

Financial Statements



March 31, 2025

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Coastal Mountains Land Trust

March 31, 2025

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Independent Auditors' Report

**To the Board of Directors
Coastal Mountains Land Trust
Camden, Maine**

Opinion

We have audited the accompanying financial statements of Coastal Mountains Land Trust (a nonprofit organization), which comprise the statement of financial position as of March 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 financial statements referred to above present fairly, in all material respects, the financial position of Coastal Mountains Land Trust as of March 31, 2025, and the changes in 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 Coastal Mountains 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 these 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 statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coastal Mountains 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 purposes of expressing an opinion on the effectiveness of Coastal Mountains 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 Coastal Mountains 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 Coastal Mountains Land Trust's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 20, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Purdy Powers & Company

Professional Association

Portland, Maine
August 11, 2025

Statement of Financial Position

Coastal Mountains Land Trust

As of March 31, 2025
(with comparative totals for March 31, 2024)

	<u>2025</u>	<u>2024</u>
Current Assets		
Cash and cash equivalents	\$ 682,805	\$ 695,947
Investments	-	214,339
Current portion of pledges receivable, net of allowance	67,500	132,500
Grants receivable	209,685	-
Deposits	5,220	5,418
Prepaid expenses	8,820	7,484
Total Current Assets	<u>974,030</u>	<u>1,055,688</u>
Property and Equipment , net of accumulated depreciation	1,840,838	1,974,418
Other Assets		
Cash restricted by donors for property acquisition	396,222	190,131
Pledges receivable, net of current portion	48,000	12,500
Investments designated by board	1,552,766	1,154,153
Investments restricted by donors	3,351,231	3,280,583
Split-interest agreements	658,608	598,698
Conserved fee title property	1,751,755	1,678,870
Total Other Assets	<u>7,758,582</u>	<u>6,914,935</u>
Total Assets	<u>\$ 10,573,450</u>	<u>\$ 9,945,041</u>
Current Liabilities		
Accounts payable and accrued liabilities	\$ 18,347	\$ 24,601
Short-term notes payable	215,000	-
Total Current Liabilities	<u>233,347</u>	<u>24,601</u>
Net Assets		
Without donor restrictions	5,149,380	5,105,515
With donor restrictions	5,190,723	4,814,925
Total Net Assets	<u>10,340,103</u>	<u>9,920,440</u>
Total Liabilities and Net Assets	<u>\$ 10,573,450</u>	<u>\$ 9,945,041</u>

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

Statement of Activities

Coastal Mountains Land Trust

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

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues				
Contributions and support	\$ 926,355	\$ 398,530	\$ 1,324,885	\$ 1,154,169
Special events	7,000	-	7,000	11,408
Grants and contracts	208,869	384,298	593,167	227,574
Miscellaneous income	-	-	-	8,077
Investment income	110,174	23,463	133,637	104,913
Contributions of property	-	398,200	398,200	362,400
Contributed nonfinancial assets	10,339	-	10,339	7,029
Net assets released from restrictions	890,309	(890,309)	-	-
Total Revenues	2,153,046	314,182	2,467,228	1,875,570
Expenses				
Program services				
Land acquisition	204,824	-	204,824	163,634
Impairment of land	743,839	-	743,839	515,701
Outreach	222,195	-	222,195	174,808
Stewardship	424,027	-	424,027	284,695
Supporting services				
General administrative	325,341	-	325,341	304,814
Fundraising	189,603	-	189,603	164,187
Total Expenses	2,109,829	-	2,109,829	1,607,839
Revenues Over Expenses	43,217	314,182	357,399	267,731
Other Revenue (Expense)				
Loss on disposal of property	-	-	-	(346)
Change in value of split interest agreements	-	59,910	59,910	69,225
Net realized and unrealized gain on investments	648	1,706	2,354	444,513
Total Other Revenue	648	61,616	62,264	513,392
Increase in Net Assets	43,865	375,798	419,663	781,123
Net assets at beginning of year	5,105,515	4,814,925	9,920,440	9,139,317
Net Assets at End of Year	\$ 5,149,380	\$ 5,190,723	\$ 10,340,103	\$ 9,920,440

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

Statement of Functional Expenses

Coastal Mountains Land Trust

As of March 31, 2025
(with comparative totals for March 31, 2024)

	2025							2024
	Program Services			Total Program	Management & General	Fundraising	Total	Total
	Land Acquisition	Outreach	Stewardship					
Expenses:								
Salaries	\$ 116,370	\$ 104,121	\$ 191,573	\$ 412,064	\$ 67,772	\$ 134,745	\$ 614,581	\$ 503,013
Payroll taxes	8,909	7,971	14,535	31,415	5,158	10,315	46,888	37,199
Benefits	11,293	10,104	18,425	39,822	6,538	13,076	59,436	49,467
Advertising	-	-	-	-	-	-	-	216
Community engagement	-	63,853	65,384	129,237	162	60	129,459	32,038
Fees	3,612	5,801	2,126	11,539	10,795	6,993	29,327	26,412
Insurance	21,664	6,452	27,696	55,812	2,602	6,320	64,734	56,423
Property management expenses	28,184	1,670	83,034	112,888	588	2,015	115,491	66,141
Newsletter	-	7,937	-	7,937	-	-	7,937	14,437
Office expenses	363	485	2,473	3,321	19,901	485	23,707	21,308
Postage and delivery	937	1,874	1,243	4,054	626	1,561	6,241	6,332
Printing and publications	780	1,640	2,080	4,500	260	1,040	5,800	18,822
Professional fees	1,170	623	1,953	3,746	65,642	86	69,474	50,621
Real estate taxes	-	-	-	-	4,024	-	4,024	5,002
Repairs and maintenance	1,226	2,994	2,786	7,006	536	649	8,191	6,685
Telephone and internet	2,115	529	2,115	4,759	67	462	5,288	3,600
Travel and entertainment	3,682	5,636	4,041	13,359	5,922	9,866	29,147	32,264
Utilities	1,774	485	2,264	4,523	222	222	4,967	4,893
Vehicle	-	-	2,299	2,299	811	-	3,110	5,726
Impairment of land	743,839	-	-	743,839	-	-	743,839	515,701
Development and donor recognition	2,745	20	-	2,765	135	1,708	4,608	9,016
Depreciation expense	-	-	-	-	133,580	-	133,580	132,523
Bad debt expense	-	-	-	-	-	-	-	10,000
Total expenses	<u>\$ 948,663</u>	<u>\$ 222,195</u>	<u>\$ 424,027</u>	<u>\$ 1,594,885</u>	<u>\$ 325,341</u>	<u>\$ 189,603</u>	<u>\$ 2,109,829</u>	<u>\$ 1,607,839</u>

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

Statement of Cash Flows

Coastal Mountains Land Trust

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

	<u>2025</u>	<u>2024</u>
Operating Activities		
Increase in net assets	\$ 419,663	\$ 781,123
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	133,580	132,523
Impairment reductions	743,839	515,701
Change in allowance for doubtful pledges receivable	-	10,000
Non-cash contribution of property	(398,200)	(362,400)
Investment (gains) losses	(2,354)	(444,513)
Change in value of split-interest agreements	(59,910)	(69,225)
(Increase) decrease in operating assets:		
Pledges receivable	29,500	(25,891)
Grants receivable	(209,685)	-
Deposits	198	1,680
Prepaid expenses	(1,336)	(591)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(6,254)	(6,690)
Net Cash Provided by Operating Activities	<u>649,041</u>	<u>531,717</u>
Investing Activities		
Purchase of property and equipment	-	(23,740)
Purchase of conservation property	(418,524)	(180,443)
Proceeds from sales of investments	1,436,897	615,358
Purchase of investments	(1,689,465)	(817,947)
Net Cash Used by Investing Activities	<u>(671,092)</u>	<u>(406,772)</u>
Financing Activities		
Proceeds from short-term borrowings	215,000	-
Net Cash Provided by Financing Activities	<u>215,000</u>	<u>-</u>
Increase in Cash and Cash Equivalents	192,949	124,945
Cash and cash equivalents at beginning of year	<u>886,078</u>	<u>761,133</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,079,027</u></u>	<u><u>\$ 886,078</u></u>
Supplemental Disclosure of Cash Flow Information:		
Cash and cash equivalents	\$ 682,805	\$ 695,947
Cash restricted by donors for property acquisition	396,222	190,131
	<u><u>\$ 1,079,027</u></u>	<u><u>\$ 886,078</u></u>

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

Notes to Financial Statements

Coastal Mountains Land Trust

Note A - Summary of Significant Accounting Policies

Organization

Coastal Mountains Land Trust is a Maine non-profit corporation located in Camden, Maine. The mission of Coastal Mountains Land Trust is to permanently conserve land to benefit the natural and human communities of western Penobscot Bay.

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. Coastal Mountains Land Trust 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 Coastal Mountains Land Trust'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 limited by 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 Coastal Mountains Land Trust 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.

Revenue Recognition

The financial statements of Coastal Mountains Land Trust 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.

Notes to Financial Statements

Coastal Mountains Land Trust

Note A - Summary of Significant Accounting Policies - Continued

Revenue Recognition - Continued

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 Accounting Standards Codification (“ASC”) 606, Coastal Mountains Land Trust 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.

In accordance with FASB ASC 606-10-50-14, Coastal Mountains Land Trust has elected not to disclose certain information about its remaining performance obligations, as such obligations relate to contracts with an original expected duration of one year or less.

For the year ended March 31, 2025, Coastal Mountains Land Trust had no revenue subject to ASC 606.

Sales taxes concurrent with specific revenue-producing transactions are collected and remitted to the State of Maine and are therefore excluded from revenue.

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

Coastal Mountains Land Trust 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 Coastal Mountains Land Trust’s investment portfolios are reported as investments. Coastal Mountains Land Trust maintains its cash and cash equivalents in bank deposit accounts, and at times balances may exceed federally insured limits. At March 31, 2025, Coastal Mountains Land Trust’s uninsured and uncollateralized cash balances totaled \$31,664. Coastal Mountains Land Trust has not experienced any losses in such accounts.

Pledges Receivable

Pledges receivable represents amounts due to Coastal Mountains Land Trust 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

Coastal Mountains Land Trust

Note A - Summary of Significant Accounting Policies - Continued

Pledges Receivable - Continued

The allowance for doubtful pledges 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 pledges. Management has estimated the allowance to be \$10,000 as of March 31, 2025.

Pledges receivable is stated net of a discount for the time value of money. Management has estimated that no discount is necessary as of March 31, 2025.

Grants Receivable

Grants receivable consists primarily of amounts due from federal, state and private grants. Grant revenue is recognized when the conditions of the grant have been met. Management considers all amounts to be collectible and, therefore, has not established a provision for uncollectible accounts.

Coastal Mountains Land Trust has future awards from various agencies that are conditional upon funding availability from specific agencies as well as specific barriers which need to be overcome by Coastal Mountains Land Trust and its subrecipients. These grants will be recognized in income when the conditions (completion of various projects in line with the Coastal Mountains Land Trust's mission) are met. At March 31, 2025, Coastal Mountains Land Trust had \$429,062 in conditional awards to be recognized in future periods.

Investments

Coastal Mountains Land Trust 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.

Property and Equipment

Property and equipment is stated at cost if purchased or at fair value if contributed. Coastal Mountains Land Trust'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, which range from 5 to 48 years. Depreciation expense for the year ended March 31, 2025 was \$133,580.

Property (Parcels of Land)

The property of Coastal Mountains Land Trust consists of parcels of land in western Penobscot Bay 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

Coastal Mountains Land Trust

Note A - Summary of Significant Accounting Policies - Continued

Property (Parcels of Land) - Continued

Many properties acquired by Coastal Mountains Land Trust 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 Coastal Mountains Land Trust 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

Coastal Mountains Land Trust records donated goods and services at fair value at the date of donation. See Note N.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting functions of Coastal Mountains Land Trust. These expenses include salaries, payroll taxes, benefits, insurance, office expenses, and professional fees. Salaries, payroll taxes, and benefits are allocated based on estimates of time and effort. Certain costs of insurance, office expenses, and professional fee expenses are based on management's estimate of the appropriate allocations for each expense.

Split-Interest Agreements

Split-interest agreements consist of assets placed in trust for the benefit of Coastal Mountains Land Trust and beneficiaries. 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 Coastal Mountains Land Trust 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 Coastal Mountains Land Trust 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 agreements.

Notes to Financial Statements

Coastal Mountains Land Trust

Note A - Summary of Significant Accounting Policies - Continued

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 Coastal Mountains Land Trust's financial statements for the year ended March 31, 2024, from which the summarized information was derived.

Note B - Investments

For the year ended March 31, 2025, investments are composed as follows:

Investments designated by Board	\$ 1,552,766
Investments restricted by donors for stewardship	242,792
Investments restricted by donors for property acquisition	967,863
Investments restricted by donors for reserves and land defense	1,495,837
Investments restricted by donors, not subject to appropriation or expenditure	<u>644,739</u>
	<u>\$ 4,903,997</u>

Investments consist of various securities and are stated at fair value as of March 31, 2025 as follows:

Money market funds	\$ 165,709
Equity mutual funds and ETFs	2,494,396
Equity securities	<u>2,243,892</u>
	<u>\$ 4,903,997</u>

Investment returns from these investments for the year ended March 31, 2025 are summarized as follows:

Interest and dividend income	\$ 133,637
Net realized and unrealized gains on investments	<u>2,354</u>
	<u>\$ 135,991</u>

Notes to Financial Statements

Coastal Mountains Land Trust

Note C - Split-Interest Agreements

Coastal Mountains Land Trust is a remainder beneficiary of two irrevocable charitable remainder trusts and the income beneficiary of a charitable lead trust. The funds of these trusts are held and controlled by third-party trustees who are responsible for investment and payment decisions. Coastal Mountains Land Trust is entitled to a share of the remaining value of each charitable remainder trust when the final beneficiaries die.

Coastal Mountains Land Trust has recognized an asset for its interest in the charitable remainder trusts. The asset is valued at the net present value of expected cash flows from the agreements, which is calculated as the difference between the fair market value of trust assets and the present value of future payments to beneficiaries. The present value of future payments to beneficiaries is determined annually based on the life expectancies of the beneficiaries, which assumed 5 years and 28 years for the two charitable remainder trusts, and discount rates of 2.0% and 2.5%, respectively.

In addition, Coastal Mountains Land Trust is the remainder beneficiary of a grantor-retained life estate. Coastal Mountains Land Trust received title to a four-acre homestead that is to be sold to provide stewardship funds at the termination of the life estate. Coastal Mountains Land Trust has recognized an asset for its interest in the grantor-retained life estate. The asset is valued at the present value of expected cash flows from the agreement. The present value of the future cash flows associated with the termination of the life estate is determined annually based on the life expectancies of the grantors (8 years), the appraised value of the property, an appreciation rate of 2.85%, and a discount rate of 6.85%.

At March 31, 2025, Coastal Mountains Land Trust's interest in these three split-interest agreements was valued at \$658,608.

Note D - Fair Value Measurements

Coastal Mountains Land Trust 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

Coastal Mountains Land Trust

Note D - 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. See Note C for a description of the valuation of split-interest agreements.

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market funds	\$ 165,709	\$ -	\$ -	\$ 165,709
Equity mutual funds and ETFs	2,494,396	-	-	2,494,396
Equity securities	<u>2,243,892</u>	<u>-</u>	<u>-</u>	<u>2,243,892</u>
Total investments	<u>\$ 4,903,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,903,997</u>
Split-Interest Agreements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 658,608</u>	<u>\$ 658,608</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 a market approach but certain split-interest agreements have been measured using an income approach (see Note C). There have been no changes in valuation techniques and related inputs.

Notes to Financial Statements

Coastal Mountains Land Trust

Note D - Fair Value Measurements - Continued

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
	Split-Interest Agreements	Total
Beginning balance	\$ 598,698	\$ 598,698
Total gains (realized/unrealized) recognized in the statement of activities	<u>59,910</u>	<u>59,910</u>
Ending balance	<u>\$ 658,608</u>	<u>\$ 658,608</u>
Amount of total gains for the year attributable to the change in unrealized gains relating to assets still held at the reporting date	<u>\$ 59,910</u>	<u>\$ 59,910</u>

Note E - Endowment Fund

Coastal Mountains Land Trust 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, Coastal Mountains Land Trust 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 (4) any remaining portion of the donor-restricted endowment until such amounts are appropriated for expenditure by Coastal Mountains Land Trust in a manner consistent with the standard of prudence prescribed by UPMIFA.

Notes to Financial Statements

Coastal Mountains Land Trust

Note E - Endowment Fund - Continued

In accordance with UPMIFA, Coastal Mountains Land Trust 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 Coastal Mountains Land Trust, and (7) the Coastal Mountains Land Trust's investment policies.

Coastal Mountains Land Trust has adopted an investment policy for endowment assets that attempts to provide a growing, predictable income stream for present and future programs of the Coastal Mountains Land Trust. Accordingly, funds held for long-term use will hold 70% equities and 30% fixed income; funds held for intermediate-term use will hold 50% equities and 50% fixed income; and funds held for short-term use will hold 30% equities and 70% fixed income. There is an allowable variance of plus or minus 5% on each investment group. Investment performance is evaluated through comparison to relevant benchmarks and indices.

Coastal Mountains Land Trust has adopted a spending policy, in the absence of any restriction or contractual prohibition to the contrary, which allows for annual transfers from an endowment account at no more than 5% of the three-year average balance of an account. Any funds not withdrawn in a given year may be withdrawn at any time within the next three fiscal years. Timing of the transfers shall be at the discretion of the Executive Director.

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

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ -	\$ -	\$ -
Donor-restricted endowment funds	<u>13,703</u>	<u>761,411</u>	<u>775,114</u>
Total Funds	<u>\$ 13,703</u>	<u>\$ 761,411</u>	<u>\$ 775,114</u>

Notes to Financial Statements

Coastal Mountains Land Trust

Note E - Endowment Fund - Continued

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

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 16,466	\$ 779,111	\$ 795,577
Contributions received	-	5,000	5,000
Investment return:			
Investment income, net	1,835	15,170	17,005
Realized and unrealized gains (losses)	<u>(759)</u>	<u>(2,112)</u>	<u>(2,871)</u>
Total investment return	1,076	13,058	14,134
Appropriation of endowment assets for expenditure	<u>(3,839)</u>	<u>(35,758)</u>	<u>(39,597)</u>
Endowment net assets, end of year	<u>\$ 13,703</u>	<u>\$ 761,411</u>	<u>\$ 775,114</u>

The internal reporting funds for endowment net assets for the year ended March 31, 2025 are as follows:

	<u>Original Gift</u>	Fair Value of <u>Assets</u>	Appreciation (Deficiency)
Fernald's Neck Preserve Endowment	\$ 550,000	\$ 657,319	\$ 107,319
McLellan-Poor Preserve Endowment	22,000	31,353	9,353
Land Trust Endowment	<u>72,739</u>	<u>86,442</u>	<u>13,703</u>
Total Endowment funds	<u>\$ 644,739</u>	<u>\$ 775,114</u>	<u>\$ 130,375</u>

Notes to Financial Statements

Coastal Mountains Land Trust

Note F - Property and Equipment

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

Land	\$ 43,083
Buildings and improvements	996,026
Furniture and equipment	240,222
Preserve improvements	184,826
Easement improvements	<u>1,319,577</u>
	2,783,734
Less accumulated depreciation	<u>942,896</u>
	<u>\$ 1,840,838</u>

Note G - Property

The property of Coastal Mountains Land Trust consists of 6,903 acres of land in western Penobscot Bay 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 Coastal Mountains Land Trust 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 March 31, 2025, Coastal Mountains Land Trust purchased three fee simple properties and received two fee simple donations.

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

Unimpaired value of permanently conserved property	\$ 16,073,908
Unimpaired value of unrestricted property	<u>13,352,273</u>
	29,426,181
Impairment reduction of permanently conserved property	15,292,746
Impairment reduction of unrestricted property	<u>12,381,680</u>
Less total impairment reductions	<u>27,674,426</u>
	<u>\$ 1,751,755</u>

Notes to Financial Statements

Coastal Mountains Land Trust

Note H - Pledges Receivable

Pledges receivable are as follows at March 31, 2025:

Receivable due in less than one year	\$ 77,500
Receivable due in one to five years	36,000
Receivable due in five to eight years	12,000
Less allowance for uncollectible pledges receivable	<u>(10,000)</u>
	<u>\$ 115,500</u>

Note I - Line of Credit

Coastal Mountains Land Trust maintains a line of credit with a bank in the amount of \$100,000, which is available on demand. Interest is payable at 2.75% and the credit line is collateralized by real estate. At March 31, 2025, advances on the line of credit were \$0.

Note J - Note Payable

During the year ended March 31, 2025, Coastal Mountains Land Trust obtained \$215,000 in short-term financing from a foundation for the Doak-Hurds Pond acquisition. The note is payable in one installment of \$215,000, with interest at 0% if paid when the note is due. After maturity, interest accrues at 10%. The payment on the note is due on March 19, 2026, and will be paid thereon. The note is secured by cash held at a local bank.

Note K - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at March 31, 2025:

Subject to expenditure for specified purpose:

Future Purchases of Conservation Land

General Acquisition	\$ 77,957
Fernald's Neck Acquisition Reserve	550,812
Bald & Ragged Mountains	564,934
Basin Pond	113,013
Ducktrap River Watershed	898
Morgan / Hurds Pond	38,595
Waldo County Conservation	<u>17,877</u>
	1,364,086

Notes to Financial Statements

Coastal Mountains Land Trust

Note K - Net Assets with Donor Restrictions - Continued

Stewardship of Conservation Land	
Grants	\$ 3,500
McLellan-Poor Preserve Stewardship	9,353
Conservation Lands Defense	256,396
Mount Percival Preserve Stewardship	7,195
Long Cove / Headwaters Preserves Stewardship	7,145
Land Trust Stewardship Reserve	495,992
Howe Hill Farm Stewardship	58,900
Beech Hill Preserve Stewardship	593,952
Pendleton Stewardship	50,596
Robie Young Stewardship	40,000
Learning Landscapes Stewardship	102,993
Goose River Trails	76,042
Piper Stream	5,600
Passy Headwaters	267
Mill Brook	2,716
Mount Tuck	15,876
Waldo Pound Preserve	14,915
General Stewardship	690
	<u>1,742,128</u>
Beneficial Interest in Split-Interest Agreements	
Split-interest agreements	658,608
<i>Not subject to appropriation or expenditure:</i>	
Property for conservation	781,162
Fernald's Neck Preserve Endowment	550,000
Land Trust Endowment	72,739
McLellan-Poor Preserve Endowment	22,000
	<u>1,425,901</u>
Total net assets with donor restrictions	<u>\$ 5,190,723</u>

Notes to Financial Statements

Coastal Mountains Land Trust

Note L - Board Designated Net Assets

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

General Acquisitions	\$ 31,343
Bald and Ragged Mountains	147,772
Bald and Ragged	208,529
General Stewardship	23,696
Land Trust Operating Reserve	590,974
Land Trust Stewardship Reserve	293,459
Beech Hill Preserve	70,045
Beech Hill Fields and Habitat	29,687
Howe Hill Farm	27,981
Pendleton	26,846
Waldo County Conservation	23,665
Office Fund	45,729
Robie Young	47
Staffing Reserve	188,592
Design/Marketing	6,020
Conservation Lands Defense	190,161
	<u>\$ 1,904,546</u>

Note M - Liquidity and Availability

Financial assets consist of the Coastal Mountains Land Trust's cash and cash equivalents, investments, pledges receivable, and grants receivable. The following reflects Coastal Mountains Land Trust's financial assets as of March 31, 2025, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the Statement of Financial Position.

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

Financial assets, at year-end	\$ 6,308,209
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	(3,750,953)
<i>Board designations:</i>	
Restricted by Board with time or purpose restrictions	<u>(1,904,546)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 652,710</u>

Notes to Financial Statements

Coastal Mountains Land Trust

Note M - Liquidity and Availability - Continued

Coastal Mountains Land Trust'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.

Coastal Mountains Land Trust is substantially supported by contributions from donations solicited and contributions received. Coastal Mountains Land Trust actively manages its cash flow to ensure funds are available for general expenditures, liabilities, and other obligations as they come due. Although Coastal Mountains Land Trust does not intend to spend the board designated funds listed above, amounts from these funds can be appropriated if necessary. As more fully described in Note I, Coastal Mountains Land Trust also has availability under the line of credit of \$100,000, should an unanticipated liquidity need be identified.

Note N - Contributed Nonfinancial Assets

For the year ended March 31, 2025, contributed nonfinancial assets recognized within the statement of activities included:

Land	\$ 398,200
Professional services	50
Other	<u>10,289</u>
	<u>\$ 408,539</u>

CMLT recognized contributed nonfinancial assets within revenue, including contributed land, professional services and other items for the year ended March 31, 2025. Unless otherwise noted below, contributed nonfinancial assets did not have donor-imposed restrictions.

The contributed land will be used as conservation land. In valuing the contributed land, CMLT acquired appraisals of the land at the time of the donations. Land donated during the year has been included in net assets not subject to expenditure due to permanent easements or Declarations of Trust placed on the properties.

Contributed professional services recognized comprise of landscaping services. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

Other contributed items include, program supplies and various utilities. Other contributed assets are valued and reported at the estimated fair value on the date they were gifted.

Notes to Financial Statements

Coastal Mountains Land Trust

Note O - Contingent Liability

Coastal Mountains Land Trust holds 68 conservation easements covering 5,413 acres. Coastal Mountains Land Trust 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, Coastal Mountains Land Trust is committed to bringing any and all actions necessary to defend the easements. To mitigate the financial risk such a commitment brings, Coastal Mountains Land Trust 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 P - Concentrations

A pledge from three donors comprised approximately 75% of Coastal Mountains Land Trust's pledges receivable for the year ended March 31, 2025.

Note Q - Income Taxes

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

Note R - Retirement Plan

Coastal Mountains Land Trust maintains a SIMPLE IRA plan which covers eligible employees. The plan calls for the Coastal Mountains Land Trust to contribute 3% of each eligible employee's annual salary. The Coastal Mountains Land Trust's contributions for the year ended March 31, 2025 were approximately \$14,399.

Note S - Related Party Transaction

During the year ended March 31, 2025, Coastal Mountains Land Trust purchased a property from a small conservation group that was led by a former board member and a current board member. The 108-acre property was purchased at its appraised value of \$315,000.

Notes to Financial Statements

Coastal Mountains Land Trust

Note T - Subsequent Events

Management has evaluated subsequent events through August 11, 2025, the date the financial statements were available to issue, and determined that any subsequent events that would require recognition have been considered in the preparation of the financial statements.