

Financial Statements



December 31, 2024

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Georges River Land Trust

December 31, 2024

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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, 2024, 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 2023 financial statements and in our conclusion dated July 30, 2024, stated that based on our review, we were not aware of any material modifications that should be made to the 2023 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2023, for it to be consistent with the reviewed financial statements from which it has been derived.

Purdy Powers & Company

Professional Association

**Portland, Maine
August 11, 2025**

Statement of Financial Position

Georges River Land Trust

As of December 31, 2024

(with comparative totals for December 31, 2023)

	<u>2024</u>	<u>2023</u>
Current Assets		
Cash and cash equivalents	\$ 685,285	\$ 688,979
Investments	878,329	836,540
Current portion of pledges receivable	19,482	92,451
Prepaid expenses	8,754	10,895
Inventory	2,844	2,844
Total Current Assets	<u>1,594,694</u>	<u>1,631,709</u>
Property and Equipment , net of accumulated depreciation	292,923	215,713
Other Assets		
Deposits	24,069	13,809
Pledges receivable, less current portion	18,140	33,143
Beneficial interest in perpetual trust	288,412	275,260
Langlais artwork	2,207,186	2,207,186
Investments restricted by donors for endowment	335,997	335,110
Property for conservation	2,705,066	2,705,066
Right of use asset	7,891	38,685
Total Other Assets	<u>5,586,761</u>	<u>5,608,259</u>
Total Assets	<u>\$ 7,474,378</u>	<u>\$ 7,455,681</u>
Current Liabilities		
Accounts payable and accrued liabilities	\$ 29,409	\$ 29,860
Current portion of lease obligation	7,891	30,794
Total Current Liabilities	<u>37,300</u>	<u>60,654</u>
Long-Term Liabilities		
Lease obligation, net of current portion	-	7,891
Total Long-Term Liabilities	<u>-</u>	<u>7,891</u>
Total Liabilities	<u>37,300</u>	<u>68,545</u>
Net Assets		
Without donor restrictions	2,190,169	2,041,903
With donor restrictions	5,246,909	5,345,233
Total Net Assets	<u>7,437,078</u>	<u>7,387,136</u>
Total Liabilities and Net Assets	<u>\$ 7,474,378</u>	<u>\$ 7,455,681</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, 2024
(with comparative totals for December 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues				
Contribution income	\$ 319,132	\$ 188,667	\$ 507,799	\$ 485,751
Special events	12,220	-	12,220	14,250
Grants	160,690	95,359	256,049	374,610
Merchandise sales	832	-	832	-
Contributed nonfinancial assets	2,205	-	2,205	-
Sales of donated vehicles	9,250	-	9,250	9,250
Interest and dividend income	71,705	-	71,705	56,312
Miscellaneous income	540	-	540	693
Net assets released from restrictions	396,389	(396,389)	-	-
Total Revenues	972,963	(112,363)	860,600	940,866
Expenses				
Program services				
Trails and public access	131,793	-	131,793	184,568
Education and outreach	58,642	-	58,642	18,583
Stewardship	145,773	-	145,773	156,898
Conservation	137,351	-	137,351	139,752
Langlais Sculpture Preserve	-	-	-	8,653
Langlais Art Preserve	207,575	-	207,575	142,611
Supporting services				
General administrative	73,878	-	73,878	91,604
Fundraising	93,911	-	93,911	96,744
Total Expenses	848,923	-	848,923	839,413
Revenues Over (Under) Expenses	124,040	(112,363)	11,677	101,453
Change in value of beneficial interest in perpetual trust	(13,152)	13,152	-	-
Realized and unrealized gain on investments	37,378	887	38,265	102,848
	24,226	14,039	38,265	102,848
Increase (Decrease) in Net Assets	148,266	(98,324)	49,942	204,301
Net assets at beginning of year	2,041,903	5,345,233	7,387,136	7,182,835
Net Assets at End of Year	\$ 2,190,169	\$ 5,246,909	\$ 7,437,078	\$ 7,387,136

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, 2024
(with comparative totals for December 31, 2023)

	2024			2023	
	Program	Management and General	Fundraising	Total	Total
Expenses					
Salaries and wages	\$ 414,028	\$ 41,024	\$ 57,001	\$ 512,053	\$ 514,088
Bank fees	165	4,395	10	4,570	3,348
Insurance	13,803	903	1,510	16,216	18,765
Professional fees	41,081	17,063	239	58,383	58,835
Utilities	2,919	197	410	3,526	4,471
Miscellaneous	5,172	1,817	5,766	12,755	4,568
Printing and postage	8,867	1,863	7,389	18,119	27,697
Occupancy	25,419	2,659	3,696	31,774	31,705
Dues and subscriptions	2	2,768	360	3,130	3,509
Repairs and maintenance	907	95	132	1,134	2,762
Office supplies	4,175	-	1,078	5,253	9,098
Fundraising	7,272	-	16,200	23,472	30,312
Property and program	132,802	-	-	132,802	109,556
Interest	-	232	-	232	306
Depreciation	24,522	862	120	25,504	20,393
Total Expenses	\$ 681,134	\$ 73,878	\$ 93,911	\$ 848,923	\$ 839,413

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

Statement of Cash Flows

Georges River Land Trust

For the Years Ended December 31, 2024
(with comparative totals for December 31, 2023)

	<u>2024</u>	<u>2023</u>
Operating Activities		
Increase in net assets	\$ 49,942	\$ 204,301
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	25,504	20,393
Right of use amortization	22,510	22,510
Realized and unrealized gain on investments	(38,265)	(102,848)
Change in value of beneficial interest in perpetual trust	(13,152)	(23,202)
(Increase) decrease in operating assets:		
Pledges receivable	87,972	118,740
Deposits	(10,260)	(6,863)
Prepaid expenses	2,141	810
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(451)	5,847
Lease obligation	(22,510)	(22,510)
Net Cash Provided by Operating Activities	<u>103,431</u>	<u>217,178</u>
Investing Activities		
Purchase of conservation property	-	(117,264)
Purchase of fixed assets	(102,714)	(31,886)
Purchase of investments	(109,041)	(65,922)
Proceeds from sales of investments	104,630	9,859
Net Cash Used by Investing Activities	<u>(107,125)</u>	<u>(205,213)</u>
Increase (Decrease) in Cash and Cash Equivalents	(3,694)	11,965
Cash and cash equivalents at beginning of year	<u>688,979</u>	<u>677,014</u>
Cash and Cash Equivalents at End of Year	<u>\$ 685,285</u>	<u>\$ 688,979</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.

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 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, 2024, the Organization's uninsured and uncollateralized cash balances totaled \$195,361. 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, 2024.

At December 31, 2024, approximately 92% of the pledge receivable balance is owed from three donors.

The Organization expects to collect \$19,482 of the pledges receivable within one year, and \$18,140 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, 2024.

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.

Inventories

Inventory is stated at the lower of cost (average cost) or net realizable value on a First In, First Out (FIFO) basis. Inventory consists of books, hats, and posters.

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, 2024 was \$25,504.

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.

Notes to Financial Statements

Georges River Land Trust

Note A - Summary of Significant Accounting Policies - Continued

Property for Conservation (Parcels of Land) - Continued

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.

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.

Contributed Nonfinancial Assets

The Organization records donated goods and services at fair value at the date of donation. The Organization recognized \$9,250 in sales of vehicles which were donated during the year.

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.

Notes to Financial Statements

Georges River Land Trust

Note A - Summary of Significant Accounting Policies - Continued

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.

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, 2023, from which the summarized information was derived

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, 2024:

Cash	\$ 34,041
Mutual funds	<u>1,180,285</u>
	<u>\$ 1,214,326</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2024:

Interest and dividend income	\$ 71,705
Net realized and unrealized gain on investments	<u>38,265</u>
	<u>\$ 109,970</u>

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

Investments	\$ 878,329
Investments restricted by donors for endowment	<u>335,997</u>
	<u>\$ 1,214,326</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.

Notes to Financial Statements

Georges River Land Trust

Note C - Fair Value Measurements - Continued

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.

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, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash	\$ 34,041	\$ -	\$ -	\$ 34,041
Mutual Funds	<u>1,180,285</u>	<u>-</u>	<u>-</u>	<u>1,180,285</u>
	<u>\$ 1,214,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,214,326</u>
Beneficial interest in perpetual trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,412</u>	<u>\$ 288,412</u>

Notes to Financial Statements

Georges River Land Trust

Note C - Fair Value Measurements - Continued

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, 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 <u>Perpetual Trust</u>
Beginning balance	\$ 275,260
Total gains (realized/unrealized) recognized in the statement of activities	15,690
Interest and dividends	-
Investment management fees	(2,538)
Deposits	-
Withdrawals	-
	<hr/>
Ending balance	<u>\$ 288,412</u>

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 funds are recorded at fair value and the principal recorded as net assets with donor restrictions. Earnings and losses on these funds are considered restricted or unrestricted depending on donor intentions and are recorded as such.

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.

Notes to Financial Statements

Georges River Land Trust

Note D - Endowment Fund - Continued

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 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.

Endowment net asset composition by type of fund is as follows at December 31, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment funds	\$ 131,200	\$ 335,997	\$ 467,197

Notes to Financial Statements

Georges River Land Trust

Note D - Endowment Fund - Continued

Changes in endowment net assets for the year ended December 31, 2024 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 112,830	\$ 335,110	\$ 447,940
Contributions received	-	-	-
Investment income	18,370	887	19,257
Transfer of net assets	-	-	-
Appropriation of endowment assets for expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ 131,200</u>	<u>\$ 335,997</u>	<u>\$ 467,197</u>

Note E - Property and Equipment

Property and equipment consisted of the following as of December 31, 2024:

Computer equipment	\$ 10,242
Furnishings	8,184
Tools and equipment	11,610
Vehicles	27,154
Land improvements	148,332
Trails	102,805
Structures	<u>129,651</u>
	437,978
Less accumulated depreciation	<u>145,055</u>
	<u>\$ 292,923</u>

Notes to Financial Statements

Georges River Land Trust

Note F - Property for Conservation

The conservation property of the Organization consists of 1,824.19 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.

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, 2024:

Unimpaired value of property	\$ 4,736,812
Less: Total impairment reductions	<u>2,031,746</u>
	<u>\$ 2,705,066</u>

Note G - Leases

The Organization has one operating lease for office space through March 2025.

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 lease agreements (including month to month) operating lease obligations.

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

Notes to Financial Statements

Georges River Land Trust

Note G - Leases - Continued

Management has concluded that the renewal option included in the lease agreement is not reasonably certain of being exercised, and thus, consistent with ASC 842, the renewal period was not included in the terms of the contract.

Operating lease right of use assets and lease liabilities were as follows at December 31, 2024:

Right of use asset:	
Operating lease asset	\$ <u>7,891</u>
Lease liability:	
Current lease liability	\$ <u>7,891</u>

Operating lease cost for the leasing activity of the Organization for the year ended December 31, 2024 was \$31,774 and has been reported 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, 2024, and a reconciliation of operating lease liabilities reported on the statement of financial position:

2025		\$ <u>7,943</u>
	Total lease payments	7,943
	Less interest	<u>52</u>
	Present value of lease liability	\$ <u>7,891</u>

At December 31, 2024, the remaining lease term is 0.25 years and the risk free discount rate is 3.97%.

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, 2024 are as follows:

Subject to expenditure for specified purpose:

Land acquisition	\$	1,000
Legal reserve		107,933
Stewardship of Gibson Preserve		24,793
Property reserve		214,905
Langlais reserve		28,955
Trails fund		21,444
Stewardship		225,964
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		145,488
Development		8,497
Climate video grant		7,485
		<u>1,032,692</u>

Not subject to appropriation or expenditure:

Donor-restricted endowment		271,591
Beneficial interest in perpetual trust		288,412
Langlais artwork		2,207,186
Langlais endowment		57,500
Property for conservation		<u>1,389,528</u>
		<u>4,214,217</u>
Total net assets with donor restrictions	\$	<u>5,246,909</u>

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, 2024:

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

Notes to Financial Statements

Georges River Land Trust

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, 2024, 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, 2024:

Financial assets, at year-end	\$ 2,225,645
Less those unavailable for general expenditures within one year, due to:	
Pledges receivable due in more than one year	(18,140)
<i>Contractual or donor-imposed restrictions:</i>	
Restricted by donor with purpose restrictions	(1,032,692)
Donor-restricted to maintain as an endowment	(329,091)
Beneficial interest in perpetual trust	(288,412)
<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>\$ 400,353</u>

The Organization's financial assets available to meet cash needs for general expenditures within one year represents funding for ongoing operational requirements in 2025.

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.

Notes to Financial Statements

Georges River Land Trust

Note K - Contingent Liability

The Organization holds 55 conservation easements covering 3,659 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 2021 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, 2024 were approximately \$5,000.

Note N - Subsequent Events

Subsequent to year end, the Organization entered into a two year operating lease agreement for office space. The lease is payable in monthly payments of \$3,082 and expires in March 2027.

Management has made an evaluation of subsequent events to and including August 11, 2025, 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.