BerryDunn

Maine Coast Heritage Trust

FINANCIAL STATEMENTS

December 31, 2025
(With Comparative Totals for 2024)
With Independent Auditor's Report

BerryDunn
BDMP Assurance, LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Maine Coast Heritage Trust

Opinion

We have audited the financial statements of Maine Coast Heritage Trust (the 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S generally accepted accounting principles (U.S. GAAP).

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 U.S. GAAP, 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated July 14, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDMP Assurance, LLP

Bangor, Maine
August 21, 2026

MAINE COAST HERITAGE TRUST

Statement of Financial Position

December 31, 2025
(With Comparative Totals for December 31, 2024)

ASSETS

	2025						
	Operating	Operating Endowment	Stewardship Investments	Revolving Loan	Special Projects	**Total**	2024 Total
Cash and cash equivalents	$ 1,742,976	$ -	$ -	$ 724,843	$ -	**$ 2,467,819**	$ 2,068,022
Cash and short-term investments restricted for long-term purposes	8,650,677	-	-	2,019,408	-	**10,670,085**	8,195,052
Accounts and accrued interest receivable	210,673	-	-	20,850	-	**231,523**	74,225
Bequests receivable, net	1,429,952	-	76,652	-	-	**1,506,604**	1,493,947
Pledges and grants receivable, net	1,779,759	-	-	-	-	**1,779,759**	698,547
Due (to) from other funds	(3,370,000)	-	-	3,370,000	-	**-**	-
Notes receivable	-	-	-	457,002	-	**457,002**	55,002
Short-term investments	459,002	-	-	-	-	**459,002**	10,612,917
Investments	31,355,037	58,745,584	83,466,122	1,030,592	3,943,461	**178,540,796**	149,461,967
Beneficial interest in split-interest agreements	6,687,164	-	-	-	-	**6,687,164**	5,922,679
Property and equipment, net of accumulated depreciation	6,955,065	-	-	-	-	**6,955,065**	7,298,525
Deposits and other assets	602,193	-	-	-	-	**602,193**	265,046
Land	125,070,916	-	-	-	-	**125,070,916**	126,054,819
Total assets	$181,573,414	$ 58,745,584	$ 83,542,774	$ 7,622,695	$ 3,943,461	**$335,427,928**	$312,200,748

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

MAINE COAST HERITAGE TRUST

Statement of Financial Position (Concluded)

December 31, 2025
(With Comparative Totals for December 31, 2024)

LIABILITIES AND NET ASSETS

	2025						
	Operating	Operating Endowment	Stewardship Investments	Revolving Loan	Special Projects	**Total**	2024 Total
Liabilities							
Accounts payable	$ 592,602	$ -	$ -	$ -	$ -	**$ 592,602**	$ 517,592
Accrued expenses and other liabilities	558,479	-	-	-	-	**558,479**	459,681
Total liabilities	1,151,081	-	-	-	-	**1,151,081**	977,273
Net assets							
Without donor restrictions							
Available for operations	8,644,828	-	-	4,466,473	-	**13,111,301**	11,555,282
Board-designated	1,999,785	27,344,798	35,656,224	106,222	3,943,461	**69,050,490**	61,104,842
Net investment in land, property and equipment	132,025,981	-	-	-	-	**132,025,981**	133,353,344
Total net assets without donor restrictions	142,670,594	27,344,798	35,656,224	4,572,695	3,943,461	**214,187,772**	206,013,468
With donor restrictions	37,751,739	31,400,786	47,886,550	3,050,000	-	**120,089,075**	105,210,007
Total net assets	180,422,333	58,745,584	83,542,774	7,622,695	3,943,461	**334,276,847**	311,223,475
Total liabilities and net assets	$181,573,414	$ 58,745,584	$ 83,542,774	$ 7,622,695	$ 3,943,461	**$335,427,928**	$312,200,748

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

MAINE COAST HERITAGE TRUST

Statement of Activities

Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025						
	Operating	Operating Endowment	Stewardship Investments	Revolving Loan	Special Projects	**Total**	2024 Total
Changes in net assets without donor restrictions							
Revenues and gains							
Contributions and grants	$ 3,992,429	$ 26,354	$ -	$ -	$ -	**$ 4,018,783**	$ 4,157,739
Donated land and equipment	828,515	-	-	-	-	**828,515**	2,448,280
Interest and dividend income	1,147,225	176,264	176,851	106,905	25,490	**1,632,735**	1,772,102
Net gain on investments	95,760	3,711,580	3,723,822	9,524	537,197	**8,077,883**	4,844,360
Investment income transfers	3,470,724	(885,168)	(2,438,420)	-	(147,136)	**-**	-
Farm operations revenue	31,901	-	-	-	-	**31,901**	78,071
Other, net	226,551	-	-	-	-	**226,551**	154,555
Net assets released from restrictions							
Investment income transfer	1,030,780	-	-	-	-	**1,030,780**	1,007,592
Aldermere contributions and investment income	345,336	-	-	-	-	**345,336**	302,600
Land protection and other	8,020,209	-	3,252,318	-	-	**11,272,527**	14,303,621
Total revenues and gains without donor restrictions	19,189,430	3,029,030	4,714,571	116,429	415,551	**27,465,011**	29,068,920
Expenses							
Operations support	1,817,198	-	-	-	-	**1,817,198**	1,565,739
Land protection							
Land transaction activity	4,609,974	-	-	-	-	**4,609,974**	3,865,135
Other land protection expenses	5,103,130	-	-	-	-	**5,103,130**	3,232,199
Fund raising	1,523,563	-	-	-	-	**1,523,563**	1,581,839
Public education and outreach	1,183,876	-	-	-	-	**1,183,876**	913,419
Stewardship	3,831,491	-	-	-	-	**3,831,491**	3,502,807
Farm operations	909,029	-	-	-	-	**909,029**	871,075
Total expenses	18,978,261	-	-	-	-	**18,978,261**	15,532,213
Change in net assets without donor restrictions	211,169	3,029,030	4,714,571	116,429	415,551	**8,486,750**	13,536,707

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

MAINE COAST HERITAGE TRUST

Statement of Activities (Concluded)

Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025						
	Operating	Operating Endowment	Stewardship Investments	Revolving Loan	Special Projects	**Total**	2024 Total
Changes in net assets with donor restrictions							
Contributions and grants	$ 8,728,625	$ -	$ 710	$ 2,800,000	$ -	**$ 11,529,335**	$ 7,052,758
Gain on beneficial interest in split-interest agreements	681,301	-	-	-	-	**681,301**	328,194
Interest and dividend income	408,197	202,629	360,618	-	-	**971,444**	681,530
Net gain on investments	2,175,098	4,266,793	7,591,294	-	-	**14,033,185**	8,276,473
Net assets released from restrictions							
Investment income transfer	-	(1,030,780)	-	-	-	**(1,030,780)**	(1,007,592)
Aldermere contributions and investment income	(345,336)	-	-	-	-	**(345,336)**	(302,600)
Land protection and other	(8,020,209)	-	(3,252,318)	-	-	**(11,272,527)**	(14,303,621)
Change in net assets with donor restrictions	3,627,676	3,438,642	4,700,304	2,800,000	-	**14,566,622**	725,142
Change in net assets	3,838,845	6,467,672	9,414,875	2,916,429	415,551	**23,053,372**	14,261,849
Net assets, beginning of year	176,665,047	52,277,912	74,046,340	4,706,266	3,527,910	**311,223,475**	296,961,626
Transfers between funds with donor restrictions	(81,559)	-	81,559	-	-	**-**	-
Net assets, end of year	$180,422,333	$ 58,745,584	$ 83,542,774	$ 7,622,695	$ 3,943,461	**$334,276,847**	$311,223,475

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

MAINE COAST HERITAGE TRUST

Statement of Functional Expenses

Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025							
	Operations Support	Land Protection	Fund Raising	Public Education and Outreach	Stewardship	Farm Operations	**Total**	2024 Total
Salaries, wages, and payroll taxes	$ 842,545	$ 2,280,735	$ 967,674	$ 429,413	$ 2,086,262	$ 378,667	**$ 6,985,296**	$ 5,909,045
Employee benefits	180,297	498,747	215,315	97,840	466,095	91,435	**1,549,729**	1,240,201
Professional and contract services	167,551	767,906	71,515	455,955	78,174	39,933	**1,581,034**	1,257,977
General and administrative	114,095	145,358	85,171	62,509	96,620	43,128	**546,881**	586,480
Project expense	5,502	415,738	63,758	92,310	158,383	56,360	**792,051**	693,714
Travel	10,623	51,073	37,922	7,056	57,537	2,631	**166,842**	147,002
Board and committee meetings	60	77,979	1,392	410	6,539	-	**86,380**	60,337
Land conference	-	59,816	-	-	-	-	**59,816**	36,737
Insurance	32,748	68,267	23,849	10,784	60,890	19,519	**216,057**	219,978
Staff training	9,305	13,709	6,393	2,248	6,649	771	**39,075**	85,453
Equipment maintenance	60,195	89,771	50,574	25,351	101,843	43,678	**371,412**	305,852
Property management	18,305	255	-	-	317,069	21,047	**356,676**	342,890
Property taxes	-	56,169	-	-	242,775	5,500	**304,444**	235,246
Depreciation	9,953	83,527	-	-	129,730	200,984	**424,194**	419,179
Equipment expense	53,934	924	-	-	22,925	5,376	**83,159**	126,987
Subtotal	1,505,113	4,609,974	1,523,563	1,183,876	3,831,491	909,029	**13,563,046**	11,667,078
Land transaction activity								
Conservation easements purchased	-	8,716	-	-	-	-	**8,716**	5,918
Loss on impairment of land and buildings	-	-	-	-	-	-	**-**	228,116
Loss on sale of property and equipment	312,085	212,500	-	-	-	-	**524,585**	-
Loss on sales and transfers of land	-	2,580,570	-	-	-	-	**2,580,570**	314,135
Other land conservation activity	-	68,603	-	-	-	-	**68,603**	-
Contributions in support of other organizations	-	2,232,741	-	-	-	-	**2,232,741**	3,316,966
Subtotal	312,085	5,103,130	-	-	-	-	**5,415,215**	3,865,135
Total	$ 1,817,198	$ 9,713,104	$ 1,523,563	$ 1,183,876	$ 3,831,491	$ 909,029	**$ 18,978,261**	$ 15,532,213

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

MAINE COAST HERITAGE TRUST

Statement of Cash Flows

Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025						
	Operating	Operating Endowment	Stewardship Investments	Revolving Loan	Special Projects	**Total**	2024 Total
Cash flows from operating activities							
Change in net assets	$ 3,838,845	$ 6,467,672	$ 9,414,875	$ 2,916,429	$ 415,551	**$ 23,053,372**	$ 14,261,849
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities							
Depreciation	424,194	-	-	-	-	**424,194**	419,179
Donated land received	(828,515)	-	-	-	-	**(828,515)**	(2,448,280)
Gain on sale of buildings	-	-	-	-	-	**-**	(31,733)
Loss on impairment of land	-	-	-	-	-	**-**	228,116
Loss on sales and transfers of land	2,649,173	-	-	-	-	**2,649,173**	314,135
Loss (gain) on sale of property and equipment	512,717	-	-	-	-	**512,717**	(39,419)
Increase (decrease) in allowance for uncollectible pledges receivable	23,428	-	-	-	-	**23,428**	(33,796)
Net gain on investments	(2,270,858)	(7,978,373)	(11,315,116)	(9,524)	(537,197)	**(22,111,068)**	(13,120,833)
Gain on beneficial interest in split-interest agreements	681,301	-	-	-	-	**681,301**	401,733
Contributions and investment income restricted for long-term investment	(5,423,599)	(3,800,639)	(106,665)	-	-	**(9,330,903)**	(4,117,984)
Decrease (increase) in							
Pledges and grants receivable	(1,089,712)	-	8,500	-	-	**(1,081,212)**	(105,296)
Accounts and accrued interest receivable	(139,239)	-	-	(18,058)	-	**(157,297)**	580,321
Bequests receivable	(12,067)	-	(590)	-	-	**(12,657)**	(7,366)
Short-term investments	9,755,580	-	-	398,355	-	**10,153,935**	147,527
Deposits and other assets	(337,147)	-	-	-	-	**(337,147)**	134,121
Increase (decrease) in							
Accounts payable	75,205	-	-	-	-	**75,205**	(234,460)
Accrued expenses and other liabilities	(10,298)	-	-	-	-	**(10,298)**	28,594
Net cash provided (used) by operating activities	7,849,008	(5,311,340)	(1,998,996)	3,287,202	(121,646)	**3,704,228**	(3,623,592)

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

MAINE COAST HERITAGE TRUST

Statement of Cash Flows (Concluded)

Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025						
	Operating	Operating Endowment	Stewardship Investments	Revolving Loan	Special Projects	**Total**	2024 Total
Cash flows from investing activities							
Purchase of land	$ (836,320)	$ -	$ -	$ -	$ -	**$ (836,320)**	$ (8,073,105)
Proceeds from sale of land	68,168	-	-	-	-	**68,168**	1,071,946
Purchase of property and equipment	(645,834)	-	-	-	-	**(645,834)**	(544,792)
Purchase of investments	(9,420,364)	(437,620)	(765,781)	(1,021,089)	(25,490)	**(11,670,344)**	(2,789,732)
Proceeds from sale of investments	199,864	1,915,948	2,438,420	-	147,136	**4,701,368**	4,354,740
Advances on notes receivable	(89,000)	-	-	-	-	**(89,000)**	(233,000)
Repayments of notes receivable, net	-	-	-	(402,000)	-	**(402,000)**	497,000
Transfers between funds	(81,559)	-	81,559	-	-	**-**	-
Proceeds from sale of property and equipment	52,383	-	-	-	-	**52,383**	86,168
Net cash (used) provided by investing activities	(10,752,662)	1,478,328	1,754,198	(1,423,089)	121,646	**(8,821,579)**	(5,630,775)
Cash flows from financing activities							
Change in due to/from other funds	(599,312)	32,373	138,133	430,000	-	**1,194**	(1,194)
Contributions and investment income received, restricted for long-term investment	4,083,683	3,800,639	106,665	-	-	**7,990,987**	5,327,832
Net cash provided by financing activities	3,484,371	3,833,012	244,798	430,000	-	**7,992,181**	5,326,638
Net (decrease) increase in cash and cash equivalents	580,717	-	-	2,294,113	-	**2,874,830**	(3,927,729)
Cash and cash equivalents, beginning of year	9,812,936	-	-	450,138	-	**10,263,074**	14,190,803
Cash and cash equivalents, end of year	$ 10,393,653	$ -	$ -	$ 2,744,251	$ -	**$ 13,137,904**	$ 10,263,074
Composition of cash and cash equivalents, end of year							
Cash and cash equivalents	$ 1,742,976	$ -	$ -	$ 724,843	$ -	**$ 2,467,819**	$ 2,068,022
Cash restricted for long-term purposes	8,650,677	-	-	2,019,408	-	**10,670,085**	8,195,052
	$ 10,393,653	$ -	$ -	$ 2,744,251	$ -	**$ 13,137,904**	$ 10,263,074

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

Purpose of the Organization

Maine Coast Heritage Trust's (the Organization) mission is to advance the conservation of lands and waters in Maine to help ensure ecological well-being and foster thriving communities. The Organization provides statewide conservation leadership through its work with land trusts, coastal communities, and other partners. The Organization negotiates conservation easements and gifts of fee interest in land on behalf of landowners and various holding agencies and organizations operating in Maine. The Organization accepts gifts of interest in lands that are of statewide significance and, in addition, has also purchased a number of critically important coastal properties. The Organization is also involved in the stewardship of various properties throughout the state of Maine. The Organization's support comes primarily from contributions and return on investments. The Organization is the owner of Conservation Limited Development, LLC, whose purpose is to support limited conservation development through ownership, management, leasing, buying, selling, and developing property as authorized by the Organization.

1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

The assets, liabilities, and net assets of the Organization are reported in five self-balancing fund groups as follows:

- Operating fund, which includes resources with and without donor restriction, represents the portion of funds available for support of the Organization's operations. Functions within the operating fund include operations support, land protection, fund raising, public education and outreach, stewardship contributions and expenses (stewardship investment activity is reported in the stewardship investments fund), and Conservation Limited Development, LLC. Included in the Operating fund is Aldermere Farm, which represents resources without donor restrictions and with donor restrictions received through a bequest, including a beneficial interest in a perpetual trust. Distributions from this trust are to be used to fund farm operations in furtherance of the Organization's mission.
- Operating endowment represents contributions without donor restrictions and with donor restrictions, the income from which is to be used for operating fund purposes (excluding land and conservation easement acquisitions), except as needed to be retained in the operating endowment fund so the purchasing power of the contributions with donor restrictions is not eroded.
- Stewardship investments represent the investment activity of the stewardship operations and contribution revenue related thereto. Stewardship investments also includes contributions without donor restrictions and with donor restrictions, the income from which is to be used for stewardship purposes, except as needed to be retained in the stewardship investments fund so the purchasing power of the contributions with donor restrictions is not eroded.
- Revolving loan represents resources held for conservation purposes, including acquisition of land and loans to other conservation organizations.
- Special projects represent resources that are held for board-designated special projects, the income from which is reflected in the operating or special projects fund.

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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements as of and for the year ended December 31, 2024, from which the summarized information was derived.

Cash and Cash Equivalents

The Organization considers all highly liquid savings deposits and certificates of deposit with maturities of three months or less when purchased to be cash equivalents. Cash restricted for long-term purposes on the statement of financial position are funds allocated specifically for preservation and land acquisition activities.

Short-Term Investments

Short-term investments consist of certificates of deposit (CDs) with original maturities of four to twelve months. CDs are stated at cost plus accrued interest earned.

Pledges, Grants, and Bequests Revenue and Receivables

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions to be received beyond one year from the statement of financial position date are reduced by a discount rate, which is commensurate with the risk involved, to reflect the present value of the future payments to be received. The periodic reduction in the discount is recorded as contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. The Organization recognizes bequests revenue and the related receivable when it has obtained an irrevocable bequest agreement from a donor or a donor's will has been through probate. All donor-restricted contributions are reported as increases in net assets with donor restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities as net assets released from restrictions.

The Organization uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on prior years' experience, history of prior uncollectible accounts, and management's analysis of specific pledges made.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position based on quoted market prices. Other investments, for which no such quotations or valuations are readily available, are carried at fair value as estimated by management using values provided by external investment managers. The Organization reviews and evaluates the valuations provided by the investment managers and believes that these valuations are a reasonable estimate of fair value at December 31, 2025, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in value in the near term would materially affect the amounts reported in the statement of financial position and activities.

Easements

Contributed conservation easements held by the Organization are not recorded because easements do not represent economic assets or resources. Purchased conservation easements are expensed on the date purchased.

Property and Equipment

Purchased property and equipment are stated at cost at the date of acquisition. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the respective assets.

Gifts of long-lived assets such as buildings or equipment are reported as revenues and gains without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as increases in net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Included in functional expenses is a loss on the sale of property and equipment totaling $524,585.

Land

Purchased land is recorded at cost and donated land is recorded at appraised fair value at the date of the gift. Donated land is appraised using the market approach and is utilized (not monetized) upon donation as part of the Organization's overall mission. Gifts of land are reported as increases in net assets without donor restrictions, unless explicit donor stipulations specify how the donated land must be used. Gifts of land with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire land, are reported as increases in net assets with donor restrictions. Absent explicit donor stipulations about how long the land must be maintained, expirations of donor restrictions are reported when the donated or purchased land is acquired. Included in functional expenses is a loss on the sales and transfers of land totaling $2,580,570, which is nonrecurring in nature.

Impairment of Long-Lived Assets

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 360-10-35-17, *Measurement of an Impairment Loss*, long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows, or internal and external appraisals, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value.

Subsequent to the initial purchase or donation of certain land, the Organization has placed conservation easements, declarations of trust, or other similar restrictions on the land which subject the land to certain covenants regarding its preservation and use in perpetuity. These arrangements resulted in the fair market value of the land being less than the original carrying value of the land by $10,391,000 at December 31, 2025. The Organization has determined that placing these perpetual restrictions impairs land values by 70%, in line with the State of Maine Open Space Tax Law, which recommends a 70% reduction for purposes of property taxation for forever wild open space land protected by easement or preserve. In accordance with FASB ASC Topic 360-10-35-17, impairment losses were reflected in prior years for restrictions placed on land. There was no impairment loss in 2025.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and is also exempt from Maine income taxes on its not-for-profit activities. However, it is subject to federal and state income taxes on unrelated business income, as defined by Section 512(a)(1) of the Code. The Organization is not a private foundation.

Conservation Limited Development, LLC is a single-member limited liability company and is a disregarded entity under the Code. Income or loss for Conservation Limited Development, LLC is required to be reported by the member on the Organization's tax return.

Notes and Accounts Receivable

Notes and accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization considers notes and accounts receivable to be fully collectible based on its historical collection experience, accordingly, no allowance for credit losses has been established. If accounts become uncollectible, they will be charged to operations when that determination is made.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Those expenses include the salaries and wages, payroll taxes, and employee benefits of staff, as well as occupancy and other costs which are allocated based on estimates of time and effort. Total program expenses for the year ended December 31, 2025 were $15,637,500.

Transfers Between Funds and Other Allocations

During capital campaigns and other fundraising efforts, the Organization receives funding restricted to meeting the goals of the overall fundraising effort. These goals, highlighted in the fundraising literature, may be geared towards multiple projects. These include projects that are restricted for specific or future uses, as well as those for more general purposes. When donors contribute to these efforts without specifying any further restrictions, the Organization allocates the funds between the categories communicated to the donors as part of the fundraising efforts. These allocations are included in the statement of activities as transfers between funds and other allocations.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, the Organization has considered transactions or events occurring through August 21, 2026, which was the date that the financial statements were available to be issued.

2. Pledges, Grants, and Bequests Receivable

Pledges, grants, and bequests receivable consisted of unconditional promises to give as of December 31, 2025, which were as follows:

Pledges, grants, and bequests receivable	$ 3,628,029
Less discount to net present value at 1.68% - 4.25%	(303,930)
Less allowance for uncollectible pledges	(37,736)
Net pledges, grants, and bequest receivable	$ 3,286,363

Pledges, grants, and bequest receivable are expected to be received as follows:

Within one year	$ 999,521
Between one and five years	2,174,558
More than five years	453,950
	$ 3,628,029

Amounts expected to be collected beyond one year are discounted to present value as required using a risk-free rate of return.

During 2025, the Organization received approximately $16.4 million in contributions and grants from government agencies, foundations, and individual donors. Contributions from two foundations totaled approximately $5.9 million, representing 36% of total contributions and grants for the year.

In addition, the Organization has received reimbursement grants, conditional grants, and intentions to give from government agencies, foundations, and individual donors. As the required conditions for revenue recognition have not been met at December 31, 2025, the following amounts are not recognized as assets in the statement of financial position:

Government agencies	$ 7,432,567
Foundations	635,000
Individual donors	517,000
	$ 8,584,567

3. Investments

Investments as of December 31, 2025 consisted of the following:

Mutual and exchange traded funds	$ 51,517,157
Money market portfolios	21,194,490
Corporate bonds	16,447,522
Other investments	89,381,627
Total investments	$ 178,540,796

The Organization's investment income during 2025 was comprised of interest and dividend income of $2,604,179, total gain on investments of $23,778,548, fees from the Organization's various investment managers of $1,482,729, and fees from the Organization's investment advisor of $184,751.

The net assets with donor restrictions fund that is of perpetual duration in the operating endowment and stewardship funds are invested to maintain their real value relative to inflation. Investments are managed for total return rather than income production. The Organization's policy for investment asset allocation includes approximately 85-95% of investments to be held in equity securities, private investments, and marketable alternatives, with the remaining 5-15% in fixed income securities. The Organization's investment committee monitors the underlying asset allocation of the multi-asset fund managers and regularly tracks their performance against an agreed benchmark which reflects the policy asset allocation. Under the fund's spending criteria, a portion of the total return is required to be retained in the fund to preserve its purchasing power relative to inflation. The Organization utilizes a hybrid spending model, whereby 30% of 4.0% of the trailing four quarter average market value of the investments, in addition to 70% of the preceding year draws from the investments, adjusted for inflation, may be used for general operating purposes, and the remainder is retained for use in future years.

Maine legislation requires that appreciation on investments of net assets with donor restrictions that are of perpetual duration be considered a donor-restricted asset until appropriated pursuant to proper governing-board action. Pursuant to the Board of Directors' interpretation of this legislation, the appreciation on the operating endowment that is not of perpetual duration and appreciation on the stewardship investments fund is classified as funds subject to use or time restriction and released from restriction upon appropriation by the Board of Directors in accordance with the spending policy as described above. The Organization has also interpreted the legislation to permit spending from funds with deficiencies in accordance with prudent measures required under the legislation. There were no funds with such deficiencies as of December 31, 2025.

The majority of other investments are invested in private investment funds and asset and mortgage-backed securities. These private investment interests are generally not securities for which market quotations are readily available.

Fair value of private investment interests is ordinarily based on the estimated value of the private investment fund, as provided to the funds by the management of the private investment fund. Fair value is intended to represent a good faith approximation of the amount that a fund could reasonably expect to receive from the private investment fund if the fund’s interest in the private investment was sold at the time of valuation, based on information that is reasonably available at the time valuation is made and that the fund believes is reliable. The fair values of these investment funds are based on available information and do not necessarily represent the amounts that might ultimately be realized.

The donor-restricted and board-designated investment net asset composition by type of fund as of December 31, 2025 was as follows:

	Board-Designated	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 48,905,064	$ 48,905,064
Donor-restricted funds	-	9,259,693	9,259,693
Donor-restricted stewardship endowment funds	-	41,022,642	41,022,642
Board-designated stewardship endowment funds	33,183,804	-	33,183,804
Board-designated endowment funds	27,499,608	-	27,499,608
Board-designated special projects funds	3,943,461	-	3,943,461
Total investments with donor or board restriction	$ 64,626,873	$ 99,187,399	163,814,272
Investments without donor or board restriction			14,726,524
Total investments			$178,540,796

Changes in donor-restricted and board-designated endowment investment net assets for the year ended December 31, 2025 were as follows:

	Without Donor Restriction– Board Designated	With Donor Restriction	Total
Endowment investment net assets, beginning of year	$ 57,771,209	$ 86,057,880	$143,829,089
Investment return, net	8,402,668	14,700,180	23,102,848
Contributions and other deposits	36,354	1,382,796	1,419,150
Release for spending for Stewardship project expenses	81,559	(81,559)	-
Appropriation of endowment investment assets for expenditure	(1,860,276)	(2,841,092)	(4,701,368)
Other, net	195,359	(30,806)	164,553
Endowment investment net assets, end of year	$ 64,626,873	$ 99,187,399	$163,814,272

4. Property and Equipment

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

Land improvements	$ 407,048
Buildings	7,919,199
Farm equipment	750,152
Livestock	17,634
Equipment – office and other	848,993
Construction-in-progress	59,639
	10,002,665
Accumulated depreciation	(3,047,600)
	$ 6,955,065

The Organization entered into an immaterial lease agreement through April 2027 for office space in Topsham. The Organization has agreed to pay approximately $192,000 in 2026 and $65,000 in 2027 under this agreement. A member of the Organization's Board Council owns a 25% interest in the lessor of this lease.

5. Land

Following is a summary of land held by the Organization at December 31, 2025 and related activity for the year then ended:

Land purchased	$ 71,555,907
Land donated	53,417,759
Land in process	97,250
Total land	$ 125,070,916

Land purchased during 2025:

Name	Location
Wahoa Bay Clammer Access	Addison
Clark Island Overflow Parking 2	Saint George
Kittredge Brook Forest East McFarland	Bar Harbor
Forbes Pond Outlet (Purchased by LLC)	Gouldsboro
Forbes Pond Outlet 2 (Purchased by LLC)	Gouldsboro
Rum Key Island	Gouldsboro
York Street Swamps	Kennebunk

Land donations received during 2025:

Name	Location
Lane's Island	Vinalhaven

Conservation easements purchased during 2025:

Name	Location
Carrying Place Cove West	Trescott

In June 2024, the Organization entered into an agreement for the purchase of land in Washington County, Maine for $4,815,750. The transaction has not yet closed as of August 21, 2026.

6. Borrowings

The Organization has available through October 2026 a $4,000,000 line of credit, with interest at 6.5%, collateralized by investments or pledges at the option of the Organization. There were no outstanding advances on the line at December 31, 2025.

7. Employee Benefit Plans

The Organization has established various defined contribution plans for employees. Contributions to the plans were $496,093 for 2025.

8. Beneficial Interest in Split-Interest Agreements

The Organization is the beneficiary of a trust created by a donor, the assets of which are not in the possession of the Organization. The Organization has the legally enforceable right to receive the greater of actual net income collected on the account, or 5% of the fair market value (based on the average month-end market value for the calendar year) of the trust in perpetuity. This income is expendable to support Aldermere Farm operations. The Organization's share of the fair value of the underlying trust assets, which approximates the present value of the estimated future cash receipts from the trust, is included in the Organization's financial statements and totaled $6,128,244 at December 31, 2025. Distributions from the trust were $304,448 in 2025.

The Organization is also a remainder beneficiary of three charitable remainder unitrusts, the assets of which are not in the possession of the Organization. The present value of estimated future cash receipts from the trusts, using a discount rate ranging from 2.5% to 6.0%, was $144,775 at December 31, 2025.

In prior years, the Organization received contributions under charitable gift annuity agreements. The Organization is to remit payments to the income beneficiaries in various installments for the remainder of the beneficiaries' lives. The present value of the annuity payment liability, using discount rates ranging from 2.0% to 2.5%, was $148,714 at December 31, 2025 and is included in accrued expenses and other liabilities in the statement of financial position. The fair value of the assets under these charitable gift annuity agreements was $414,145 at December 31, 2025.

9. Net Assets with Donor Restrictions

As of December 31, 2025, net assets subject to expenditure for a specified purpose are as follows:

	Operating	Operating Endowment	Stewardship Investments	Revolving Loan Fund	Total
Stewardship	$ 3,724,515	$ -	$ 16,910,571	$ -	$ 20,635,086
Land protection	14,826,795	-	-	250,000	15,076,795
General operations – time restricted	1,712,464	175,614	312,444	-	2,200,522
Operating endowment earnings, restricted until Board appropriated	-	5,655,230	-	-	5,655,230
Total	$ 20,263,774	$ 5,830,844	$ 17,223,015	$ 250,000	$ 43,567,633

As of December 31, 2025, net assets invested in perpetuity are as follows:

Beneficial interest in a trust, the income from which is expendable to support Aldermere Farm operations	$ 6,128,244
Land and land improvements – Aldermere Farm	1,400,000
Investments in perpetuity, (subject to the Organization's spending policy) the income from which is expendable to support:	
General operations of the Organization	19,069,912
Campaign for the Coast	6,500,030
General operations of Aldermere Farm and Erickson Fields	1,431,143
The stewardship of conserved land	22,344,246
The stewardship of conserved land in the Acadian region	7,500,000
The Partridge Endowment for People and Places – Care for the Land	550,000
The Places for People – Care for the Land Endowment	269,289
The ESPY Land Heritage award given by the Organization	136,520
Land conservation effort in the Acadian region	2,500,000
The Partridge Endowment for People and Places – Connect People & Land	2,539,835
The Places for People – Connect People & Land Endowment	588,183
Richard Rockefeller Internship Program	2,512,025
Revolving Loan Fund Capital	2,800,000
Tim Glidden Conservation Internship Program	252,015
Total	$ 76,521,442
Total net assets with donor restrictions	$ 120,089,075

10. Board-Designated Net Assets

The Board has chosen to designate a portion of net assets at December 31, 2025 for specific purposes as follows:

	Operating	Operating Endowment	Stewardship Investments	Revolving Loan	Special Projects	Total Board-Designated
Stewardship	$ -	$ -	$ 35,656,224	$ -	$ -	$ 35,656,224
Revolving loan – island projects	-	-	-	106,222	-	106,222
Operating endowment	-	27,344,798	-	-	-	27,344,798
Special projects general	-	-	-	-	3,693,461	3,693,461
Legal defense fund – conservation easements	-	-	-	-	250,000	250,000
Conservation innovation	145,000	-	-	-	-	145,000
Capital replacement reserve–operating	1,039,255	-	-	-	-	1,039,255
Capital replacement reserve–Aldermere	815,530	-	-	-	-	815,530
	$ 1,999,785	$ 27,344,798	$ 35,656,224	$ 106,222	$ 3,943,461	$ 69,050,490

11. Fair Value Measurement

FASB ASC Topic 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset, or paid to transfer a liability (an exit price), in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. There were no Level 3 assets as of December 31, 2025.

Assets measured at fair value on a recurring basis are summarized below:

	Fair Value	Level 1	Level 2
Beneficial interest in split-interest agreement – Aldermere Farm	$ 6,128,244	$ -	$ 6,128,244
Charitable gift annuities	414,145	414,145	-
Charitable remainder unitrusts	144,775	-	144,775
Corporate bonds	16,447,522	-	16,447,522
Mutual funds	51,517,157	51,517,157	-
Money market portfolios	21,194,490	21,194,490	-
Short-term investments	459,002	459,002	-
Sub-total	96,305,335	$ 73,584,794	$ 22,720,541
Investment in limited liability companies or limited partnerships at net asset value	89,381,627		
Total	$185,686,962		

Level 2 beneficial interest in split-interest agreement and Level 2 charitable remainder unitrusts are valued based on the classification of the underlying investments held by the trusts, which are actively traded. The fair value for Level 2 corporate bonds is primarily based on quoted market prices of comparable securities, interest rates, and credit risk, and is obtained from the Organization's investment custodian.

The following table sets forth a summary of the fair value of the Organization's other investments at December 31, 2025, using a reported net asset value per share:

	Fair Value	Unfunded Commitments
Accolade Partners III, L.P.	$ 932,606	$ 300,000
Accolade Partners IV, L.P.	721,053	300,000
Accolade Partners V, L.P.	1,454,866	215,000
Accolade Partners VI, L.P.	1,719,312	255,000
Accolade Partners VII, L.P.	1,575,417	100,000
Accolade Partners VIII, L.P.	1,064,390	170,000
Accolade Partners VIII-G, L.P.	857,515	40,000
Accolade Partners IX, L.P.	1,100,690	1,120,000
Accolade Partners X Feeder, L.P.	27,917	1,960,000
Aligned Solar Partners 6, L.P.	1,029,923	380,331
City of London	10,980,844	-
Diameter Offshore Fund, L.P.	5,883,743	-
Ember Infrastructure Fund II-A, L.P.	362,275	1,142,719
Garda Capital Partners, L.P.	6,663,520	-
Kline Hill Partners Fund II, L.P.	613,908	186,532
Kline Hill Partners Fund III, L.P.	658,060	341,064
Legacy Venture IV	94,827	-
Legacy Venture V	168,239	-
Legacy Venture VI	782,828	10,000
Legacy Venture VII	1,091,432	-
Legacy Venture VIII	986,844	10,000
LL Mortgage Fund, L.P.	6,463,000	-
Massar Macro	4,932,616	-
Millstreet	5,860,875	-
Moonrise China Partners I, L.P.	530,287	63,824
Moonrise China Partners II, L.P.	708,162	338,310
Moonrise Venture Partners I	1,882,845	49,442
Moonrise Venture Partners II	1,405,165	91,580
Overlook Partners Fund, L.P.	3,631,107	-
Thirteen Partners Private Equity 4, L.P.	1,338,511	105,410
Thirteen Partners Private Equity 5, L.P.	1,399,826	119,620
Thirteen Partners Private Equity 9, L.P.	1,036,104	723,504
Two Sigma Active Extension U.S. All Cap Equity Cayman Fund, LTD.	19,516,058	-
Vision Ridge Partners Sustainable Assets Fund II	537,297	240,476
Vision Ridge Partners Sustainable Assets Fund III	889,523	128,629
Vision Ridge Partners Sustainable Assets Fund IV	185,181	773,780
Private equity total	89,086,766	9,165,221
Venture Investment Associates Energy I, L.P.	30,292	60,000
Venture Investment Associates Energy II, L.P.	176,504	67,500
TIFF Realty and Resources 2008	85,236	86,250
TIFF Realty and Resources II	2,829	80,250
Real assets total	294,861	294,000
Investments at net asset value	$ 89,381,627	$ 9,459,221

These investments are subject to varying restrictions on the sale and transfer of the Organization's interest in the investment. Distributions are generally at the discretion of the general partner, and redemption is generally only permitted upon liquidation of the partnership.

The private investment allocation is intended to enhance and diversify the sources of equity returns by taking ownership interests in illiquid partnerships that may require 7 to 10 years or more before returning invested capital. Such investments may include venture capital, leveraged buyouts, real estate or other such investments.

Land donated and received in 2025 measured at fair value using significant other observable inputs using the market approach at the date of receipt totaled $828,515.

12. Liquidity and Availability of Financial Assets

The Organization regularly monitors the availability of resources required to meet operating needs, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and investments.

As of December 31, 2025, the following financial assets could be readily made available within one year of the statement of financial position date to meet general expenditures:

Cash and cash equivalents	$ 2,467,819
Accounts receivable	231,523
Short-term investments	459,002
Investments without donor restriction or board-designation	14,726,524
Total assets	$ 17,884,868

At December 31, 2025, $64,626,873 of the Organization's investments were board-designated. Although not expected to be needed, the portion of the Organization’s investments without donor restrictions in excess of any budgeted spending amount could be used to meet cash needs if necessary. Prudent investment management, however, must be considered to help ensure the preservation of the funds for future use.

Approximately 41% of the Organization’s investment portfolio consists of highly liquid investments. See Notes 3 and 11 for further information about the Organization’s investment portfolio and net assets, respectively.

The Organization also has a line of credit available to meet short-term needs as discussed in Note 6.

13. Conservation Limited Development, LLC

During 2008, the Organization formed Conservation Limited Development, LLC (the Company). The Organization is the sole member of the Company. The Company was formed for the purpose of owning, managing, renting, leasing, buying, selling, and developing property as authorized by the Organization. The balances and activities of the Company for 2025, prior to elimination and consolidation into the operating fund, were as follows:

Cash	$ 2,712,068
Land	687,503
Total assets	3,399,571
Notes payable	3,870,000
Total liabilities	3,870,000
Member's deficit	$ (470,429)
Interest income	$ 12,833
Donated land	650,370
Total revenue	663,203
Professional fees and contract services	2,430
Depreciation	12,750
Property taxes	56,169
Property management	255
Contributions in support of other organizations	31,992
Loss on sales and transfers of land	937,137
Loss on sale of property and equipment	212,500
Rent and utilities	4,461
Other	1,115
Total expenses and loss on sale	1,258,809
Change in member's equity (deficit)	(595,606)
Member's equity – beginning of year	125,177
Member's deficit – end of year	$ (470,429)

Member's equity (deficit) from the Company is consolidated in net assets without donor restriction in the Organization's financial statements.