01/2005 and ending (mm/dd/yyyy) 06/30/2006

b. Check if applicable for NYS:
- [ ] Address change
- [ ] Name change
- [ ] Initial filing
- [ ] Final filing
- [ ] Amended filing
- [ ] NY registration pending

c. Name of organization: SCENIC HUDSON, INC.

Number and street (or P.O. box if mail not delivered to street address): ONE CIVIC CENTER PLAZA, SUITE 200 | Room /suite

City or town, state or country and zip + 4: POUGHKEEPSIE,NY,12601

d. Fed. employer ID no. (EIN) (##-#######): 13-2898799

e. NY State registration no. (##-##-##): 02-22-58

f. Telephone number: (845) 473-4440

g. Email

2. Certification - Two Signatures Required

We certify under penalties for perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.

	Signature	Printed Name	Title	Date
a. President or Authorized Officer/Trustee				
b. Chief Financial Officer or Treasurer				

3. Annual Report Exemption Information

a. **Article 7-A** annual report exemption (Article 7-A registrants and dual registrants)

Check ▶ [ ] if total contributions from NY State (including residents, foundations, corporations, government agencies, etc.) did not exceed $25,000 and the organization did not use the services of a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during this fiscal year.

NOTE: An organization may also check the box to claim this exemption if no PFR or FRC was used and either: 1) the organization received an allocation from a federated fund, United Way or incorporated community appeal and contributions from all other sources did not exceed $25,000 or 2) it received all or substantially all of its contributions from a single government agency to which it submitted an annual financial report similar to that required by Article 7-A).

b. **EPTL** annual report exemption (EPTL registrants and dual registrants)

Check ▶ [ ] if total gross receipts for this fiscal year did not exceed $25,000 and the assets (market value) of the organization did not exceed $25,000 at any time during this fiscal year.

For EPTL or Article-7A registrants claiming the annual report exemption under the one law under which they are registered and for dual registrants claiming the annual report exemptions under both laws, simply complete part 1 (General Information), part 2 (Certification) and part 3 (Annual Report Exemption Information) above. *Do not submit a fee, do not complete the following schedules and do not submit any attachments to this form.*

4. Article 7-A Schedules

If you did *not* check the Article 7-A annual report exemption above, complete the following for this fiscal year:

a. Did the organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? . . . [ ] Yes* [X] No
*** If "Yes", complete Schedule 4a.**

b. Did the organization receive government contributions (grants)? . . . [X] Yes* [ ] No
*** If "Yes", complete Schedule 4b.**

5. Fee Submitted: See last page for summary of fee requirements.

Indicate the filing fee(s) you are submitting along with this form:

a. Article 7-A filing fee	$ 25.
b. EPTL filing fee	$ 750.
c. **Total fee**	$ 775.

Submit only one check or money order for the total fee, payable to "NYS Department of Law"

6. Attachments: For organizations that are not claiming annual report exemptions under both laws, see last page for **required attachments.**

*- Mail completed form with **required schedules, fee and attachments** to the address at the top of this page -*

Schedule 4b: Government Contributions (Grants)

If you checked the box in question **4.b.** on page 1, complete the following schedule for **each** government contribution (grant). Use additional copies of this page if necessary to list each government contribution (grant) separately.

Government Agency Name	Grant Amount
NYSCA-COUNSEL FOR THE ARTS	$ 67,200.
US TREASURY- EPA TAG GRANT	$ 10.
NYS DEC	$ 25,000.
TOWN OF EAST FISHKILL	$ 50.
	$
	$
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	$
	$
	$
Total Government Contributions (Grants)	$ 92,260.

5. Fee Instructions

The filing fee depends on the organization's Registration Type. For details on Registration Type and filing fees, see the Instructions for Form CHAR500.

Organization's Registration Type	Fee Instructions
• Article 7-A	Calculate the Article 7-A filing fee using the table in **part a** below. The EPTL filing fee is $0.
• EPTL	Calculate the EPTL filing fee using the table in **part b** below. The Article 7-A filing fee is $0.
• Dual	Calculate both the Article 7-A and EPTL filing fees using the tables in **parts a and b** below. Add the Article 7-A and EPTL filing fees together to calculate the total fee. Submit a single check or money order for the total fee.

a) **Article 7-A filing fee**

Total Support & Revenue	Article 7-A Fee
more than $250,000	$25
up to $250,000 *	$10

* *Any organization that contracted with or used the services of a professional fund raiser (PFR) or fund raising counsel (FRC) during the reporting period must pay an Article 7-A filing fee of $25, regardless of total support and revenue.*

b) **EPTL filing fee**

Net Worth at End of Year	EPTL fee
Less than $50,000	$25
$50,000 or more, but less than $250,000	$50
$250,000 or more, but less than $1,000,000	$100
$1,000,000 or more, but less than $10,000,000	$250
$10,000,000 or more, but less than $50,000,000	$750
$ 50,000,000 or more	$1500

6. Attachments - Document Attachment Check-List

Check the boxes for the documents you are attaching.

For All Filers

Filing Fee

[X] Single check or money order payable to "NYS Department of Law"

Copies of Internal Revenue Service Forms

[X] **IRS Form 990**
[X] Schedule A to IRS Form 990
[X] Schedule B to IRS Form 990
[ ] IRS Form 990-T

[ ] **IRS Form 990-EZ**
[ ] Schedule A to IRS Form 990-EZ
[ ] Schedule B to IRS Form 990-EZ
[ ] IRS Form 990-T

[ ] **IRS Form 990-PF**
[ ] Schedule B to IRS Form 990-PF
[ ] IRS Form 990-T

Additional Article 7-A Document Attachment Requirement

Independent Accountant's Report

[X] Audit Report *(total support & revenue more than $250,000)*
[ ] Review Report *(total support & revenue $100,001 to $250,000)*
[ ] No Accountant's Report Required *(total support & revenue not more than $100,000)*

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

Financial Statements
(Report of Independent Auditors)
June 30, 2006 and 2005

Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc.
Index
June 30, 2006 and 2005

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
677 Broadway
Albany, NY 12207
Telephone (518) 462 2030
Facsimile (518) 427 4499

Report of Independent Auditors

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

In our opinion, the accompanying consolidating statements of financial position and the related statements of activities and of cash flows, present fairly, in all material respects, the financial position of Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc. (the "Organizations") at June 30, 2006 and 2005, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Organizations' management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

August 7, 2006

Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc.
Consolidating Statements of Financial Position
June 30, 2006 and 2005

	2006			2005		
	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Consolidating Total	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Consolidating Total
Assets						
Cash and cash equivalents (Notes 1, 4 and 10)	$ 1,033,988	$ 829,964	$ 1,863,952	$ 997,602	$ 401,330	$ 1,398,932
Short-term investments	406,632	524,113	930,745	393,496	507,181	900,677
Unconditional promises to give, net (Notes 1 and 3)						
Unrestricted	1,184,150	-	1,184,150	431,600	-	431,600
Restricted to future programs and periods	789,993	874,000	1,663,993	1,804,655	207,921	2,012,576
Prepaid expenses and other current assets	29,726	181,579	211,305	29,304	137,225	166,529
Investments (Notes 1 and 4)	6,692,673	147,518,744	154,211,417	6,146,896	138,989,794	145,136,690
Deposits on contracts (Note 11a)	-	50,000	50,000	-	50,000	50,000
Property and equipment, at cost (net of accumulated depreciation) (Notes 1 and 5)	19,216	10,110	29,326	43,371	14,154	57,525
Land areas, at cost (Note 6)	-	53,502,393	53,502,393	-	53,277,389	53,277,389
Assets held in pooled income fund, net (Note 7)	68,503	-	68,503	67,332	-	67,332
Interest in charitable remainder unitrust (Note 8)	120,245	-	120,245	117,423	-	117,423
Restricted investment (Note 11e)	-	-	-	-	124,678	124,678
Security deposit	19,167	-	19,167	19,167	-	19,167
Total assets	$ 10,364,293	$ 203,490,903	$ 213,855,196	$ 10,050,846	$ 193,709,672	$ 203,760,518
Liabilities and Net Assets						
Liabilities						
Accounts payable and accrued expenses	$ 270,710	$ 285,189	$ 555,899	$ 153,932	$ 148,785	$ 302,717
Grants payable	3,842	-	3,842	3,842	-	3,842
Notes payable (Note 9)	-	-	-	-	64,142	64,142
Security deposits payable	-	2,000	2,000	-	127,900	127,900
Total liabilities	274,552	287,189	561,741	157,774	340,827	498,601
Commitments and contingencies (Note 11)						
Net assets						
Unrestricted						
Land trust	-	63,381,696	63,381,696	-	62,569,032	62,569,032
Board designated - easement enforcement fund (Note 2)	-	536,969	536,969	-	483,533	483,533
Board designated - other (Note 2)	6,663,566	-	6,663,566	6,140,289	-	6,140,289
Other unrestricted	1,320,212	-	1,320,212	1,263,256	-	1,263,256
Total unrestricted	7,983,778	63,918,665	71,902,443	7,403,545	63,052,565	70,456,110
Temporarily restricted (Note 2)						
Endowment	-	137,953,690	137,953,690	-	129,356,262	129,356,262
Other	2,105,963	1,331,359	3,437,322	2,489,527	960,018	3,449,545
Total restricted	2,105,963	139,285,049	141,391,012	2,489,527	130,316,280	132,805,807
Total net assets	10,089,741	203,203,714	213,293,455	9,893,072	193,368,845	203,261,917
Total liabilities and net assets	$ 10,364,293	$ 203,490,903	$ 213,855,196	$ 10,050,846	$ 193,709,672	$ 203,760,518

The accompanying notes are an integral part of the financial statements.

Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc.
Consolidating Statements of Activities
Years Ended June 30, 2006 and 2005

	2006				2005			
	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Eliminations	Consolidating Total	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Eliminations	Consolidating Total
Changes in unrestricted net assets								
Operating public support, gains and other revenue								
Contributions	$ 3,570,710	$ 298,471	$ (1,560,540)	$ 2,308,641	$ 3,669,304	$ 25,049	$ (1,370,381)	$ 2,323,972
Endowment used to meet spending policy (Note 2)	189,000	6,343,009	-	6,532,009	175,200	8,216,266	-	8,391,466
Interest and dividends	55,268	60,868	-	116,136	42,409	30,315	-	72,724
Unrealized losses gain on investments	(2,403)	(3,096)	-	(5,499)	(1,803)	(6)	-	(1,809)
Rental income	-	33,043	-	33,043	-	54,253	-	54,253
Miscellaneous	15,676	41,310	-	56,986	11,098	35,213	-	46,311
	3,828,251	6,773,605	(1,560,540)	9,041,316	3,896,208	8,361,090	(1,370,381)	10,886,917
Net assets released from restriction								
Satisfaction of time and program restrictions	1,108,870	151,159	-	1,260,029	945,568	1,812,558	-	2,758,126
Total operating public support, gains and other revenue	4,937,121	6,924,764	(1,560,540)	10,301,345	4,841,776	10,173,648	(1,370,381)	13,645,043
Operating expenses								
Program services								
Land preservation	1,490,501	5,374,892	(1,560,540)	5,304,853	1,263,323	5,778,787	(1,370,381)	5,671,729
Conservation easements	-	708,671	-	708,671	-	1,756,250	(40,000)	1,716,250
Riverfront communities	670,716	-	-	670,716	586,185	-	-	586,185
Environmental quality	621,830	-	-	621,830	635,133	-	-	635,133
Education and volunteers	604,310	-	-	604,310	352,322	-	-	352,322
Communications	469,425	-	-	469,425	481,813	-	-	481,813
Total program services	3,856,782	6,083,563	(1,560,540)	8,379,805	3,318,776	7,535,037	(1,410,381)	9,443,432
Supporting services								
Management and general	400,726	28,537	-	429,263	379,401	44,948	-	424,349
Fundraising	622,657	-	-	622,657	590,941	-	-	590,941
Total supporting services	1,023,383	28,537	-	1,051,920	970,342	44,948	-	1,015,290
Total operating expenses	4,880,165	6,112,100	(1,560,540)	9,431,725	4,289,118	7,579,985	(1,410,381)	10,458,722
Change in operating activities	56,956	812,664	-	869,620	552,658	2,593,663	40,000	3,186,321
Transfers to - board designated endowment	-	-	-	-	(1,033,000)	-	-	(1,033,000)
Change in other unrestricted net assets	56,956	812,664	-	869,620	(480,342)	2,593,663	40,000	2,153,321
Nonoperating activities - board designated endowment and easement enforcement fund								
Contributions - endowments	166,497	30,000	-	196,497	360,000	50,000	(40,000)	370,000
Transfer from unrestricted	-	-	-	-	1,033,000	-	-	1,033,000
Interest and dividends	157,634	40,205	-	197,839	98,274	58,532	-	156,806
Realized gain on sale of investments	247,557	-	-	247,557	203,457	-	-	203,457
Unrealized gain on investments	160,721	-	-	160,721	211,027	-	-	211,027
Less: Investment advisory fees	(20,132)	-	-	(20,132)	(13,262)	-	-	(13,262)
Easement monitoring expenses	-	(16,769)	-	(16,769)	-	-	-	
Endowment used to meet spending policy (Note 2)	(189,000)	-	-	(189,000)	(175,200)	-	-	(175,200)
Change in nonoperating activities	523,277	53,436	-	576,713	1,717,296	108,532	(40,000)	1,785,828
Change in unrestricted net assets (carried forward)	580,233	866,100	-	1,446,333	1,236,954	2,702,195	-	3,939,149

The accompanying notes are an integral part of the financial statements.

Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc.
Consolidating Statements of Activities
Years Ended June 30, 2006 and 2005

	2006				2005			
	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Eliminations	Consolidating Total	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Eliminations	Consolidating Total
Change in unrestricted net assets (brought forward)	580,233	866,100	-	1,446,333	1,236,954	2,702,195	-	3,939,149
Changes in temporarily restricted net assets								
Unconditional promises to give	689,344	522,500	-	1,211,844	2,134,596	93,000	-	2,227,596
Discount on unconditional promises to give	32,719	-	-	32,719	(79,979)	-	-	(79,979)
Interest and dividends	-	2,794,670	-	2,794,670	-	2,143,461	-	2,143,461
Unrealized gain on investments	-	4,524,639	-	4,524,639	-	4,100,375	-	4,100,375
Realized gain on sale of investments	-	8,181,846	-	8,181,846	-	5,582,337	-	5,582,337
Investment management and legal fees	-	(560,717)	-	(560,717)	-	(495,077)	-	(495,077)
Endowment used to meet spending policy (Note 2)	-	(6,343,009)	-	(6,343,009)	-	(8,216,266)	-	(8,216,266)
Change in present value of split-interest agreements	3,993	-	-	3,993	3,174	-	-	3,174
	726,056	9,119,929	-	9,845,985	2,057,791	3,207,830	-	5,265,621
Net assets released from restriction	(1,109,620)	(151,159)	-	(1,260,779)	(945,568)	(1,812,558)	-	(2,758,126)
Change in temporarily restricted net assets	(383,564)	8,968,769	-	8,585,205	1,112,223	1,395,272	-	2,507,495
Change in net assets	196,669	9,834,869	-	10,031,538	2,349,177	4,097,467	-	6,446,644
Net assets, beginning of year	9,893,072	193,368,845	-	203,261,917	7,543,895	189,271,378	-	196,815,273
Net assets, end of year	$ 10,089,741	$ 203,203,714	$ -	$ 213,293,455	$ 9,893,072	$ 193,368,845	$ -	$ 203,261,917

The accompanying notes are an integral part of the financial statements.

Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc.
Consolidating Statements of Cash Flows
Years Ended June 30, 2006 and 2005

	2006			2005		
	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Consolidating Total	Scenic Hudson, Inc.	The Scenic Hudson Land Trust, Inc.	Consolidating Total
Cash flows from operating activities						
Change in net assets	$ 196,669	$ 9,834,869	$ 10,031,538	$ 2,349,177	$ 4,097,467	$ 6,446,644
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities						
Depreciation	24,155	4,044	28,199	30,606	4,044	34,650
Change in present value of split-interest agreements	(3,993)	-	(3,993)	(3,174)	-	(3,174)
Realized loss on sale of investments	(247,557)	(8,181,846)	(8,429,403)	(203,458)	(5,582,337)	(5,785,795)
Unrealized gain on investments	(160,722)	(4,524,639)	(4,685,361)	(211,027)	(4,100,375)	(4,311,402)
Loss on sale/transfer disposal of property interest	-	1,612,840	1,612,840	-	2,565,456	2,565,456
Gain on sale of fixed assets	-		-	(7,094)	-	(7,094)
Investment fees paid by endowment	20,135	560,717	580,852	13,262	491,625	504,887
(Increase) decrease in						
Unconditional promises to give	262,112	(666,079)	(403,967)	(1,314,175)	38,079	(1,276,096)
Prepaid expenses and other current assets	(422)	(44,354)	(44,776)	11,993	71,863	83,856
Increase (decrease) in						
Accounts payable and accrued expenses	116,778	136,404	253,182	(131,360)	(52,467)	(183,827)
Security deposits payable	-	(125,900)	(125,900)	3,000	(300)	2,700
Net cash provided by (used in) operating activities	207,155	(1,393,944)	(1,186,789)	537,750	(2,466,946)	(1,929,196)
Cash flows from investing activities						
Proceeds from sale of investments	-	6,576,372	6,576,372	1,182,375	8,037,000	9,219,375
Purchase of investments	(170,769)	(2,851,807)	(3,022,576)	(1,231,274)	(2,385,019)	(3,616,293)
Acquisition of land areas, property and equipment	-	(3,609,997)	(3,609,997)	(39,781)	(5,180,422)	(5,220,203)
Proceeds from sale of land areas, property and equipment	-	1,772,152	1,772,152	10,000	1,558,780	1,568,780
Deposits on contracts	-	-	-	-	50,000	50,000
Net cash (used in) provided by investing activities	(170,769)	1,886,720	1,715,951	(78,680)	2,080,339	2,001,659
Cash flows from financing activities						
Principal repayment of notes payable	-	(64,142)	(64,142)	-	(64,143)	(64,143)
Net cash used in financing activities	-	(64,142)	(64,142)	-	(64,143)	(64,143)
Net increase (decrease) in cash and cash equivalents	36,386	428,634	465,020	459,070	(450,750)	8,320
Cash and cash equivalents, beginning of year	997,602	401,330	1,398,932	538,532	852,080	1,390,612
Cash and cash equivalents, end of year	$ 1,033,988	$ 829,964	$ 1,863,952	$ 997,602	$ 401,330	$ 1,398,932
Supplemental data						
Interest paid	$ -	$ 1,336	$ 1,336	$ -	$ 12,829	$ 12,829

The accompanying notes are an integral part of the financial statements.

1. Organization and Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidating financial statements include Scenic Hudson, Inc. and its supporting organization, The Scenic Hudson Land Trust, Inc. (the "Organizations"). On January 13, 2003, Highlands Battlesite Properties, LLC was formed. The Highlands Battlesite Properties, LLC has been consolidated into Scenic Hudson Land Trust, Inc. as it holds 100% interest in the LLC. All inter-company transactions and balances have been eliminated in the consolidation.

Organization

Scenic Hudson, Inc. works to protect and restore the Hudson River and its majestic landscape as an irreplaceable national treasure and a vital resource for residents and visitors. A crusader for the valley since 1963, we are credited with saving fabled Storm King Mountain from a destructive industrial project and launching the modern grass-roots environmental movement. Today with approximately 14,300 ardent supporters, we are the largest environmental group focused on the Hudson River Valley. Our team of experts combines land acquisition, citizen-based advocacy and sophisticated planning tools to create environmentally healthy communities, champion smart economic growth, open up riverfronts to the public and preserve the valley's inspiring natural beauty.

We are guided by these enduring principles:

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

Scenic Hudson, Inc. is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

The Scenic Hudson Land Trust, Inc. was founded exclusively for the benefit of and to serve the purposes of Scenic Hudson, Inc. 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. The Scenic Hudson Land Trust, Inc. is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation as described in Section 509(a)(3), as it is a supporting Organization of Scenic Hudson, Inc.

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

The Scenic Hudson Land Trust, Inc. 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 (Wallace Endowment), the annual spending from which will be determined by the Board of Directors of Scenic Hudson, Inc. by applying its established spending policy. In addition, up to 20% of the original fair market 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 market value of assets on the dates of transfer, consistent with the terms of the endowment agreement. The assets had a fair market value of $124,225,420 on the dates of transfer.

Financial Statement Presentation
In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, the Organizations report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Organizations consider 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 Organizations' investment managers as part of their long-term investment strategies. At times, cash balances held at financial institutions were in excess of federally insured limits. To mitigate this risk, the Organizations place cash and cash equivalents with high credit, quality financial institutions.

Unconditional Promises to Give/Contributions
Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made.*

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

The Organizations use the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Investments
Under SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, the Organizations reflect investments at fair value in the statement of financial position. Interest, dividends, gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investment income and gains restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the income is recognized.

Property and Equipment
Property and equipment are recorded at cost. Depreciation is provided on a straight-line basis over the estimated life of the asset or term of the lease, whichever is shorter.

Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassification
During 2006, management concluded that certain funds, previously included in cash and cash equivalents, required reclassification to short-term investments. Accordingly, $900,678 of previously reported cash and cash equivalents were reclassified to short-term investments as of June 30, 2005. A corresponding adjustment to the statement of cash flows for the year ended June 30, 2005 was made to reflect the gross purchases and sales of these funds as investing activities rather than as a component of cash and cash equivalents. This change in classification does not affect previously reported cash flows from operations or change in net assets for the year ended June 30, 2005.

2. Restrictions on Assets

Board Designated Net Assets
Board designated net assets, known as the Board designated endowment, are used to account for funds set aside by Scenic Hudson, Inc.'s Board of Directors, as well as investment income earned on those funds, to be used as determined upon approval by the Board. Investment income of $189,000 and $175,200, designated as endowment gains used to meet spending policy on the consolidating statement of activities, was appropriated to support fiscal 2006 and 2005 operations, respectively.

In fiscal year 2004, the Board of Directors established a Board designated – easement enforcement fund. The Board of Directors has restricted the fund as a reserve to pay legal and other easement monitoring costs that may be incurred to defend the Organizations' contractual rights and privileges established through conservation easements owned. The easement enforcement net asset balance was $536,969 and $483,533 on June 30, 2006 and June 30, 2005, respectively.

The Lila Acheson and DeWitt Wallace Hudson Valley Land Preservation Endowment (Endowment) is classified as temporarily restricted due to the Organizations' ability to spend a percentage of the Endowment as established by the Board of Directors so long as the spending policy is in accordance with the spending policy adopted for other endowments of the Organizations.

On June 16, 2005 and June 17, 2004, the Board of Directors approved that amounts released for spending from the Board Designated Endowment and the Wallace Endowment for fiscal year ending June 30, 2006 and 2005, shall be an amount equal to 5% of the average asset fair market values of the respective endowments, at the end of the rolling twelve fiscal quarters ending

December 31, 2004 and December 31, 2003 and that management may withdraw these amounts at their discretion to meet program needs.

Temporarily Restricted Net Assets
Temporarily restricted net assets are as follows at June 30:

	2006	2005
Scenic Hudson, Inc.		
Restricted to future programs and periods	$ 1,917,215	$ 2,304,772
Future interest in pooled income fund	68,503	67,332
Future interest in charitable remainder trust	120,245	117,423
	2,105,963	2,489,527
The Scenic Hudson Land Trust, Inc.		
Lila Acheson and DeWitt Wallace Hudson Valley Land Preservation Endowment	137,953,690	129,356,262
Land acquisitions and other land preservation and conservation expenses	1,331,359	960,018
	139,285,049	130,316,280
	$ 141,391,012	$ 132,805,807

3. Unconditional Promises to Give

Unconditional promises to give are due as follows at June 30:

	2006	2005
Receivable in less than one year	$ 2,090,900	$ 1,294,521
Receivable in one to four years	839,869	1,265,000
	2,930,769	2,559,521
Less: Discount to net present value	(49,876)	(82,595)
Reserve for uncollectible pledges	(32,750)	(32,750)
	$ 2,848,143	$ 2,444,176

Unconditional promises to give due after one year are discounted to net present value using the current risk free interest rate of return, which approximates the net present value which would be obtained if using the risk free interest rate in effect on the date of the gift. Interest rates used to discount the unconditional promises range from 2% to 4.5% and 2% to 3.75% at June 30, 2006 and 2005, respectively.

4. Investments

Investments are stated at fair value and consist of the following at June 30:

	2006		2005	
	Fair Market Value	Cost	Fair Market Value	Cost
Equity securities	$ 39,268,347	$ 30,393,547	$ 29,499,991	$ 23,473,394
Equity securities - Limited partnerships	20,153,000	14,498,337	16,903,588	12,378,116
Equity securities - Mutual funds	56,066,593	48,627,067	55,959,760	49,864,695
Fixed income - Securities and mutual funds	23,722,034	24,463,802	28,753,645	28,153,767
Alternative investments (hedge funds, funds of funds)	14,427,549	11,148,272	12,824,127	10,250,000
Money market funds	573,894	573,894	1,124,863	1,124,863
U.S. Government obligations	-	-	70,716	50,617
	$ 154,211,417	$ 129,704,919	$ 145,136,690	$ 125,295,452

Equities and fixed income securities are reported at publicly quoted market prices. Limited partnerships and alternative investments are recorded at the fair value as determined by the general partners.

Hedge funds may trade in derivative instruments that involve varying degrees of market risk including credit exposure and interest rates.

Due to the level of risk associated with securities and the level of uncertainty related to changes in variables, it is possible market actions could have a near term material affect on balances reported in the statement of financial position and the statements of activities.

At June 30, 2006, concentration of the Organizations' investments in excess of 10% of the fair value of its portfolio included approximately 13% invested in a GMO mutual fund, 15% invested in PIMCO mutual funds, 13% invested in Silchester, L.P., and 14% invested in a Vanguard mutual fund. At June 30, 2005, concentration of the Organizations' investments in excess of 10% of the fair value of its portfolio included approximately 14% invested in a GMO mutual fund, 20% invested in PIMCO mutual funds, 12% invested in Silchester, L.P., and 15% invested in a Vanguard mutual fund.

Investment return for the years ended June 30 is summarized as follows:

	2006		2005	
	Scenic Hudson, Inc.	**The Scenic Hudson Land Trust, Inc.**	**Scenic Hudson, Inc.**	**The Scenic Hudson Land Trust, Inc.**
Summary of earnings on investments				
Interest and dividends - Cash, cash equivalents and short term investments	$ 55,268	$ 60,868	$ 42,409	$ 30,315
Interest and dividends - Equities and long term fixed income	157,634	2,834,875	98,274	2,201,993
Realized gains on sale of investments	247,557	8,181,846	203,457	5,582,337
Unrealized gain on investments	160,271	4,524,639	211,027	4,100,375
	$ 620,730	$ 15,602,228	$ 555,167	$ 11,915,020

5. Property and Equipment

Property and equipment at June 30 consist of the following:

	2006	2005	Estimated Useful Lives
Furniture and equipment	$ 96,294	$ 96,294	3-7 years
Transportation equipment	20,220	20,220	5 years
Leasehold improvements	23,910	23,910	10 years
	140,424	140,424	
Less: Accumulated depreciation	(111,098)	(82,899)	
	$ 29,326	$ 57,525	

Depreciation expense for the years ended June 30, 2006 and 2005 was $28,199 and $34,650, respectively.

6. Land Areas

Land areas, for the public benefit, consist of land held by The Scenic Hudson Land Trust, Inc. for conservation or for transfer/resale. During the years ended June 30, 2006 and 2005, the Organizations acquired land areas for a total of $3,609,997 and $5,180,422, respectively. During the year ended June 30, 2006, the Organizations sold two properties to New York State and The Museum of the Hudson Highlands (a not-for-profit) that cost $2,903,483; including transactions costs, the Organizations incurred a net expense of $1,680,192. In addition, the Organizations sold one parcel of land to a third party that cost $472,509 and realized a net gain of $40,696.

As of June 30, 2006 and 2005, The Scenic Hudson Land Trust, Inc. held conservation easements on various properties in New York State. Purchased easements are expensed in the period acquired. During the years ended June 30, 2006 and 2005, the Organizations purchased easements, inclusive of closing costs, for $708,671 and $1,716,250, respectively.

7. Pooled Income Fund

Scenic Hudson, Inc. administers a pooled income fund (split interest agreement). The trust agreement provides for the payment of income to designated beneficiaries over their lifetime, based on their interest in the fund. Upon the termination of the income interest of the designated beneficiary, the related remaining assets are available for the Organizations' use. Assets held in the trust are reported at fair market value, net of the related estimated future liability. The present value of the future interest is summarized as follows as of June 30:

	2006	2005
Fair market value	$ 88,418	$ 88,301
Less: Estimated future liability	(19,915)	(20,969)
Present value of future interest	$ 68,503	$ 67,332

The present value of the estimated future interest is calculated using a discount rate of 6% and applicable life expectancy tables.

8. Charitable Remainder Unitrust

Scenic Hudson, Inc. is the beneficiary under a Charitable Remainder Unitrust (split interest agreement) administered by a bank. The trust agreement provides for the payment of 6% of the net fair market value of the trust assets each year valued as of January 1 to the grantor and survivor recipient during their lifetimes. At the end of the trust's term, the remaining assets will be transferred to the Organizations. Assets held in the trust are reported at fair market value, net of the related estimated future liability.

The present value of the future interest is summarized as follows as of June 30:

	2006	2005
Fair market value	$ 140,502	$ 139,296
Less: Estimated future liability	(20,257)	(21,873)
Present value of future interest	$ 120,245	$ 117,423

The present value of the estimated future interest is calculated using a discount rate of 6% and applicable life expectancy tables.

9. Notes Payable

Notes payable for land areas acquired by The Scenic Hudson Land Trust, Inc. were satisfied during 2006.

Interest expense for the years ended June 30, 2006 and 2005 was $1,336 and $7,751, respectively.

10. Concentration of Credit Risk

The Organizations maintain their cash and cash equivalent balances in financial institutions located in the USA. Cash accounts covered by FDIC totaled $65,051 and $191,666 for the years ended June 30, 2006 and 2005, respectively. Cash held in money market funds that were not insured totaled $1,375,569 and $1,160,354 for the years ended June 30, 2006 and 2005, respectively.

11. Commitments and Contingencies

a. As of June 30, 2006 and 2005, The Scenic Hudson Land Trust, Inc. had a deposit of $50,000 on contract to purchase land area as follows:

	2006	2005
Tivioli Bay Inholdings	$ 500,000	$ 500,000

b. Scenic Hudson, Inc.'s lease agreement for office space provides for minimum rental payments as follows:

Year ending June 30, 2007	$ 244,775
Year ending June 30, 2008	289,100
Year ending June 30, 2009	289,100
Year ending June 30, 2010	289,100
Year ending June 30, 2011	289,100
Year ending June 30, 2012	216,825

Rent expense for the years ended June 30, 2006 and 2005 was approximately $222,000.

c. Government supported programs are subject to audit by the granting agency. Management expects that any changes that could result from the audits would not have a material impact on the financial statements.

d. The Scenic Hudson Land Trust, Inc. and the other tenant-in-common owning the Manitou property (a.k.a. Mystery Point) have leased the property to another not-for-profit entity, commencing September 1, 1993. The Organizations' interest in the property and carrying value is $4,975,768 at June 30, 2006 and 2005. The terms of the lease are summarized in part as follows: Under the lease, which has an initial term of ten years and may be renewed for three successive ten year periods, the tenant is responsible for all costs of operating the property including but not limited to repairs, maintenance, taxes, insurance, and the like, in addition to a fixed rent of $1 per year. At the end of the final lease term extension (i.e., after 40 years), the tenant has the option to purchase the property based on terms as more fully described in the lease. The property would be conveyed at that time subject to a conservation easement severely restricting future development of the property and a purchase money mortgage, the principal amount to be evidenced by a Deferred Purchase Note in the amount of $9,860,000. The Note will be due on the Maturity Date, the date on which the Tenant sells or transfers the Property, with interest payable under the Deferred Purchase Note also deferred and payable on the Maturity Date in amounts as more fully described in the lease.

e. The Scenic Hudson Land Trust, Inc. (60% interest) and The Village of Irvington (40% interest), as tenants in common, entered into a co-ownership agreement on February 11, 1997 with a twenty year term. The Organizations purchased 2 parcels of land for $5,493,268 and the Village agreed to invest money for planning, remediation of site contamination and for the creation of a park on the land.

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

f. The Scenic Hudson Land Trust, Inc. and the Village of Haverstraw are tenants-in-common with a 40% and 60% undivided interest, respectively, in certain riverfront property located in the Village. The tenants-in-common entered into a co-ownership agreement on February 11, 1998 (the "Agreement") providing for the use, occupancy, management, development and improvement of the subject property by the Village of Haverstraw.
   The agreement also provides for an annual 5% increase in the Village's ownership interest of the property and corresponding semi-annual payments of $9,000 commencing August 1, 1998 through February 1, 2013. If the Village fulfills its obligations under the terms of the Agreement, it may purchase the property at the end of the fifteen year term for $1, but must grant a conservation easement to the Organizations which dedicates the use of the land to public park purposes in perpetuity.

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

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

h. The Organizations, the County of Westchester and the Town of Cortland jointly purchased the Hillpoint property in Cortland. The Organizations received the "Northerly" portion (203 acres) and the County of Westchester and the Town of Cortland received the "Southerly" portion (147 acres). Scenic Hudson and the Town entered into a "Park Management Agreement". The terms of this agreement are summarized as follows: The Town will operate and manage and incur the expenses thereof, both the "Northerly" and "Southerly" portions. The "Northerly" portion shall remain in the ownership of the Organizations until the 15th anniversary of the commencement date, which will be July 10, 2014. At that time, the Organizations will transfer the "Northerly" portion to the Town. The Town, in turn, will grant the Organizations a conservation easement as called for by the agreement.

i. Hudson Highland Battlesite LLC has leased the property known as Fort Montgomery to the Palisades Interstate Park Commission (PIPC) as of December 10, 2002. The agreement states that no rent will be paid by PIPC, however, PIPC is responsible for the management and environmental cleanup of Fort Montgomery.

At the end of the lease term, PIPC will purchase the property for $200,000 in equal installments over three years.

12. Benefit Income

A benefit was held during the years ended June 30, 2006 and 2005. Benefit income and solicitation consists of the following:

	2006	2005
Proceeds	$ 449,456	$ 437,648
Less: Cost of direct benefit to donors	(42,120)	(18,312)
Benefit income, net of direct expenses	407,336	419,336
Less: Indirect expenses	(45,812)	(43,894)
Benefit income, net	$ 361,524	$ 375,442

13. Pension Plan

Scenic Hudson, Inc. has a tax deferred annuity 403(b) plan for eligible employees. The Organizations contributes 6% of eligible employees' salaries to the plan annually. The cost to the Organizations for this plan for the years ended June 30, 2006 and 2005 was $135,792 and $131,803, respectively.

14. Functional Allocation of Expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

15. Fair Value of Financial Instruments

The provisions of Statement of Financial Accounting Standards No. 107, *Disclosures About Fair Value of Financial Instruments,* require disclosure of the fair value of financial instruments for which it is practical to estimate the fair value. The fair value of investments and unconditional promises to give have been presented in Notes 3 and 4, respectively. The carrying amount of all other financial instruments approximates fair value because of their short maturity.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
677 Broadway
Albany, NY 12207
Telephone (518) 462 2030
Facsimile (518) 427 4499

Report of Independent Auditors on Accompanying Information

To the Boards of Directors of
Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc.

The report on our audit of the basic consolidating financial statements of Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc. as of June 30, 2006 and 2005 and for the years then ended appears on page 1 of this document. The audits were conducted for the purpose of forming an opinion on the basic consolidating financial statements taken as a whole. The Schedules of Functional Expenses for Scenic Hudson, Inc. and The Scenic Hudson Land Trust, Inc. for the years ended June 30, 2006 and 2005 and the Schedule of Land Areas at June 30, 2006 and 2005 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

August 7, 2006

Scenic Hudson, Inc.
Schedule of Functional Expenses
Year Ended June 30, 2006

	Program Services					Supporting Services		
	Land Preservation	Riverfront Communities	Environmental Quality	Education and Volunteers	Communication	Management and General	Development	2006 Total Expenses
Salaries	$ 976,308	$ 422,967	$ 365,214	$ 269,513	$ 257,129	$ 187,959	$ 333,133	$ 2,812,223
Payroll taxes and employee benefits	207,525	89,907	77,630	57,288	54,656	39,953	70,811	597,770
Total salaries and benefits	1,183,833	512,874	442,844	326,801	311,785	227,912	403,944	3,409,993
Consultants								
Outside experts	62,085	78,570	133,820	111,460	39,000	18,600	25,590	469,125
Legal and audit	-	1,345	117	-	-	14,594	3,360	19,416
Total consulting costs	62,085	79,915	133,937	111,460	39,000	33,194	28,950	488,541
Program and public outreach costs	24,409	11,027	5,070	115,003	83,978	34,431	103,478	377,396
Occupancy costs	96,007	39,590	28,082	27,359	24,254	47,398	47,829	310,519
Employee travel and training costs	54,181	12,662	8,315	14,176	2,448	17,853	6,873	116,508
Equipment and interest expense	15,762	1,345	167	4,863	1,316	8,842	13,455	45,750
Depreciation expense	24,155	-	-	-	-	-	-	24,155
Office - general	30,069	13,303	3,415	4,648	6,644	31,096	18,128	107,303
Total expenses	$ 1,490,501	$ 670,716	$ 621,830	$ 604,310	$ 469,425	$ 400,726	$ 622,657	$ 4,880,165

Scenic Hudson, Inc.
Schedule of Functional Expenses
Year Ended June 30, 2005

	Program Services					Supporting Services		
	Land Preservation	Riverfront Communities	Environmental Quality	Education and Volunteers	Communication	Management and General	Development	2005 Total Expenses
Salaries	$ 842,949	$ 409,583	$ 390,077	$ 207,680	$ 294,717	$ 178,438	$ 248,239	$ 2,571,683
Payroll taxes and employee benefits	181,285	88,711	84,625	44,505	62,802	41,222	50,441	553,591
Total salaries and benefits	1,024,234	498,294	474,702	252,185	357,519	219,660	298,680	3,125,274
Consultants								
Outside experts	33,697	14,699	41,270	44,448	19,513	11,701	29,745	195,073
Legal and audit	-	2,850	47,351	-	-	18,240	-	68,441
Total consulting costs	33,697	17,549	88,621	44,448	19,513	29,941	29,745	263,514
Program and public outreach costs	22,358	6,156	24,852	29,308	67,392	32,132	177,121	359,319
Occupancy costs	80,982	41,137	30,841	15,272	23,702	43,892	62,263	298,089
Employee travel and training costs	39,698	7,157	6,852	6,657	674	15,432	3,763	80,233
Equipment and interest expense	5,964	4,873	4,403	2,771	8,379	9,670	7,445	43,505
Depreciation expense	30,606	-	-	-	-	-	-	30,606
Office - general	25,784	11,019	4,862	1,681	4,634	28,674	11,924	88,578
Total expenses	$ 1,263,323	$ 586,185	$ 635,133	$ 352,322	$ 481,813	$ 379,401	$ 590,941	$ 4,289,118

The Scenic Hudson Land Trust, Inc.
Schedule of Land Areas
June 30, 2006 and 2005

	Land Management, Preservation and Conservation Easements	Management and General	2006 Total Expenses	Land Management, Preservation and Conservation Easements	Management and General	2005 Total Expenses
Conservation easements and closing costs	$ 708,671	$ -	$ 708,671	$ 1,756,250	$ -	$ 1,756,250
Interest	1,336	-	1,336	7,751	-	7,751
Property taxes	279,965	-	279,965	259,594	-	259,594
Land project expenses	1,628,055	-	1,628,055	1,385,315	-	1,385,315
Program management services	1,247,664	-	1,247,664	1,011,594	-	1,011,594
Insurance	61,513	-	61,513	68,808	-	68,808
Legal and audit fees	77,345	28,537	105,882	21,684	44,948	66,632
Miscellaneous	40,340	-	40,340	4,912	-	4,912
Rental expenses	19,230	-	19,230	12,454	-	12,454
Grants and contributions	61,700	-	61,700	35,450	-	35,450
Loss on sale/transfer of property interests to state and local government agencies and other not for profit organizations	1,680,192	-	1,680,192	2,567,442	-	2,567,442
Grant to Scenic Hudson	272,876	-	272,876	358,787	-	358,787
Remediation expense	50	-	50	38,869	-	38,869
Bank charges and fees	582	-	582	2,083	-	2,083
Total expense before depreciation	6,079,519	28,537	6,108,056	7,530,993	44,948	7,575,941
Depreciation	4,044		4,044	4,044		4,044
Total expenses	$ 6,083,563	$ 28,537	$ 6,112,100	$ 7,535,037	$ 44,948	$ 7,579,985

The Scenic Hudson Land Trust, Inc.
Schedule of Land Areas
June 30, 2006 and 2005

	2006	2005
Fishkill Ridge, Mt. Beacon	$ 1,217,608	$ 1,217,608
Fishkill Ridge, Mt. Beacon, Fishkill (Capolino)	89,400	89,400
Fishkill Ridge, Birznieks	4,559	4,559
Fishkill Ridge, Texaco	37,805	37,805
Fishkill Ridge, Vassar	111,034	111,034
Fishkill Ridge, NVC	99,447	99,447
Fishkill Ridge, Rodman	1,854,940	1,854,940
Mt. Beacon (Bradley), Fishkill	502,799	502,799
Mt. Beacon, Base of, Beacon	444,256	444,256
Beacon Terminal, Beacon	320,886	320,886
Beacon Waterfront - Garrett Storm	881,296	881,296
Beacon Waterfront - Kellam	781,805	781,805
Beacon Waterfront - Cohen	1,608,552	1,608,552
Poet's Walk/Astor Cove I/Mandara	1,726,922	1,726,922
Burger Hill, Rhinebeck	339,093	339,093
Wappingers Greenway	229,920	229,920
Hyde Park, Drive-In	3,230,345	3,230,345
Hyde Park, FDR/Valkill Link	1,660,736	1,660,736
Hyde Park - Piney Property	162,916	162,916
Brandow Point, Athens	264,202	1,372,409
Four Mile Point Road, Coxsackie (Four Mile Point)	217,955	217,955
RamsHorn Marsh, Catskill	237,484	237,484
RamsHorn Marsh, Catskill	402,002	402,002
RamsHorn Marsh, Catskill	167,468	167,468
Vosburgh Swamp, (Rasmussen), Athens	2,426,765	2,426,765
Vosburgh Swamp, (Tufano), Athens	1,336,199	-
Kenridge Farm, Cornwall	-	1,795,277
Washburn, New Windsor	-	472,509
King James Weyant, Ft Montgomery	272,040	272,040
Ft Montgomery Battle Site - Route 9W	417,139	417,139
Snake Hill, New Windsor	1,092,921	1,092,921
Route 9D, Philipstown (Osborn)	40,000	40,000
Canada Hill, Philipstown (Gilbert)	25,364	25,364
Route 9D, Garrison - Manitou (aka Mystery Point)	4,975,768	4,975,768
Westpoint Foundry Preserve (Marin), Cold Spring	523,062	523,062
Westpoint Foundry Preserve (Spevak), Cold Spring	1,924,329	1,924,329
Palmieri Property (Haverstraw)	480,035	489,035
Franny Reese Preserve: Alfano	2,299,813	2,299,813
Franny Reese Preserve: Foglia	80,550	80,550
Esopus Meadows, River Road, Esopus	1,010,803	1,010,803
Esopus Meadows, Mazza, Esopus	164,320	164,320
Esopus Meadows, River Road, (Waskew/EMEC), Esopus	267,274	267,274
Esopus Meadows, River Road, Esopus	714,583	714,583
Black Creek - Route 9W, Esopus	2,840,009	2,840,009
Black Creek - Highland Vineyards, Esopus	1,225,303	-
Shaupeneak Ridge, Esopus	989,779	989,779
Shaupeneak Ridge, Additions	91,303	91,303
Irvington - Downriver Associates	2,259,585	2,259,585
Irvington - Interstate Trading	3,240,065	3,240,065
Peekskill Waterfront	2,045,585	2,045,585
Hillpoint, Cortland	3,523,465	3,523,465
Binnen Kill - Chi	1,048,495	-
Stockport - Route 9	461,182	461,182
Stockport - Rod & Gun Road	1,133,227	1,133,227
Totals	$ 53,502,393	$ 53,277,389

WP

INSTRUCTIONS FOR FILING

TO:
SCENIC HUDSON, INC.
ONE CIVIC CENTER PLAZA, SUITE 200
POUGHKEEPSIE, NY 12601

ID# 13-2898799

YEAR: 06/30/2006

THE ENCLOSED RETURN HAS BEEN PREPARED FROM YOUR BOOKS AND RECORDS OR FROM DATA SUBMITTED TO US AND SHOULD BE CAREFULLY REVIEWED BEFORE FILING.

TAX RETURN: FORM PCUREG-01- STATE OF CONNECTICUT
CHARITABLE ORGANIZATION REGISTRATION APPLICATION

DUE DATE: ON OR BEFORE NOVEMBER 30, 2006

TAX DUE: $50

PAYABLE TO: DEPARTMENT OF CONSUMER PROTECTION

SIGNATURES: THE FORM MUST BE SIGNED ON PAGE TWO BY TWO AUTHORIZED REPRESENTATIVES OF THE ORGANIZATION.

MAILING INSTRUCTIONS: THE RETURN AND REMITTANCE SHOULD BE MAILED IN THE ENVELOPE PROVIDED TO:

PUBLIC CHARITIES UNIT
C/O OFFICE OF THE ATTORNEY GENERAL
55 ELM STREET
P.O. BOX 120
HARTFORD, CT 06141-0120

IF A RECEIPT IS DESIRED, SEND THE RETURN BY REGISTERED OR CERTIFIED MAIL-RETURN RECEIPT REQUESTED.

STATE OF CONNECTICUT
OFFICE OF THE ATTORNEY GENERAL / DEPARTMENT OF CONSUMER PROTECTION
ANNUAL CHARITY REGISTRATION APPLICATION AND INSTRUCTIONS
FORM PCUREG-01, REV ` 10/05 4 PAGES
TELEPHONE: (860) 808-5030

STATE OF CONNECTICUT
Charitable Organization Registration Application
This is a four page application, including instructions.
Please read the instructions on pages 3 and 4 before completion.

1. Has this organization ever been registered as a charitable organization in Connecticut?
[X] Yes [ ] No **IF YES**, enter Connecticut Charities Registration Number: 11068

2. Organization's Legal Name: Scenic Hudson, Inc.
Mailing Address: One Civic Center Plaza, Suite 200
City: Poughkeepsie State: NY Zip Code: 12601-
Tel. Number: 845-473-4440 Fax Number: - -
Web Site URL: WWW.scenichudson.org E-Mail Address: @
Federal Employer Identification Number (FEIN): 13-2898799
Exempt under Internal Revenue Code Section 501(c)(3) (insert code section if exempt)

3. Names, other than the name given above, under which funds will be solicited (attach a sheet if needed).
Hudson Valley Preservation Coalition (HVPC), Hudson Valley Agricultural Partnership, Hudson Valley Smart Growth Alliance

4. Is the organization incorporated? [X] Yes [ ] No
If YES, enter the State of incorporation: New York

5. Questions 5a, 5b, 5c, and 5d relate to your organization's most recently completed year end. **If your answer to any question is YES** attach a detailed explanation for that question.
   a. Has there been any change in the organization's tax status with the IRS? [ ] Yes [X] No
   b. Has there been a significant change in the purpose of the organization? [ ] Yes [X] No
   c. Has the organization's right to solicit funds been denied, suspended, revoked, or enjoined by any state agency or by any court, or are proceedings pending? [ ] Yes [X] No
   d. Has the organization entered into a voluntary agreement of compliance with any government agency? [ ] Yes [X] No

6. Have any of the directors or employees of the organization been subject to intermediate sanctions imposed by the Internal Revenue Service? **If YES,** attach a detailed explanation. [ ] Yes [X] No

7. Describe the purposes of the organization and describe its major program activities (attach a sheet if needed).
See Attached

8. Does the organization plan to use an outside fund-raising counsel or paid solicitor within the registration period? **If YES,** attach a separate sheet with its name and address. [ ] Yes [X] No

9. Has the organization used an outside fund-raising counsel or paid solicitor during its most recently completed year? **If YES,** attach a sheet with its name and address. [ ] Yes [X] No

10. If this application is for an **initial** registration, has the organization solicited contributions in Connecticut during any year prior to the year reported with this application? ☐ Yes ☐ No N/A
If YES, the organization must include a financial report (IRS form and audit if required) for each such year in which the organization solicited in Connecticut but was not registered. No prior year reports are due for years ending before September 30, 2005.

11. If this application is a **renewal** application of an organization which let its registration expire, has the organization solicited contributions in Connecticut during any year when its application had expired? ☐ Yes ☐ No N/A
If YES, the organization must include a financial report (IRS form and audit if required) for each such year in which the organization solicited in Connecticut but was not registered. No prior years reports are due for years ending before September 30, 2005.

12. Required Attachments to this application form:

Attach a completed IRS Form 990, 990EZ or 990PF for your **most recently completed year**. (See instructions on page 3.) **For initial applications only**, applicants may attach the prior year IRS form if your most recently completed year end IRS form is not complete. If your first fiscal year end has not ended, attach a statement giving the date your fiscal year will end.

In addition to the IRS Form mentioned above, an audit may be required. Was gross revenue in excess of $200,000 during the report year accompanying this application? ☒ Yes ☐ No **If YES**, attach an audit to this form. The terms "audit" and "gross revenue" are explained in the instructions to this form.

Attach a list of the names, titles and addresses of officers, directors, trustees, and the principal salaried employees of the organization. See Attached

If questions 5, 6, 8, 9, 10 or 11 were answered **YES,** attach the required documents.

We hereby certify under penalty of false statement that we are authorized to sign this document for the organization and that the information provided, including all attachments, is true and complete to the best of our knowledge.

Signed:		Signed:	
Printed Name:		Printed Name:	
Title:		Title:	
Date:	/ /	Date:	/ /

STATE LAW REQUIRES THAT TWO PERSONS SIGN THIS FORM

Public Act No. 05-101 provides:

In the event the department determines that the application for registration does not contain the information, fees and documents required, the department shall notify the charitable organization, in writing, of such noncompliance not later than ten days after the department's receipt of such application for registration. An application for registration shall be deemed to be approved if the charitable organization is not notified of noncompliance by the department not later than ten days after the department's receipt of the application for registration. Any such charitable organization may request a hearing on its noncompliant status not later than seven days after receipt of such noncompliance notice. Such hearing shall be held not later than seven days after the department's receipt of such request and a determination as to the organization's compliance status shall be rendered no later than three days after such hearing.

SCENIC HUDSON, INC.
STATE OF CONNECTICUT FORM PCUREG-01 ATTACHMENT
YEAR: 6/30/2006
EIN # 13-2898799

QUESTION 7:

<u>ORGANIZATION'S PRIMARY EXEMPT PURPOSE:</u>

THE ORGANIZATION WAS FOUNDED TO PRESERVE, RESTORE AND ENHANCE THE ECOLOGICAL, SCENIC, HISTORIC AND RECREATIONAL RESOURCES OF THE HUDSON RIVER.

<u>ORGANIZATION'S MAJOR PROGRAM ACTIVITIES:</u>

<u>LAND PRESERVATION</u>- THROUGH ITS AFFILIATED LAND TRUST, SCENIC HUDSON SAFEGUARD IRREPLACEABLE LANDS, VITAL ECOSYSTEMS AND WORKING FARMS, WHILE IT ALSO RECLAIMS NEGLECTED URBAN WATERFRONTS.

<u>ENVIRONMENTAL QUALITY</u>- SCENIC HUDSON USES EVERY FORM OF ADVOCACY IN WORKING FOR CLEAN AIR AND WATER IN THE HUDSON VALLEY. IN COLLABORATION WITH THE STATE AND LOCAL GOVERNMENTS, CITIZENS SCIENTIST AND LAWYERS, WE KEEP THE PUBLIC AND POLICY MAKERS INFORMED ON CRITICAL QUALITY OF LIFE ISSUES.

<u>RIVERFRONT COMMUNITIES</u>- SCENIC HUDSON WORKS WITH CONCERNED CITIZENS, LOCAL OFFICIALS, GOVERNMENT GROUPS AND DEVELOPERS TO ENCOURAGE SMART GROWTH. WE PROMOTE PLANNING AND DESIGN STANDARDS THAT PROTECT SCENIC AND HISTORIC ASSETS, COUNTERACT SPRAWL, MITIGATE ENVIRONMENTAL IMPACTS AND ENHANCE THE PUBLIC ASSESS TO THE HUDSON RIVER.

<u>EDUCATION & VOLUNTEERS</u>- WORKING WITH THE NEXT GENERATION OF HUDSON VALLEY RESIDENTS OUR EDUCATION AND VOLUNTEER PROGRAMS OFFER A VARITIEY OF ACTIVITIES FOR CHILDREN AND ADULTS. OUR WORK IN LOCAL SCHOOLS EMPHASIZES OUR PARKS AS OUTDOOR CLASSROOMS TO INSTILL AN UNDERSTANDING OF THE RIVER'S EGOLOGY.

<u>COMMUNICATIONS</u>- A VARIETY OF COMMUNICATIONS AND PUBLIC RELATIONS PROGRAMS HELP SCENIC HUDSON RAISE AWARENESS OF IMPORTANT ENVIRONMENTAL LAND-USE ISSUES.

SCENIC HUDSON, INC.
STATE OF CONNECTICUT FORM PCUREG-01 ATTACHMENT
YEAR: 6/30/2006
EIN # 13-2898799

LIST OF OFFICERS, DIRECTORS, TRUSTEES & PRINCIPAL SALARIED EMPLOYEES:

NAME & ADDRESS	TITLE
EDWARD SULLIVAN ONE CIVIC CENTER PLAZA STE 200 POUGHKEEPSIE, NY 12601	PRESIDENT
STEVEN ROSENBERG ONE CIVIC CENTER PLAZA STE 200 POUGHKEEPSIE, NY 12601	VICE PRESIDENT
JOSEPH KAZLAUSKAS ONE CIVIC CENTER PLAZA STE 200 POUGHKEEPSIE, NY 12601	CFO

SEE ATTACHED LIST OF BOARD OF DIRECTORS

Scenic Hudson, Inc.
Board of Directors
June 30, 2006

Atwater, Phyllis Y.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Byrne-Ling, Mary	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Cameron, James R.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Clancy, Maureen K.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Evarts Jr., Esq., William M	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Flinn, Irvine D.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Freeman, Robert P.	*Vice Chair*	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Gamble, Kristin	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Gannett, Anna Carlson	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Glynn, Gary A.	Treasurer	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Hammer, Kathy	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Hart, Marjorie L.	Director / *Former Chair*	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Hoch, Lisina M.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Huseby, Sven	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Impellizzeri, Anne E.	Secretary	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Long, Gretchen	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Martucci, Frank	*Vice Chair*	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
McMullan, W. Patrick	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Mortimer, David H.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Platt, Nicholas	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
Rauch, III Rudolph S.	Director	One Civic Center Plaza, Suite 200, Poughkeepsie, NY 12601
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