

Financial Statements



September 30, 2025

Contents

Boothbay Region Land Trust

September 30, 2025

Financial Statements:

Independent Auditors' Report 1
Statement of Financial Position 4
Statement of Activities 5
Statement of Functional Expenses 6
Statement of Cash Flows 7
Notes to Financial Statements 8

Independent Auditors' Report

**To the Board of Directors
Boothbay Region Land Trust
Boothbay Harbor, ME**

Opinion

We have audited the accompanying financial statements of the Boothbay Region Land Trust (a nonprofit organization), which comprise the statement of financial position as of September 30, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Boothbay Region Land Trust as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Report on Summarized Comparative Information

We have previously audited Boothbay Region Land Trust's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 19, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Purdy Powers + Co.
Professional Association

Portland, Maine
March 5, 2026

Statement of Financial Position

Boothbay Regional Land Trust

As of September 30, 2025

(with comparative totals for September 30, 2024)

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,280,696	\$ 1,901,505
Promises to give	84,457	600
Deposit on property purchase	750	-
Prepaid expenses	20,596	17,367
Total Current Assets	<u>1,386,499</u>	<u>1,919,472</u>
Property and Equipment, net	2,749,783	2,871,868
Other Assets		
Investments	14,836,331	12,816,820
Beneficial interest in trusts and estates	935,335	868,380
Interest in real property donated	460,000	460,000
Artwork	18,550	6,500
Land held for conservation	5,731,808	4,955,326
Total Other Assets	<u>21,982,024</u>	<u>19,107,026</u>
Total Assets	<u>\$ 26,118,306</u>	<u>\$ 23,898,366</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 3,773	\$ 6,872
Accrued expenses	37,750	33,656
Total Current Liabilities	<u>41,523</u>	<u>40,528</u>
Net Assets		
Without donor restrictions	18,751,310	16,886,942
With donor restrictions	7,325,473	6,970,896
Total Net Assets	<u>26,076,783</u>	<u>23,857,838</u>
Total Liabilities and Net Assets	<u>\$ 26,118,306</u>	<u>\$ 23,898,366</u>

See accompanying independent auditors' report and notes to the financial statements.

Statement of Activities

Boothbay Regional Land Trust

For the Year Ended September 30, 2025
(with comparative totals for September 30, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues				
Contributions and grants	\$ 456,874	\$ 164,720	\$ 621,594	\$ 525,190
Special events and activities, net of direct expenses	16,893	-	16,893	31,539
Contributions of nonfinancial assets	672,917	-	672,917	838,880
Interest and dividends	711,486	152,217	863,703	594,374
Miscellaneous income	-	-	-	3,880
Net assets released from restrictions	197,388	(197,388)	-	-
Total Revenues	2,055,558	119,549	2,175,107	1,993,863
Expenses				
Program services	753,174	-	753,174	646,160
Management and general	105,532	-	105,532	92,773
Fundraising	98,667	-	98,667	98,158
Total Expenses	957,373	-	957,373	837,091
Revenues Over Expenses	1,098,185	119,549	1,217,734	1,156,772
Other Income				
Unrealized gains on investments	766,183	168,073	934,256	1,889,174
Gain on sale of property and equipment	-	-	-	93,546
Change in beneficial interest in irrevocable trusts	-	66,955	66,955	172,472
Total Other Income	766,183	235,028	1,001,211	2,155,192
Increase in Net Assets	1,864,368	354,577	2,218,945	3,311,964
Net assets at beginning of year	16,886,942	6,970,896	23,857,838	20,545,874
Net Assets at End of Year	\$ 18,751,310	\$ 7,325,473	\$ 26,076,783	\$ 23,857,838

See accompanying independent auditors' report and notes to the financial statements.

Statement of Functional Expenses

Boothbay Regional Land Trust

For the Year Ended September 30, 2025
(with comparative totals for September 30, 2024)

	2025					2024
	Fundraising	Management and General	Total Supporting Services	Program Services	Total	Total
Expenses						
Salaries and wages	\$ 65,676	\$ 53,597	\$ 119,273	\$ 384,951	\$ 504,224	\$ 443,782
Payroll taxes	5,139	4,174	9,313	30,243	39,556	35,629
Employee benefits	6,844	5,335	12,179	40,730	52,909	41,356
Office supplies	7,609	3,276	10,885	47,174	58,059	54,800
Professional fees	-	34,980	34,980	27,616	62,596	39,540
Education	-	-	-	4,100	4,100	6,849
Equipment	-	-	-	600	600	1,753
Insurance	1,302	2,901	4,203	22,217	26,420	18,806
Membership and dues	195	407	602	6,586	7,188	5,298
Miscellaneous	5,305	-	5,305	23,543	28,848	38,417
Printing	2,393	-	2,393	8,765	11,158	10,389
Property maintenance	-	-	-	40,124	40,124	34,191
Social events and meetings	4,204	713	4,917	14,659	19,576	17,379
Depreciation	-	149	149	101,866	102,015	88,902
Total Expenses	<u>\$ 98,667</u>	<u>\$ 105,532</u>	<u>\$ 204,199</u>	<u>\$ 753,174</u>	<u>\$ 957,373</u>	<u>\$ 837,091</u>

See accompanying independent auditors' report and notes to the financial statements.

Statement of Cash Flows

Boothbay Regional Land Trust

For the Year Ended September 30, 2025
(with comparative totals for September 30, 2024)

	<u>2025</u>	<u>2024</u>
Operating Activities		
Increase in net assets	\$ 2,218,945	\$ 3,311,964
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	102,015	88,902
Gain on investments	(934,256)	(1,889,174)
Gain on sale of property and equipment	-	(93,546)
Change in value of beneficial interest in trusts and estates	(66,955)	490,449
Non-cash contribution of property	(660,000)	(830,000)
(Increase) decrease in operating assets:		
Promises to give	(83,857)	29
Deposit on property purchase	(750)	-
Artwork	(12,050)	-
Prepaid expenses	(3,229)	(1,130)
Increase (decrease) in operating liabilities:		
Accounts payable	(3,099)	(3,321)
Accrued liabilities	4,094	2,809
Net Cash Provided by Operating Activities	<u>560,858</u>	<u>1,076,982</u>
Investing activities		
Purchase of property and equipment	(96,412)	(153,532)
Purchase of conservation property	-	(570,150)
Proceeds from sale of property and equipment	-	607,791
Proceeds from sales of investments	115,452	600,000
Purchase of investments	(1,200,707)	(2,575,839)
Net Cash Used by Investing Activities	<u>(1,181,667)</u>	<u>(2,091,730)</u>
Net Decrease in Cash and Cash Equivalents	<u>(620,809)</u>	<u>(1,014,748)</u>
Cash and cash equivalents at beginning of year	<u>1,901,505</u>	<u>2,916,253</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,280,696</u>	<u>\$ 1,901,505</u>

See accompanying independent auditors' report and notes to the financial statements.

Notes to Financial Statements

Boothbay Region Land Trust

Note A - Summary of Significant Accounting Policies

Organization

The Boothbay Region Land Trust (BRLT) is a non-profit corporation organized under the general laws of the State of Maine and operated exclusively for charitable, educational, and scientific purposes. BRLT is a membership organization that engages in and promotes the selective preservation of natural resources in the Boothbay Region of Maine. Interest in property is acquired through purchases, bequests, donations, bargain sales, and the conveyance of conservation easements. All of BRLT's real estate holdings are open to the public, although some are restricted in use if the preservation intent is to provide and protect wildlife habitat and nesting areas. BRLT also is active in promoting the scientific study of natural resources and the environment.

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. BRLT 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 BRLT'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 BRLT 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 such amounts for volunteer support or revenue recognition have been recorded.

Notes to Financial Statements

Boothbay Region Land Trust

Note A - Summary of Significant Accounting Policies - Continued

Revenue Recognition

The financial statements of BRLT 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, depending on the nature of the restriction.

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 FASB Accounting Standards Codification (ASC 606), BRLT 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.

For the year ended September 30, 2025, BRLT 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

BRLT 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, other than such balances maintained in investment accounts. BRLT maintains its cash and cash equivalents in bank deposit accounts, and at times balances may exceed federally insured limits. BRLT has not experienced any losses in such accounts.

Notes to Financial Statements

Boothbay Region Land Trust

Note A - Summary of Significant Accounting Policies - Continued

Promises to Give

Promises to give represent amounts due to BRLT for unconditional promises, which are recognized as revenue in the period the promise is made. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All promises to give at year end are collectible within one year. Management has deemed an allowance for uncollectable promises to give was not necessary as of September 30, 2025.

Beneficial Interest in Trusts and Estates

BRLT is a beneficiary of various irrevocable trusts held and administered by independent trustees. Beneficial interest in perpetual trusts are measured at the fair value of the BRLT's percentage of the assets in the trusts. The pro-rata share of total assets attributable to BRLT is not held or managed by BRLT and is not available for expenditure by BRLT.

Revocable split-interest agreements are not recorded as contributions unless enforceable by law. Irrevocable split-interest agreements are recorded as contributions at fair value when the assets are received or when BRLT is notified of the existence of the agreement, net of a liability for the present value of future cash outflows to beneficiaries. The liability is adjusted during the term of the agreement for changes in actuarial assumptions and the asset is valued at fair value each reporting period. The accounting treatment varies depending upon the type of the agreement created and whether BRLT or a third party is the trustee.

It is reasonably possible that certain events, such as the unexpected deaths of beneficiaries or grantors, could cause a significant difference between the estimated and actual cash flows from the split-interest agreement.

Property and Equipment

Property and equipment is stated at cost if purchased or at fair value if contributed. BRLT's policy is to capitalize acquisitions and major improvements with a cost of \$5,000 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. Depreciation expense for the year ended September 30, 2025 was \$102,015.

Investments

BRLT reports its investments in marketable securities with readily determinable fair values and all debt securities at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Notes to Financial Statements

Boothbay Region Land Trust

Note A - Summary of Significant Accounting Policies - Continued

Property (Parcels of Land)

BRLT categorizes land that it owns in fee title as the following:

Land held for use in operations under property and equipment: Land that is not required to be held in conservation.

Land held for conservation: The property of BRLT consists of parcels of land in the Boothbay Region of Maine 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. Many properties acquired by BRLT are later encumbered by conservation easements or declarations of trust, 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.

Conservation Easements

It is the policy of BRLT 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 purchase of an easement as it is not a fee simple property.

Contributed Nonfinancial Assets

BRLT records donated goods and services at fair value on the date of donation (see Note M).

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting functions of BRLT. Those expenses include the allocation of salaries, payroll taxes, employee benefits, and utilities. Payroll and related benefits are allocated based on management’s estimates of time and effort. All other items are allocated based on management’s estimate of the appropriate allocations for each expense.

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 BRLT’s financial statements for the year ended September 30, 2024, from which the summarized information was derived.

Notes to Financial Statements

Boothbay Region Land Trust

Note B - Investments

Returns from investments for the year ended September 30, 2025 are summarized as follows:

Interest and dividend income	\$ 863,703
Unrealized gains on investments	<u>934,256</u>
	<u>\$ 1,797,959</u>

Note C - Beneficial Interest in Irrevocable Trusts

BRLT is a remainder beneficiary of an irrevocable charitable remainder trust which has been split into three separate trust accounts. The funds of this trust are held and controlled by a third-party trustee who is responsible for investment and payment decisions. BRLT is entitled to a share of 25% of the remaining value of each account within the charitable remainder trust after the beneficiary of each account passes away.

BRLT has recognized an asset for its interest in the charitable remainder trust. The asset is valued at the net present value of expected cash flows from the agreement, which is calculated as the difference between the fair market value of trust assets and the present value of future payments to the beneficiary. The present value of future payments to the beneficiary is determined annually based on the life expectancy of the beneficiary of each account within the trust. The final beneficiary of two of the remaining accounts has passed away. The fair market value of the 25% share of these two accounts is \$220,893 at September 30, 2025 and will be given to BRLT as those accounts are closed by the trustee.

The final account related to this trust has a living beneficiary. This trust is valued at 25% of the net present value of expected cash flows, which is calculated as the difference between the fair market value of the trust asset and the present value of future payments to the beneficiary. The present value of future payments to the beneficiary is determined annually based on the life expectancy of the beneficiary, which is assumed to be 11 years, and a discount rate of 4.8%. At September 30, 2025, BRLT's interest in this account was valued at \$714,442.

Notes to Financial Statements

Boothbay Region Land Trust

Note D - Interest in Real Property

In December 2019, real property was donated to BRLT, subject to the life estate of the two donors that were 69 and 76 years of age at the time of donation. All rights of use and responsibilities of the property rests with the donors, which transfer to BRLT upon death. BRLT recorded the fair market value of the property at the time of the donation as an asset and contribution revenue, and has elected to recognize a change in value only when fair value is determined to be less than the carrying amount. No adjustment to the property value was necessary for the year ended September 30, 2025 as the property value was not deemed to be impaired.

Note E - Fair Value Measurements

BRLT 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.

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.

Notes to Financial Statements

Boothbay Region Land Trust

Note E - Fair Value Measurements - Continued

The following summarizes fair values of certain financial instruments by levels within the fair value hierarchy at September 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Mutual funds	\$ 10,718,933	\$ -	\$ -	\$ 10,718,933
Fixed income	3,983,445	-	-	3,983,445
Short-term reserves	132,660	-	-	132,660
Other	<u>1,293</u>	<u>-</u>	<u>-</u>	<u>1,293</u>
Total investments	<u>\$ 14,836,331</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,836,331</u>
Beneficial interest in trusts and estates	\$ -	\$ -	\$ 935,335	\$ 935,335
Beneficial interest in real property donated	<u>-</u>	<u>-</u>	<u>460,000</u>	<u>460,000</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,395,335</u>	<u>\$ 1,395,335</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 based on the lowest level of input that is significant to the fair value measurement. Most assets have been valued using the market approach but certain beneficial interest agreements have been measured using an income approach. There have been no changes in valuation techniques and related inputs.

The following table sets forth a summary of changes in the fair value of BRLT's Level 3 assets on a recurring basis for the year ended September 30, 2025:

	Beneficial interest trust and estates	Beneficial interest in real property donated	<u>Total</u>
Balance, beginning of year	\$ 868,380	\$ 460,000	\$ 1,328,380
Change in value	<u>66,955</u>	<u>-</u>	<u>66,955</u>
Balance, end of year	<u>\$ 935,335</u>	<u>\$ 460,000</u>	<u>\$ 1,395,335</u>

Notes to Financial Statements

Boothbay Region Land Trust

Note F - Endowment Fund

BRLT has interpreted the State of Maine Uniform Prudent Management of Institutional Funds Act (the Act), as requiring the preservation of the contributed value of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, BRLT classifies as restricted net assets (1) the original value of gifts donated to the endowment, (2) the original value of subsequent gifts to the endowment, and (3) 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 (4) any remaining portion of the donor-restricted endowment until such amounts are appropriated for expenditure by BRLT in a manner consistent with the standard of prudence prescribed by the Act. If the donor-restricted endowment assets earn investment returns beyond these amounts, the excess is available for appropriation and, therefore, classified as net assets without donor restrictions.

The Board of Directors establishes policies and procedures concerning the management of endowment funds. These policies establish asset classes that are deemed suitable for investment of endowment funds, which currently include investments in money market accounts, debt securities, and equities balancing the desire for a return on investments with the security of conservative growth. Endowment funds are managed with a total return orientation that focuses of the production on income as well as maintaining and growing the real value of the endowment and its subsequent distributions. BRLT has a spending policy that allows for the appropriation for distribution annually of up to 4% of its endowment funds’ three-year rolling average of the beginning-period market value of each fund, measured at the start of each of the preceding twelve quarters.

At September 30, 2024, the donor restricted Facilities campaign fund was properly recorded as donor restricted but was not properly classified within the endowment until the year ended September 30, 2025.

Endowment net asset composition by type of fund is as follows at September 30, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 6,299,185	\$ -	\$ 6,299,185
Donor-restricted endowment funds	-	5,649,489	5,649,489
Total Funds	<u>\$ 6,299,185</u>	<u>\$ 5,649,489</u>	<u>\$ 11,948,674</u>

Notes to Financial Statements

Boothbay Region Land Trust

Note F - Endowment Fund - Continued

Changes in endowment net assets for the year ended September 30, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, at beginning of year	\$ 6,079,303	\$ 4,836,160	\$ 10,915,463
Facilities campaign fund	-	556,038	556,038
Contributions	-	1,500	1,500
Investment income	112,367	152,217	264,584
Unrealized gains	124,072	168,073	292,145
Amounts appropriated for expenditure	<u>(16,557)</u>	<u>(64,499)</u>	<u>(81,056)</u>
Endowment net assets, at end of year	<u>\$ 6,299,185</u>	<u>\$ 5,649,489</u>	<u>\$ 11,948,674</u>

Note G - Property and Equipment

Property and equipment consisted of the following as of September 30, 2025:

Land (non-depreciable)	\$ 1,619,282
Land improvements	1,353,041
Equipment	194,518
Construction in process (non-depreciable)	<u>15,698</u>
	3,182,539
Less accumulated depreciation	<u>432,756</u>
	<u>\$ 2,749,783</u>

Note H - Property

The property of BRLT consists of 1,587 acres of land in the Boothbay Region of Maine 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

Boothbay Region Land Trust

Note H - Property - Continued

Many properties acquired by BRLT are later encumbered by conservation easements or declarations of trust 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.

During the year ended September 30, 2025, BRLT received one fee simple property donation.

Note I - Conservation Easements

As stated in the summary of significant accounting policies, BRLT acquires easements and developmental rights through donations and acquisitions. The policy of BRLT is to record these easements and developmental rights as an expense in the year of the transaction while not recording any amount as an asset. During the year ended September 30, 2025, there were no new easements.

Note J - Net Assets With Donor Restrictions

Net assets with donor restrictions for the year ended September 30, 2025 are as follows:

Subject to expenditure for specified purpose:

General stewardship fund	\$ 2,564,104
Stewardship of specific properties	376,161
Educational programs	40,199
Property acquisitions	2,075
Watershed protection	108,506
Other	2,121
Land acquisitions	200
Unappropriated endowment earnings	<u>19,607</u>
	3,112,973

Subject to time restriction:

Beneficial interest in irrevocable trusts	935,335
Beneficial interest in donated property	<u>460,000</u>
	1,395,335

Not subject to appropriation or expenditure:

Endowment fund to be held into perpetuity	<u>2,817,165</u>
---	------------------

Total net assets with donor restrictions \$ 7,325,473

Notes to Financial Statements

Boothbay Region Land Trust

Note K - Board Designated Net Assets

Board designated net assets (which are included in net assets without restrictions) consist of the following at September 30, 2025:

Acquisition funds	\$	218,260
BargeMcKee Ed		176,401
Defense funds		446,046
General funds		3,733,760
BD stewardship		1,027,259
2020 Stew/Ed funds		11,795
Board facilities		32,316
BRCDWI		5,000
Capital reserves		596,174
Oven's Mouth		68,969
		<u>68,969</u>
	\$	<u>6,315,980</u>

Note L - Liquidity and Availability

Financial assets consist of BRLT's cash and cash equivalents, promises to give, investments, and receivables. The following reflects the BRLT's financial assets as of September 30, 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 not available include amounts set aside for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or quasi-endowment for general expenditure within one year of the Statement of Financial Position date have not been subtracted as unavailable.

Notes to Financial Statements

Boothbay Region Land Trust

Note L - Liquidity and Availability - Continued

Financial assets available to meet cash needs for general expenditures within one year consists of the following at September 30, 2025:

Financial assets, at year-end	\$ 16,201,484
Less those unavailable for general expenditures within one year, due to:	
<i>Contractual or donor-imposed restrictions:</i>	
Restricted by donor with time or purpose restrictions	(5,930,138)
<i>Board Designations:</i>	
Designated by Board	<u>(6,315,980)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,955,366</u>

BRLT's financial assets available to meet cash needs for general expenditures within one year represents funding for ongoing operational requirements and planned increases in program expenditures in 2026. BRLT is substantially supported by contributions and support. BRLT actively manages its cash flow to ensure funds are available for general expenditures, liabilities, and other obligations as they come due. Although BRLT does not intend to spend from its quasi-endowment fund, amounts from this can be appropriated if necessary.

Note M - Contributed Nonfinancial Assets

During the year ended September 30, 2025, contributed nonfinancial assets recognized in the statement of activities included:

Property and land	\$ 660,000
Equipment	832
Artwork	12,050
Services	<u>35</u>
	<u>\$ 672,917</u>

BRLT recognized contributed nonfinancial assets within revenue, including property, equipment, and services. There were no donor restricted contributed nonfinancial assets for the year ended September 30, 2025.

The contributed land will be used as conservation land. In valuing the contributed land, BRLT acquired an appraisal of the land or used the most recent tax assessment at the time of donation.

Contributed equipment, artwork, and services were valued at fair value based on current prices.

Notes to Financial Statements

Boothbay Region Land Trust

Note N - Contingent Liability

BRLT holds 15 conservation easements covering 554 acres. BRLT 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, BRLT is committed to bringing any and all actions necessary to defend the easements. An estimate of the remaining potential liability cannot be made.

Note O - Retirement Plan

BRLT has established a SIMPLE IRA retirement plan for its staff. All employees earning more than \$5,000 per year are eligible. Under this arrangement, BRLT contributes 2% of each participant's compensation annually. Employer contributions for the year ended September 30, 2025 amounted to \$13,593.

Note P - Income Taxes

BRLT qualifies as an organization exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and files a Form 990 tax return. BRLT has adopted the provisions of FASB ASC 740, *Income Taxes*. With few exceptions, BRLT 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 BRLT believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

Note Q - Subsequent Events

Management has made an evaluation of subsequent events to and including March 5, 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.