

## **Financial Statements**



**December 31, 2025**

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**Georges River Land Trust**

**December 31, 2025**

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## **Independent Accountants' Review Report**

**To the Board of Directors  
Georges River Land Trust  
Rockland, Maine**

We have reviewed the accompanying financial statements of Georges River Land Trust (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

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

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Georges River Land Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## **Summarized Comparative Information**

We previously reviewed Georges River Land Trust's 2024 financial statements and in our conclusion dated August 11, 2025, stated that based on our review, we were not aware of any material modifications that should be made to the 2024 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. During the review for the year ended December 31, 2025, two errors in the previously reviewed December 31, 2024 financial statements were identified. Refer to Notes N and O of the accompanying financial statements for more information. Other than the restatements to correct the above errors, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

*Purdy Powers + Co.*  
Professional Association

**Portland, Maine**  
**September 8, 2026**

## Statement of Financial Position

### Georges River Land Trust

As of December 31, 2025

(with comparative totals for December 31, 2024)

|                                                                 | <u>2025</u>         | <u>2024</u><br>(Restated) |
|-----------------------------------------------------------------|---------------------|---------------------------|
| <b>Current Assets</b>                                           |                     |                           |
| Cash and cash equivalents                                       | \$ 642,857          | \$ 685,285                |
| Investments                                                     | 962,246             | 747,129                   |
| Current portion of pledges receivable                           | 52,736              | 44,482                    |
| Prepaid expenses                                                | 12,435              | 8,754                     |
| Inventory                                                       | -                   | 2,844                     |
| <b>Total Current Assets</b>                                     | <u>1,670,274</u>    | <u>1,488,494</u>          |
| <b>Property and Equipment</b> , net of accumulated depreciation | 289,861             | 292,923                   |
| <b>Other Assets</b>                                             |                     |                           |
| Deposits                                                        | 32,673              | 24,069                    |
| Pledges receivable, less current portion                        | 36,632              | 68,140                    |
| Beneficial interest in perpetual trust                          | 307,348             | 288,412                   |
| Langlais artwork                                                | 2,207,186           | 2,207,186                 |
| Investments restricted by donors for endowment                  | 492,890             | 467,197                   |
| Property for conservation                                       | 3,025,452           | 2,705,066                 |
| Right of use asset                                              | 44,986              | 7,891                     |
| <b>Total Other Assets</b>                                       | <u>6,147,167</u>    | <u>5,767,961</u>          |
| <b>Total Assets</b>                                             | <u>\$ 8,107,302</u> | <u>\$ 7,549,378</u>       |
| <b>Current Liabilities</b>                                      |                     |                           |
| Accounts payable and accrued liabilities                        | \$ 44,076           | \$ 29,409                 |
| Current portion of lease obligation                             | 35,803              | 7,891                     |
| <b>Total Current Liabilities</b>                                | <u>79,879</u>       | <u>37,300</u>             |
| <b>Long-Term Liabilities</b>                                    |                     |                           |
| Lease obligation, net of current portion                        | 9,183               | -                         |
| <b>Total Long-Term Liabilities</b>                              | <u>9,183</u>        | <u>-</u>                  |
| <b>Total Liabilities</b>                                        | <u>89,062</u>       | <u>37,300</u>             |
| <b>Net Assets</b>                                               |                     |                           |
| Without donor restrictions                                      | 2,251,092           | 2,058,969                 |
| With donor restrictions                                         | 5,767,148           | 5,453,109                 |
| <b>Total Net Assets</b>                                         | <u>8,018,240</u>    | <u>7,512,078</u>          |
| <b>Total Liabilities and Net Assets</b>                         | <u>\$ 8,107,302</u> | <u>\$ 7,549,378</u>       |

See accompanying independent accountants' review report and notes to financial statements.

## Statement of Activities

### Georges River Land Trust

**For the Year Ended December 31, 2025**  
**(with comparative totals for December 31, 2024)**

|                                                           | 2025                          |                            |                     | 2024                |
|-----------------------------------------------------------|-------------------------------|----------------------------|---------------------|---------------------|
|                                                           | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               | Total<br>(Restated) |
| <b>Revenues</b>                                           |                               |                            |                     |                     |
| Contribution income                                       | \$ 219,264                    | \$ 784,873                 | \$ 1,004,137        | \$ 507,799          |
| Special events                                            | 28,000                        | -                          | 28,000              | 12,220              |
| Grants                                                    | 234,360                       | 99,800                     | 334,160             | 331,049             |
| Merchandise sales                                         | 1,414                         | -                          | 1,414               | 832                 |
| Contributed nonfinancial assets                           | 3,991                         | -                          | 3,991               | 2,205               |
| Sales of donated vehicles                                 | -                             | -                          | -                   | 9,250               |
| Interest and dividend income                              | 45,172                        | -                          | 45,172              | 71,705              |
| Miscellaneous income                                      | -                             | -                          | -                   | 540                 |
| Net assets released from restrictions                     | 615,263                       | (615,263)                  | -                   | -                   |
| <b>Total Revenues</b>                                     | <b>1,147,464</b>              | <b>269,410</b>             | <b>1,416,874</b>    | <b>935,600</b>      |
| <b>Expenses</b>                                           |                               |                            |                     |                     |
| Program services                                          |                               |                            |                     |                     |
| Trails and public access                                  | 161,961                       | -                          | 161,961             | 131,793             |
| Education and outreach                                    | 67,015                        | -                          | 67,015              | 58,642              |
| Stewardship                                               | 206,216                       | -                          | 206,216             | 145,773             |
| Conservation                                              | 140,580                       | -                          | 140,580             | 137,351             |
| Langlais Art Preserve                                     | 235,030                       | -                          | 235,030             | 207,575             |
| Supporting services                                       |                               |                            |                     |                     |
| General administrative                                    | 87,552                        | -                          | 87,552              | 73,878              |
| Fundraising                                               | 100,203                       | -                          | 100,203             | 93,911              |
| <b>Total Expenses</b>                                     | <b>998,557</b>                | <b>-</b>                   | <b>998,557</b>      | <b>848,923</b>      |
| <b>Revenues Over Expenses</b>                             | <b>148,907</b>                | <b>269,410</b>             | <b>418,317</b>      | <b>86,677</b>       |
| Change in value of beneficial interest in perpetual trust | -                             | 18,936                     | 18,936              | -                   |
| Realized and unrealized gain on investments               | 43,216                        | 25,693                     | 68,909              | 38,265              |
|                                                           | <u>43,216</u>                 | <u>44,629</u>              | <u>87,845</u>       | <u>38,265</u>       |
| <b>Increase in Net Assets</b>                             | <b>192,123</b>                | <b>314,039</b>             | <b>506,162</b>      | <b>124,942</b>      |
| Net assets at beginning of year, as previously stated     | 2,190,169                     | 5,246,909                  | 7,437,078           | 7,387,136           |
| Net asset reclassification (See Note N)                   | (131,200)                     | 131,200                    | -                   | -                   |
| Prior period adjustment (See Note O)                      | -                             | 75,000                     | 75,000              | -                   |
| Net assets at beginning of year, restated                 | <u>2,058,969</u>              | <u>5,453,109</u>           | <u>7,512,078</u>    | <u>7,387,136</u>    |
| <b>Net Assets at End of Year</b>                          | <b>\$ 2,251,092</b>           | <b>\$ 5,767,148</b>        | <b>\$ 8,018,240</b> | <b>\$ 7,512,078</b> |

See accompanying independent accountants' review report and notes to financial statements.

## Statement of Functional Expenses

### Georges River Land Trust

For the Year Ended December 31, 2025  
(with comparative totals for December 31, 2024)

|                         | 2025              |                           |                   |                   | 2024              |
|-------------------------|-------------------|---------------------------|-------------------|-------------------|-------------------|
|                         | Program           | Management<br>and General | Fundraising       | Total             | Total             |
| <b>Expenses</b>         |                   |                           |                   |                   |                   |
| Salaries and wages      | \$ 498,249        | \$ 50,701                 | \$ 45,493         | \$ 594,443        | \$ 512,053        |
| Bank fees               | 106               | 3,757                     | 2                 | 3,865             | 4,570             |
| Insurance               | 4,877             | 14,432                    | 157               | 19,466            | 16,216            |
| Professional fees       | 95,075            | 7,725                     | 9,183             | 111,983           | 58,383            |
| Utilities               | 5,012             | 244                       | 398               | 5,654             | 3,526             |
| Miscellaneous           | 511               | 1,200                     | 7,692             | 9,403             | 12,755            |
| Printing and postage    | 10,010            | 1,607                     | 3,046             | 14,663            | 18,119            |
| Occupancy               | 31,263            | 2,522                     | 3,001             | 36,786            | 31,774            |
| Dues and subscriptions  | -                 | 2,991                     | 165               | 3,156             | 3,130             |
| Repairs and maintenance | 2,208             | 179                       | 212               | 2,599             | 1,134             |
| Office supplies         | 7,761             | 631                       | 749               | 9,141             | 5,253             |
| Fundraising             | 4,892             | -                         | 29,936            | 34,828            | 23,472            |
| Property and program    | 120,614           | 350                       | 21                | 120,985           | 132,802           |
| Interest                | -                 | 151                       | -                 | 151               | 232               |
| Depreciation            | 30,224            | 1,062                     | 148               | 31,434            | 25,504            |
| <b>Total Expenses</b>   | <u>\$ 810,802</u> | <u>\$ 87,552</u>          | <u>\$ 100,203</u> | <u>\$ 998,557</u> | <u>\$ 848,923</u> |

See accompanying independent accountants' review report and notes to financial statements.

## Statement of Cash Flows

### Georges River Land Trust

**For the Year Ended December 31, 2025**  
**(with comparative totals for December 31, 2024)**

|                                                                                                        | <u>2025</u>       | <u>2024</u><br>(Restated) |
|--------------------------------------------------------------------------------------------------------|-------------------|---------------------------|
| <b>Operating Activities</b>                                                                            |                   |                           |
| Increase in net assets                                                                                 | \$ 506,162        | \$ 124,942                |
| Adjustments to reconcile changes in net assets to<br>net cash provided (used) by operating activities: |                   |                           |
| Depreciation                                                                                           | 31,434            | 25,504                    |
| Right of use amortization                                                                              | 28,330            | 22,510                    |
| Realized and unrealized gain on investments                                                            | (68,909)          | (38,265)                  |
| Change in value of beneficial interest in perpetual trust                                              | (18,936)          | (13,152)                  |
| (Increase) decrease in operating assets:                                                               |                   |                           |
| Pledges receivable                                                                                     | 23,254            | 12,972                    |
| Deposits                                                                                               | (8,604)           | (10,260)                  |
| Prepaid expenses                                                                                       | (3,681)           | 2,141                     |
| Inventory                                                                                              | 2,844             | -                         |
| Increase (decrease) in operating liabilities:                                                          |                   |                           |
| Accounts payable and accrued liabilities                                                               | 14,667            | (451)                     |
| Lease obligation                                                                                       | (28,330)          | (22,510)                  |
| <b>Net Cash Provided by Operating Activities</b>                                                       | <u>478,231</u>    | <u>103,431</u>            |
| <b>Investing Activities</b>                                                                            |                   |                           |
| Purchase of conservation property                                                                      | (320,386)         | -                         |
| Purchase of fixed assets                                                                               | (28,372)          | (102,714)                 |
| Purchase of investments                                                                                | (266,765)         | (109,041)                 |
| Proceeds from sales of investments                                                                     | 94,864            | 104,630                   |
| <b>Net Cash Used by Investing Activities</b>                                                           | <u>(520,659)</u>  | <u>(107,125)</u>          |
| <b>Decrease in Cash and Cash Equivalents</b>                                                           | <u>(42,428)</u>   | <u>(3,694)</u>            |
| Cash and cash equivalents at beginning of year                                                         | <u>685,285</u>    | <u>688,979</u>            |
| <b>Cash and Cash Equivalents at End of Year</b>                                                        | <u>\$ 642,857</u> | <u>\$ 685,285</u>         |

See accompanying independent accountants' review report and notes to financial statements.

## Notes to Financial Statements

# Georges River Land Trust

### Note A - Summary of Significant Accounting Policies

#### **Organization**

Georges River Land Trust (the Organization) is a nonprofit organization incorporated in the State of Maine in 1987. The Organization's mission is to conserve the ecosystems and traditional heritage of the Georges River watershed region through permanent land protection, stewardship, education, and outdoor experiences. It works with landowners and communities to protect special natural landscapes for future generations, as well as supporting public access to natural lands through the development of its conservation trails program. The Organization is supported primarily through contributions and grants.

#### **Basis of Presentation**

The accompanying financial statements include a statement of financial position, a statement of activities, a statement of functional expenses, and a statement of cash flows. The Organization is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets without Donor Restrictions - Represents those resources that are not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants), and can be used for any purpose designated by the Organization's governing board.

Net Assets with Donor Restrictions - Represents resources and the portion of net assets resulting from contributions and other inflows of assets whose use is subject to donor-imposed restrictions.

#### **Contributions**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

#### **Donated Services by Volunteers**

A number of volunteers have donated their time and perform a variety of tasks that assist the Organization in the completion of its mission. The value of contributed services is recognized in the financial statements if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. As these volunteer services do not meet the foregoing criteria for recognition as contributed services under FASB ASC 958-605, *Revenue Recognition*, no amounts for volunteer support or revenue recognition have been recorded.

## Notes to Financial Statements

# Georges River Land Trust

### Note A - Summary of Significant Accounting Policies - Continued

#### **Revenue and Expense Recognition**

The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenues received are recorded as revenue without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

In accordance with ASC 606, the Organization recognizes revenue when it satisfies a performance obligation by transferring control of a promised good or service, in an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services.

Expenses are recognized as incurred. The Organization's policy for amounts appropriated for expenditure is to first use restricted amounts as permitted by the restriction, until depleted, and then use unrestricted funds.

For the year ended December 31, 2025, the Organization had no revenue subject to ASC 606.

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

The Organization considers cash in banks and all other highly liquid investments with a maturity of less than three months to be cash and cash equivalents for the purpose of the statement of cash flows. Cash and cash equivalents residing within the Organization's investment portfolios are reported as investments. The Organization maintains its cash and cash equivalents in bank deposit accounts, and at times balances may exceed federally insured limits. At December 31, 2025, the Organization's uninsured and uncollateralized cash balances totaled \$253,065. The Organization has not experienced any losses in such accounts.

#### **Pledges Receivable**

Pledges receivable represents amounts due to the Organization for unconditional promises, which are recognized as revenue in the period the pledge is made. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

## Notes to Financial Statements

# Georges River Land Trust

### Note A - Summary of Significant Accounting Policies - Continued

#### **Pledges Receivable - Continued**

The allowance for doubtful promises is provided based on an analysis by management of the collectability of outstanding balances. Management considers the age of outstanding balances and the credit worthiness of supporters in determining the allowance for doubtful promises. Management has estimated that no allowance for doubtful accounts is necessary as of December 31, 2025.

At December 31, 2025, approximately 94% of the pledge receivable balance is owed from four donors.

The Organization expects to collect \$52,736 of the pledges receivable within one year, and \$36,632 of the pledges receivable within one to five years. Pledges receivable is stated net of a discount for the time value of money. Management has estimated that no discount is necessary as of December 31, 2025.

#### **Investments**

The Organization reports its investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Cash held in the investment account is considered an investment.

#### **Property and Equipment**

Property and equipment is stated at cost if purchased or at fair value if contributed. The Organization's policy is to capitalize acquisitions and major improvements with a cost of \$10,000 or more and to expense repair and maintenance costs that do not extend the useful lives of the assets. Depreciation expense is calculated utilizing the straight-line method based on the estimated useful lives of the depreciable assets, which range from 5 to 25 years. Depreciation expense for the year ended December 31, 2025 was \$31,434.

#### **Property for Conservation (Parcels of Land)**

The property of the Organization consists of parcels of land in the Georges River watershed region owned in fee and received at various times from various donors and sellers. If donated, such property is recorded as revenue and as an "other asset" at the time the property is received. The basis of the donation is the fair value of the property as of the date donated as determined by the most recent appraisal by an independent qualified appraiser. If purchased, the property is recorded as an "other asset" based upon the cost of the acquisition.

Certain properties acquired by the Organization are later encumbered by conservation easements, declarations of trust, or project agreements which legally restrict the uses the land can be put to. Such encumbrances impair the market value of the property. Consequently, all such properties have been written down to the estimated market value following the recording of the encumbrance using municipal valuation guidelines used for public access open space land in the State of Maine.

## Notes to Financial Statements

# Georges River Land Trust

### Note A - Summary of Significant Accounting Policies - Continued

#### **Langlais Artwork**

The Organization was the recipient of gifts of artwork by Bernard Langlais. The artwork has been recorded at the fair value at the time of donation as determined by an appraisal by an independent qualified appraiser. The Organization does not consider the artwork to satisfy the definition of a collection.

Certain pieces of art have been installed outdoors on the former estate of Bernard Langlais and are therefore exposed to the elements. Because the Organization has an agreement with Colby College of Waterville, Maine to maintain the outdoor artwork through the Organization's December 31, 2030 fiscal year, the Organization's policy is to not depreciate the Langlais artwork as the Organization has the technological and financial ability to preserve the art.

#### **Conservation Easements**

It is the policy of the Organization to not recognize any amount in the financial statements for the donation of an easement as it has no economic value. The costs of purchased easements are reflected as an expense. No amount is capitalized for the acquisition of an easement as it is not a fee simple property.

#### **Functional Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting functions of the Organization. Those expenses include salaries and wages, occupancy, office supplies, repairs and maintenance, and depreciation. Salaries and benefits are allocated based on estimates of time and effort, certain costs of occupancy, repairs and maintenance, and other office and utility expenses are based on management's estimate of the appropriate allocations for each expense.

#### **Beneficial Interest in Perpetual Trust**

The Organization is the sole beneficiary of the Gibson Preserve Trust, a perpetual trust fund held and administered by Merrill Edge, a division of Bank of America. The Organization receives annual distributions from the Trust according to a formula that permits an annual distribution of 3% of the value of the Trust as long as the year-end balance of the Organization's restricted Gibson Preserve Stewardship Fund does not exceed \$20,000, or 15% of the principal value of the Trust, whichever is greater.

## Notes to Financial Statements

### Georges River Land Trust

#### Note A - Summary of Significant Accounting Policies - Continued

##### Leases

In accordance with ASC 842, the Organization generally records lease assets and corresponding lease liabilities on the balance sheet and discloses key quantitative and qualitative information about its lease contracts.

For each of its lease contracts that at inception are identified to be within the scope of ASC 842, the Organization determines the proper classification as either an operating or a finance lease. A lease liability is initially measured at the present value of the unpaid lease payments, and a right of use ("ROU") asset is initially measured at the amount of the lease liability, plus any initial direct costs and less incentives received. Subsequently, the lease liability is increased to reflect interest using the effective interest method and decreased for lease payments made. Finance lease ROU assets are amortized on a straight-line basis over the earlier of the useful life or lease term; operating lease ROU assets are amortized based on the difference between periodic straight-line lease cost and periodic interest accretion.

Operating lease expense is recognized on a straight-line basis over the lease term; any variable lease payments not included in the lease liability are recognized when incurred. Amortization on the ROU asset and interest on the outstanding lease liability are recorded annually for any finance leases.

In determining the lease term, the Organization follows ASC 842-10-55-23 in assessing the length of the noncancellable period of a lease. At the commencement date, the Organization assesses whether it is reasonably certain to exercise or not exercise any renewal option by considering all economic factors relevant to that assessment.

##### Comparative Data

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024, from which the summarized information was derived. See Notes N and O for corrections made to the year ending December 31, 2024.

## Notes to Financial Statements

# Georges River Land Trust

### Note B - Investments

Investments are stated at fair value and consist of the following at December 31, 2025:

|              |                     |
|--------------|---------------------|
| Cash         | \$ 12,255           |
| Stock funds  | 757,299             |
| Bond funds   | 378,787             |
| Fixed income | <u>306,795</u>      |
|              | <u>\$ 1,455,136</u> |

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2025:

|                                                 |                   |
|-------------------------------------------------|-------------------|
| Interest and dividend income                    | \$ 45,172         |
| Net realized and unrealized gain on investments | <u>68,909</u>     |
|                                                 | <u>\$ 114,081</u> |

Investments are reported on the statement of financial position as follows:

|                                                |                     |
|------------------------------------------------|---------------------|
| Investments                                    | \$ 962,246          |
| Investments restricted by donors for endowment | <u>492,890</u>      |
|                                                | <u>\$ 1,455,136</u> |

### Note C - Fair Value Measurements

The Organization applies a framework for measuring fair values under generally accepted accounting principles which applies to all financial instruments that are measured and reported at fair value.

The framework for measuring fair value of financial assets and liabilities includes a hierarchy of three levels for observable independent market inputs and unobservable market assumptions. A description of the inputs used in the valuation of assets and liabilities under this hierarchy is as follows:

Level 1 – Quoted prices are available in active markets, such as the New York or American Stock Exchange markets, for identical investments as of the reporting date. Level 1 also includes U.S. Treasury and federal agency securities and mortgage-backed securities traded by brokers or dealers in active markets.

Level 2 – Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1. Fair values are obtained from third party pricing services that may use models or other valuation methodologies to derive market value. These may be investments traded in less active dealer or broker markets.

## Notes to Financial Statements

### Georges River Land Trust

#### Note C - Fair Value Measurements - Continued

Level 3 – Pricing inputs are unobservable for investments and valuations are derived from other methodologies not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities. The types of investments in this category would generally include debt and equity securities issued by private entities and partnerships. The beneficial interest in perpetual trust has been valued based upon the fair market value of the trust assets as reported by the trustee.

The following summarizes fair values of certain financial instruments by levels within the fair value hierarchy at December 31, 2025:

|                                        | <u>Level 1</u>      | <u>Level 2</u> | <u>Level 3</u>    | <u>Total</u>        |
|----------------------------------------|---------------------|----------------|-------------------|---------------------|
| Investments:                           |                     |                |                   |                     |
| Cash                                   | \$ 12,255           | \$ -           | \$ -              | \$ 12,255           |
| Stock Funds                            | 757,299             | -              | -                 | 757,299             |
| Bond Funds                             | 378,787             | -              | -                 | 378,787             |
| Fixed Income                           | <u>306,795</u>      | <u>-</u>       | <u>-</u>          | <u>306,795</u>      |
|                                        | <u>\$ 1,455,136</u> | <u>\$ -</u>    | <u>\$ -</u>       | <u>\$ 1,455,136</u> |
| Beneficial interest in perpetual trust | \$ <u>-</u>         | \$ <u>-</u>    | \$ <u>307,348</u> | \$ <u>307,348</u>   |

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. Most assets have been valued using a market approach. There have been no changes in valuation techniques and related inputs.

#### Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

#### Beneficial Interest in Perpetual Trust

|                               |                   |
|-------------------------------|-------------------|
| Beginning balance             | \$ 288,412        |
| Change in beneficial interest | <u>18,936</u>     |
| Ending balance                | <u>\$ 307,348</u> |

## Notes to Financial Statements

# Georges River Land Trust

### Note D - Endowment Fund

The Organization has endowment funds established for a number of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Maine has adopted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). In accordance with UPMIFA the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (d) any remaining portion of the donor-restricted endowment until such amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds, while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income and capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix which includes cash and equity and debt securities, which is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the endowment funds. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

The Organization has a spending policy of appropriating for distribution annually up to 5% of its endowment fund's average fair value of the prior twelve quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the endowment funds, and the possible effects of inflation. The Organization expects to maintain a current spending policy which will allow its endowment funds to grow at a nominal average rate that is consistent with the Organization's objective to maintain the purchasing power of the endowment assets, as well as to provide additional growth through new gifts and investment return.

## Notes to Financial Statements

### Georges River Land Trust

#### Note D - Endowment Fund - Continued

Endowment net asset composition by type of fund is as follows at December 31, 2025:

|                 | <u>With Donor<br/>Restrictions</u> |
|-----------------|------------------------------------|
| Endowment funds | \$ <u>492,890</u>                  |

Changes in endowment net assets for the year ended December 31, 2025 are as follows:

|                                                   | <u>With Donor<br/>Restrictions</u> |
|---------------------------------------------------|------------------------------------|
| Endowment net assets, beginning of year           | \$ 467,197                         |
| Contributions received                            | -                                  |
| Investment income                                 | 25,693                             |
| Transfer of net assets                            | -                                  |
| Appropriation of endowment assets for expenditure | -                                  |
| Endowment net assets, end of year                 | \$ <u>492,890</u>                  |

#### Note E - Property and Equipment

Property and equipment consisted of the following as of December 31, 2025:

|                               |                   |
|-------------------------------|-------------------|
| Computer equipment            | \$ 10,242         |
| Furnishings                   | 8,184             |
| Tools and equipment           | 11,610            |
| Vehicles                      | 27,154            |
| Land improvements             | 176,705           |
| Trails                        | 102,805           |
| Structures                    | <u>129,651</u>    |
|                               | 466,351           |
| Less accumulated depreciation | <u>176,490</u>    |
|                               | \$ <u>289,861</u> |

#### Note F - Property for Conservation

The conservation property of the Organization consists of 1,959.69 acres of land in the Georges River watershed region owned in fee simple and received at various times from various donors and sellers. If donated, such properties are recorded at fair values as of the date donated, as determined by an independent appraisal. If purchased, the properties are recorded at the cost of acquisition.

## Notes to Financial Statements

### Georges River Land Trust

#### Note F - Property for Conservation - Continued

Many properties acquired by the Organization are later encumbered by conservation easements, declarations of trust, or project agreements which legally restrict the uses the land can be put to. Such encumbrances impair the market value of the property. Consequently, all such properties have been written down to the estimated market value following the recording of the encumbrance using municipal valuation guidelines used for public access open space land in the State of Maine.

All properties have either been donated with the explicit or implicit expectation of permanent conservation or purchased using donor or grant funds that were received with the explicit or implicit expectation that the properties acquired would be permanently conserved. The Organization therefore considers all property to be held for conservation.

The balance of the property account is comprised of the following as of December 31, 2025:

|                                   |                     |
|-----------------------------------|---------------------|
| Unimpaired value of property      | \$ 5,057,198        |
| Less: Total impairment reductions | <u>2,031,746</u>    |
|                                   | <u>\$ 3,025,452</u> |

#### Note G - Leases

The Organization has one operating lease for office space through March 2027.

The Organization has elected the following practical expedients for all relevant leases:

- Not to recognize short-term leases (twelve months or less) on its balance sheet; lease expense for any such agreements is recorded on a straight-line basis;
- Not to separate lease components from non-lease components; and
- To use the risk-free discount rate of return.

The Organization has determined that none of its contracts include finance leases.

The Organization has determined that none of its contracts include short-term (including month to month) operating lease obligations.

The Organization has determined that none of its leases include variable rental payments.

Management has determined that none of its leases include renewal options.

## Notes to Financial Statements

### Georges River Land Trust

#### Note G - Leases - Continued

Operating lease right of use asset and lease obligation were as follows at December 31, 2025:

|                              |                  |
|------------------------------|------------------|
| Right of use asset:          |                  |
| Operating lease asset        | \$ <u>44,986</u> |
| Lease obligation:            |                  |
| Current lease obligation     | \$ 35,803        |
| Non-current lease obligation | <u>9,183</u>     |
| Total lease obligation       | <u>\$ 44,986</u> |

Operating lease cost for the leasing activity of the Organization for the year ended December 31, 2025 was \$29,518 and has been reported as occupancy in the statement of functional expenses.

The aggregate future lease payments below summarize the remaining future undiscounted cash flows for operating leases as of December 31, 2025, and a reconciliation of operating lease obligations reported on the statement of financial position:

|                                   |                  |
|-----------------------------------|------------------|
| 2026                              | \$ 36,985        |
| 2027                              | <u>9,246</u>     |
| Total lease payments              | 46,231           |
| Less: interest                    | <u>1,245</u>     |
| Present value of lease obligation | <u>\$ 44,986</u> |

At December 31, 2025, the remaining lease term is 1.25 years and the risk free discount rate is 4.12%.

## Notes to Financial Statements

### Georges River Land Trust

#### Note H - Net Assets with Donor Restrictions

Net assets with donor restrictions for the year ended December 31, 2025 are as follows:

*Subject to expenditure for specified purpose:*

|                                            |                  |
|--------------------------------------------|------------------|
| Land acquisition                           | \$ 1,000         |
| Legal reserve                              | 107,933          |
| Stewardship of Gibson Preserve             | 20,612           |
| Property reserve                           | 214,905          |
| Langlais reserve                           | 26,819           |
| Trails fund                                | 9,497            |
| Stewardship                                | 334,808          |
| Improvements                               | 8,395            |
| Keep the Watershed Wild - land acquisition | 206,333          |
| Keep the Watershed Wild - stewardship      | 29,375           |
| Keep the Watershed Wild - Langlais reserve | 100              |
| Keep the Watershed Wild - trails           | 2,025            |
| Langlais Art Preserve                      | 146,316          |
| Development                                | 2,220            |
| Climate video grant                        | 7,485            |
| Capital campaign                           | 75,000           |
| Land endowment                             | <u>155,713</u>   |
|                                            | <u>1,348,536</u> |

*Subject to the passage of time:*

|                                      |        |
|--------------------------------------|--------|
| Langlais Art Preserve - Lunder grant | 50,000 |
|--------------------------------------|--------|

*Not subject to appropriation or expenditure:*

|                                          |                     |
|------------------------------------------|---------------------|
| Donor-restricted endowment               | 271,591             |
| Beneficial interest in perpetual trust   | 307,348             |
| Langlais artwork                         | 2,207,186           |
| Langlais endowment                       | 57,500              |
| Property for conservation                | <u>1,524,987</u>    |
|                                          | <u>4,368,612</u>    |
| Total net assets with donor restrictions | <u>\$ 5,767,148</u> |

## Notes to Financial Statements

### Georges River Land Trust

#### Note I - Board Designated Net Assets

Board designated net assets (which are included in net assets without donor restrictions) consist of the following at December 31, 2025:

|                          |                   |
|--------------------------|-------------------|
| Legal reserve            | \$ 25,300         |
| Property reserve         | 71,657            |
| Board-restricted reserve | 60,000            |
|                          | <u>\$ 156,957</u> |

#### Note J - Liquidity and Availability

Financial assets consist of the Organization's cash and cash equivalents, investments, pledges receivable, and beneficial interest in perpetual trust. The following reflects the Organization's financial assets as of December 31, 2025, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the Statement of Financial Position. Amounts already appropriated from the donor-restricted endowment for general expenditure within one year of the Statement of Financial Position date have not been subtracted as unavailable.

Financial assets available to meet cash needs for general expenditures within one year consists of the following at December 31, 2025:

|                                                                                        |                   |
|----------------------------------------------------------------------------------------|-------------------|
| Financial assets, at year-end                                                          | \$ 2,494,709      |
| Less those unavailable for general expenditures within one year, due to:               |                   |
| Pledges receivable due in more than one year                                           | (36,632)          |
| <i>Contractual or donor-imposed restrictions:</i>                                      |                   |
| Restricted by donor with purpose restrictions                                          | (1,348,536)       |
| Donor-restricted to maintain as an endowment                                           | (329,091)         |
| Beneficial interest in perpetual trust                                                 | (307,348)         |
| <i>Board designations:</i>                                                             |                   |
| Legal reserve                                                                          | (25,300)          |
| Property reserve                                                                       | (71,657)          |
| Board-restricted reserve                                                               | <u>(60,000)</u>   |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 316,145</u> |

The Organization's financial assets available to meet cash needs for general expenditures within one year represents funding for ongoing operational requirements in 2026.

## **Notes to Financial Statements**

### **Georges River Land Trust**

#### **Note J - Liquidity and Availability - Continued**

The Organization is substantially supported by contributions from donations solicited and contributions received. The Organization actively manages its cash flow to ensure funds are available for general expenditures, liabilities, and other obligations as they come due. Although the Organization does not intend to spend from board designated funds listed above, amounts from these funds can be appropriated if necessary.

#### **Note K - Contingent Liability**

The Organization holds 57 conservation easements covering 3,840 acres. The Organization is committed to monitoring these properties in order to ensure that the condition of the conservation easements is not violated. In the event that any violation of these easements is deemed to have occurred, the Organization is committed to bringing any and all actions necessary to defend the easements. To mitigate the financial risk such a commitment brings, the Organization has purchased conservation defense liability insurance through Terrafirma Risk Retention Group LLC, a mutual insurer created by the Land Trust Alliance. An estimate of the remaining potential liability cannot be made.

#### **Note L - Income Taxes**

The Organization qualifies as an organization exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and files a Form 990 tax return. The Organization has adopted the provisions of FASB ASC 740, Income Taxes. With few exceptions, the Organization is no longer subject to U.S. federal income tax examinations by tax authorities for fiscal years before 2022 due to the statute of limitations. Management of the Organization believes it has no material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits.

#### **Note M - Retirement Plan**

The Organization maintains a SIMPLE IRA plan which covers eligible employees. The plan calls for the Organization to contribute up to 3% of each eligible employee's annual salary. The Organization's contributions for the year ended December 31, 2025 were approximately \$8,000.

#### **Note N - Net Asset Reclassification**

During the year ended December 31, 2025, an adjustment was made to reclassify prior year net assets without donor restrictions and net assets with donor restrictions to correct the recording of endowment earnings that were improperly recorded as net assets without donor restrictions. The effect of the reclassification was a decrease in net assets without donor restrictions and an increase in net assets with donor restrictions in the amount of \$131,200 at January 1, 2025.

## **Notes to Financial Statements**

### **Georges River Land Trust**

#### **Note O - Prior Period Adjustment**

During the year ended December 31, 2025, an adjustment was made to net assets as of January 1, 2025 to record grant revenue in the proper period. The effect of this adjustment increased net assets with donor restrictions and pledges receivable by \$75,000 at January 1, 2025.

#### **Note P - Subsequent Events**

Management has made an evaluation of subsequent events to and including September 8, 2026, which was the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.