

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Financial Statements
(with Independent Auditors' Report)

September 30, 2025 and 2024

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST
September 30, 2025 and 2024

Table of Contents

	<u>Page(s)</u>
Independent Auditors' Report	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-20

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Friends of Stowe Conservation Inc. d/b/a Stowe Land Trust
Stowe, Vermont

Opinion

We have audited the accompanying financial statements of Friends of Stowe Conservation Inc. d/b/a Stowe Land Trust (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 28, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McSoley McCoy & Co.

South Burlington, Vermont
March 19, 2026
VT Reg. No. 92-349

Friends of Stowe Conservation, Inc.
d/b/a Stowe Land Trust
 Statements of Financial Position
 September 30, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 86,481	\$ 131,201
Pledges receivable	91,318	156,450
Investments	4,729,437	4,209,502
Conservation land holdings	2,778,405	2,778,405
Property and equipment, net	146,834	103,986
Other assets	27,486	22,446
Right-of-use asset, net	64,750	106,025
 Total assets	 \$ 7,924,711	 \$ 7,508,015
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 24,467	\$ 15,581
Accrued payroll liabilities	55,933	67,016
Lease liability	66,747	108,007
 Total liabilities	 147,147	 190,604
Net assets:		
Without donor restriction		
Unrestricted	908,064	747,979
Board designated	1,518,089	1,391,801
With donor restriction	5,351,411	5,177,631
 Total net assets	 7,777,564	 7,317,411
 Total liabilities and net assets	 \$ 7,924,711	 \$ 7,508,015

See accompanying notes to the financial statements.

Friends of Stowe Conservation, Inc.
d/b/a Stowe Land Trust
Statements of Activities
For the Years Ended September 30, 2025 and 2024

	2025			2024		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Support and Revenue						
Contributions and grants	\$ 520,410	\$ 1,157,541	\$ 1,677,951	\$ 447,545	\$ 1,723,049	\$ 2,170,594
Fundraising event revenue, net of direct costs of \$21,981 and \$19,140 in 2025 and 2024, respectively	35,044	-	35,044	41,696	-	41,696
Other revenue	22,477	-	22,477	1,238	-	1,238
Investment income, net	330,656	11,398	342,054	429,901	20,920	450,821
In kind donations	14,556	-	14,556	26,429	-	26,429
Net assets released from restriction	<u>995,159</u>	<u>(995,159)</u>	<u>-</u>	<u>14,518</u>	<u>(14,518)</u>	<u>-</u>
Total support and revenue, net	<u>1,918,302</u>	<u>173,780</u>	<u>2,092,082</u>	<u>961,327</u>	<u>1,729,451</u>	<u>2,690,778</u>
Expenses						
Program expenses	1,157,039	-	1,157,039	259,126	-	259,126
Management and general	248,464	-	248,464	266,559	-	266,559
Fundraising and development	<u>226,426</u>	<u>-</u>	<u>226,426</u>	<u>137,612</u>	<u>-</u>	<u>137,612</u>
Total expenses	<u>1,631,929</u>	<u>-</u>	<u>1,631,929</u>	<u>663,297</u>	<u>-</u>	<u>663,297</u>
Change in net assets	286,373	173,780	460,153	298,030	1,729,451	2,027,481
Net assets, beginning of year	<u>2,139,780</u>	<u>5,177,631</u>	<u>7,317,411</u>	<u>1,841,750</u>	<u>3,448,180</u>	<u>5,289,930</u>
Net assets, end of year	<u>\$ 2,426,153</u>	<u>\$ 5,351,411</u>	<u>\$ 7,777,564</u>	<u>\$ 2,139,780</u>	<u>\$ 5,177,631</u>	<u>\$ 7,317,411</u>

See accompanying notes to the financial statements.

Friends of Stowe Conservation, Inc.
d/b/a Stowe Land Trust
Statement of Functional Expenses
For the Year Ended September 30, 2025
(With Summarized Comparative Totals for the Year Ended September 30, 2024)

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>2025 Total</u>	<u>2024 Total</u>
Salaries and wages	\$ 226,107	\$ 138,209	\$ 115,237	\$ 479,553	\$ 309,222
Payroll taxes and benefits	<u>51,628</u>	<u>31,558</u>	<u>26,313</u>	<u>109,499</u>	<u>54,711</u>
Total personnel expenses	277,735	169,767	141,550	589,052	363,933
Bank and service fees	4,122	2,519	2,101	8,742	7,007
Depreciation	7,622	-	-	7,622	5,538
Dues and subscriptions	3,419	2,089	1,742	7,250	636
Event expense	16,576	-	10,791	27,367	9,799
Information technology	10,549	6,449	5,377	22,375	15,848
In kind donations	-	3,319	11,237	14,556	26,429
Insurance	9,925	6,066	5,058	21,049	7,308
Land easement acquisitions	670,000	-	-	670,000	-
Licenses and fees	582	356	296	1,234	348
Marketing and promotion	25,959	4,828	4,025	34,812	51,655
Miscellaneous	3,800	1,206	1,006	6,012	9,028
Occupancy	23,688	14,479	12,072	50,239	51,700
Office supplies and printing	3,971	1,999	1,666	7,636	7,412
Pledge write-off	3,000	-	-	3,000	-
Postage and shipping	295	180	150	625	612
Professional fees	77,801	30,185	25,168	133,154	85,107
Stewardship	9,779	-	-	9,779	11,534
Training	2,772	1,694	1,412	5,878	3,220
Telephone and internet	2,146	1,312	1,094	4,552	3,667
Travel	<u>3,298</u>	<u>2,016</u>	<u>1,681</u>	<u>6,995</u>	<u>2,516</u>
Total	<u>\$ 1,157,039</u>	<u>\$ 248,464</u>	<u>\$ 226,426</u>	<u>\$ 1,631,929</u>	<u>\$ 663,297</u>

See accompanying notes to the financial statements.

Friends of Stowe Conservation, Inc.
d/b/a Stowe Land Trust
Statements of Cash Flows
For the Years Ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 460,153	\$ 2,027,481
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	7,622	5,538
Realized and unrealized gain on investments	(236,671)	(343,223)
Pledge write-off	3,000	-
Amortization of right-of-use asset	41,275	39,868
In-kind donation of investments	(107,999)	-
(Increase) decrease in assets:		
Pledges receivable	62,132	83,550
Other assets	(5,040)	(11,541)
Increase (decrease) in liabilities:		
Accounts payable	8,886	1,616
Accrued payroll liabilities	(11,083)	33,389
Lease liability	(41,260)	(38,731)
	181,015	1,797,947
Cash flows from investing activities:		
Sale of investments	18,089	4,894,986
Purchase of investments	(193,354)	(5,971,007)
Purchase of conservation land holdings	-	(653,365)
Purchase of property and equipment	(50,470)	(9,925)
	(225,735)	(1,739,311)
Net cash used by investing activities	(225,735)	(1,739,311)
Net increase (decrease) in cash and cash equivalents	(44,720)	58,636
Cash and cash equivalents, beginning of year	131,201	72,565
Cash and cash equivalents, end of year	\$ 86,481	\$ 131,201

See accompanying notes to the financial statements.

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2025 and 2024

(1) Summary of Organization and Significant Accounting Policies

(a) Description of Organization

Friends of Stowe Conservation Inc. d/b/a Stowe Land Trust (the “Land Trust” or the “Organization”) is a land conservation organization. The mission of the Land Trust is the conservation of scenic, recreational, and productive farm and forest lands for the benefit of the greater Stowe community. The Land Trust, which operates from an office in Stowe, Vermont, was incorporated in the State of Vermont in 1987. The Land Trust has completed over 30 conservation projects, five of which are owned and managed by the Land Trust.

The Land Trust's primary sources of revenues are contributions from the general public, grants, events, and investment income.

During 2024, the Land Trust began the “Pick up the Pace” capital campaign, which is a three-year campaign with the goal of raising \$1,500,000.

(b) Basis of Presentation

The Organization financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which requires the Land Trust 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 management and the Board and include Board-designated funds that may be expended with approval of the Board.

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.

(c) Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

(d) Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2025 and 2024

Summary of Organization and Significant Accounting Policies (continued)

(e) Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Land Trust considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents related to the Land Trust's investment portfolio are presented as investments in the statements of financial position.

(f) Contributions and Promises to Give

Unconditional promises to give are recognized as contributions and pledges receivable in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. Contributions with donor restrictions for which the restrictions are met in the same fiscal year in which they are contributed are classified as net assets without donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported on the statements of activities as net assets released from restrictions.

(g) Investments

Investments with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the statements of activities. Investment income and gains are allocated within the net assets with donor restrictions and net assets without donor restrictions fund groups.

(h) Fair Value Measurements

Generally accepted accounting principles in the United States of America establish a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2025 and 2024

Summary of Organization and Significant Accounting Policies (continued)

- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(i) Property and Equipment

The Land Trust capitalizes property and equipment with a cost of \$2,500 or more. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is computed over their estimated useful lives using the straight-line method.

(j) Conservation Land Holdings

Conservation land holdings acquired by purchase or donation are recorded at fair value as of the date donated or cost as of the date of purchase. Once acquired, land is held in perpetuity and recorded as net assets with restrictions.

(k) Conservation Easements

The Land Trust acquires easements and development rights on property through purchase and donation. Conservation easements impose numerous restrictions over the use and development of the land. Since these easements have no marketable value, they are not recorded as assets on the statements of financial position, but rather disclosed in Note 8. All easements acquired by purchase are expensed as easement acquisition expenses in the statement of functional expenses.

(l) Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Payroll expenses are common to several functions and are allocated based on estimated labor hours.

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2025 and 2024

Summary of Organization and Significant Accounting Policies (continued)

(m) Advertising

The Land Trust expenses advertising costs as incurred. During 2025 and 2024, advertising costs totaled \$2,512 and \$14,287, respectively.

(n) Leases

The Organization recognizes a right-of-use (“ROU”) asset and a lease liability on the statements of financial position for all leases with terms longer than 12 months. Leases will be classified as either operating or finance, with such classifications affecting the pattern of expense recognition in the statements of income.

(o) Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from income taxes under Section 501(a) of the IRC. In addition, it has been classified as an organization that is not a private foundation under Section 509(a) of the IRC.

U.S. generally accepted accounting principles require entities to disclose in their financial statements the nature of any uncertainty in their tax positions. For tax exempt entities, tax exempt status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status. Management believes the Organization has no uncertain tax positions. The Organization anticipates that it will not have a change in uncertain tax positions during the next twelve months that would have a material impact on the Organization’s financial statements. If necessary, the Organization would accrue interest and penalties on uncertain tax positions as a component of the provision for income taxes. The Organization is no longer subject to federal and state income tax examinations by tax authorities for years before 2022.

(p) Donated Services and In-Kind Donations

Donated services are recognized as contributions as recommended by the Financial Accounting Standards Board in accordance with Accounting Standards Codifications regarding contributions. The value of the donated services is presented in the financial statements at their estimated fair value.

Contributions of materials and supplies (in-kind donations) are recorded at fair value at the date of donation.

(q) Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2024, from which the summarized information was derived.

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2025 and 2024

Summary of Organization and Significant Accounting Policies (continued)

(r) Subsequent Events

The Organization evaluated subsequent events as of March 19, 2026, the date the Organization's financial statements were available to be used.

(2) Concentration of Cash on Deposit

The Land Trust has concentrated its credit risk by maintaining deposits in financial institutions that, at times, exceed amounts covered by insurance provided by the United States Federal Deposit Insurance Corporation (FDIC). The Land Trust has not experienced any losses in such accounts and believes it is not exposed to any unreasonable credit risk to cash.

(3) Pledges Receivable

Pledges receivable consist of unconditional promises to give and are due from individuals. At September 30, 2025 and 2024, the pledges receivable balance of \$91,318 and \$87,775, respectively, are due in less than one year. Amounts due in more than one year totaled \$0 and \$68,675 as of September 30, 2025 and 2024, respectively. At September 30, 2025 and 2024, the Organization's allowance for doubtful pledges was \$0.

(4) Fundraising Event

Fundraising event revenue primarily consists of activity from an annual golf tournament.

(5) Conditional Promises

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. As of September 30, 2025 and 2024, the Organization had \$550,000 and \$280,000, respectively, in outstanding conditional promises.

(6) Fair Value Measurements

Following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at September 30, 2025 and 2024.

Cash and cash equivalents: Valued at cost.

US Treasury bills, US Treasury notes, equity funds, and fixed income funds: Valued at the closing price reported on the active market on which the individual securities are traded.

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2025 and 2024

Fair Value Measurements (continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Land Trust's assets at fair value as of September 30, 2025 and 2024.

	<u>Investments at Fair Value as of September 30, 2025</u>			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Cash and cash equivalents	\$ 350,152	\$ -	\$ -	\$ 350,152
Equity funds				
U.S. Domestic				
Small-cap	147,518	-	-	147,518
Mid-cap	163,070	-	-	163,070
Large-cap blend	252,303	-	-	252,303
Large blend	914,634	-	-	914,634
Large value	412,503	-	-	412,503
International				
Emerging market	65,583	-	-	65,583
Large-cap blend	11,551	-	-	11,551
Fixed income				
U.S. Domestic				
Corporate bonds	802,456	-	-	802,456
Short-term bonds	431,142	-	-	431,142
U.S. Treasury notes	<u>1,178,525</u>	<u>-</u>	<u>-</u>	<u>1,178,525</u>
Total	<u>\$ 4,729,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,729,437</u>

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2025 and 2024

Fair Value Measurements (continued)

	<u>Investments at Fair Value as of September 30, 2024</u>			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Cash and cash equivalents	\$ 191,309	\$ -	\$ -	\$ 191,309
U.S. Treasury bills	395,896	-	-	395,896
Equity funds				
U.S. Domestic				
Small-cap	100,021	-	-	100,021
Mid-cap	98,538	-	-	98,538
Large blend	771,080	-	-	771,080
Large value	313,637	-	-	313,637
International				
Emerging market	63,293	-	-	63,293
Small-cap	46,491	-	-	46,491
Large-cap blend	199,482	-	-	199,482
Fixed income				
U.S. Domestic				
Corporate bonds	627,303	-	-	627,303
Short-term bonds	222,074	-	-	222,074
U.S. Treasury notes	<u>1,180,378</u>	<u>-</u>	<u>-</u>	<u>1,180,378</u>
Total	<u>\$ 4,209,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,209,502</u>

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2025 and 2024

Investments (continued)

The following schedule summarizes the investment income during the years ended September 30:

	<u>2025</u>	<u>2024</u>
Net realized and unrealized gain	\$ 236,671	\$ 343,223
Interest and dividends	123,472	121,327
Investment fees	<u>(18,089)</u>	<u>(13,729)</u>
Total investment income, net	<u>\$ 342,054</u>	<u>\$ 450,821</u>

(8) Easements Held and Deed Restrictions

As of September 30, 2025, the Land Trust held the following conservation easements:

Easement	# Conservation Easements	Acreage
Held by the Land Trust:		
Adams Forest	1	95
Bouchard Farm/Landmark Meadow	2	196
Bryant-Adams Farm	1	5
Crawford Forest	1	64
Grandview Farm	1	65
Halvorson Forest	1	32
Hunnewell Meadow	1	12
Joe's Pond	1	32
Lepine Forest	1	47
Little River Properties	2	9
Mayo Farm	1	235
Palmer River Corridor	1	13
Stancliff Forest	1	10
Stowe Club Meadows	1	22
Strawberry Hill Farm	1	51
Trapps Forest	1	1,100
Bouchard Farm Trail Easement	1	< 1
Co-held with Town of Stowe and Vermont Housing & Conservation Board (VHCB):		
Adams Camp	1	513
Bingham Falls	1	72
Nichols Field	2	37
Adams Camp Connector	1	85

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2025 and 2024

Easements Held and Deed Restrictions (continued)

Easement	# Conservation Easements	Acreage
Co-held with VHCB:		
Burnham Farm	1	108
Brownsville Forest	1	759
Cady Hill Forest	1	258
Maple Run Lane-Chase	1	26
Moscow Recreation Field	1	5
Pinnacle Meadow	2	134
Sunset Rock	1	23
Valcour Bog	1	29
Executory Interest - Co-held with Vermont Land Trust and VHCB:		
Kaiser Farm	1	49
Ricketson Farm	1	217

As of September 30, 2025 and 2024, the Land Trust held 3 deed restrictions for 25 acres at Wiessner Woods Lots 1, 2 and 3.

On December 18, 2025, the Organization was granted a conservation easement for property known as North Hill Forest on two parcels of land approximating 42 acres, located in Stowe, Vermont.

On December 22, 2025, the Organization was granted a conservation easement for property known as Hollows End Woods on a parcel of land approximating 32 acres, located in Stowe, Vermont.

(9) Conservation Land Holdings

Conservation land holdings consist of the following:

<u>Year received</u>	<u>Description</u>	<u>Acres</u>	<u>Town</u>	<u>Transaction Type</u>
2024	Shutesville Ledges*	87	Stowe	Fee simple purchase
2010	Kirchner Woods**	73	Stowe	Fee simple purchase
2004	DuMont Meadow	48	Stowe	Fee simple donation
2004	Mill Trail**	31	Stowe	Fee simple purchase
1998	Page Forest	99	Stowe	Fee simple donation
1993	Wiessner Woods	79	Stowe	Fee simple donation

*Co-held with VHCB

**Co-held with Vermont Land Trust

On October 21, 2025, the Organization received a trade land/fee simple donation of a 124-acre property in Morrystown, Vermont, known as Stagecoach Meadows. On November 20, 2025, the Organization executed a real estate option agreement with a partner nonprofit to sell eight to ten acres of the Stagecoach Meadows property for a purchase price of \$10.

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2025 and 2024

(10) Property and Equipment

Property and equipment consist of the following at September 30:

	<u>2025</u>	<u>2024</u>
Building	\$ 85,733	\$ 85,733
Furnishings	2,412	2,412
Land improvements	98,797	52,476
Leasehold improvements and artwork	5,049	5,049
Construction in progress	4,149	-
Less accumulated depreciation	<u>(49,306)</u>	<u>(41,684)</u>
Property and equipment, net	<u>\$ 146,834</u>	<u>\$ 103,986</u>

Depreciation expense amounted to \$7,622 and \$5,538 for the years ended September 30, 2025 and 2024, respectively.

(11) Board-Designated Net Assets

As of September 30, 2025 and 2024, the Board has designated \$1,518,089 and \$1,391,801, respectively, of net assets without donor restrictions to be used for projects, stewardship activities, legal enforcement, general operating reserves and long-term growth.

(12) Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at September 30:

	<u>2025</u>	<u>2024</u>
Fee land stewardship	\$ 104,500	\$ 104,500
Easement stewardship	191,993	176,993
General stewardship	403,961	403,961
Land acquisition	367,717	347,717
Land project fund	416,833	166,207
Capacity building campaign	907,344	1,037,274
Other	36,778	30,092
VHCB grant investment return	97,380	85,982
VHCB grant held in perpetuity	46,500	46,500
Land held in perpetuity	<u>2,778,405</u>	<u>2,778,405</u>
Total net assets with donor restrictions	<u>\$ 5,351,411</u>	<u>\$ 5,177,631</u>

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2025 and 2024

Net Assets With Donor Restrictions (continued)

Stewardship funds are available to cover the costs of carrying out stewardship program objectives, including, but not limited to: monitoring visits, responding to landowner and public concerns, preparing and implementing management plans, and responding to easement violations. Stewardship funds are also permitted to be used to prepare Baseline Documentation Reports. Stewardship contributions are pooled and invested prudently and conservatively so that the Land Trust will be able to meet its future stewardship responsibilities on all conserved properties. Land acquisition funds are available for land or easement acquisition. Land project funds are available for specifically identified land projects. Other restrictions consist of specific trail improvements, future audit costs and Land Trust Alliance funds which are available to increase staff capacity to complete land protection projects. Of the investment total, \$46,500 has been restricted in perpetuity by the grantor, VHCB, to be invested in perpetuity with the income restricted to expenditures for land stewardship, enforcement of conservation easements, and land management.

(13) Related Party Transactions

During the years ending September 30, 2025 and 2024, the Land Trust received \$21,000 and \$0, respectively, in contributions from the not-for-profit organization, Canadian Friends of Stowe Land Trust (the “Canadian Land Trust”). Several board members of the Land Trust are also board members of The Canadian Land Trust, which provides support for recreational areas located in and around the town of Stowe. At September 30, 2025 and 2024, there were no outstanding balances between the Trusts.

(14) Lease Liability

On April 1, 2023, the Land Trust entered into an operating lease agreement for office space with a maturity date of March 31, 2027. Rent expense was \$42,665 and \$42,981, respectively, for the years ended September 30, 2025 and 2024 and is included in occupancy expense. At lease inception, a one-time security deposit of \$4,600 was required.

The weighted-average remaining lease term for the operating lease is 1.5 years and 2.5 years, respectively, at September 30, 2025 and 2024. The weighted-average discount rate for the operating lease is 3.52% at September 30, 2025 and 2024.

The maturities of lease liabilities in accordance with *Leases (Topic 842)* are as follows:

	Years ending September 30:	
	2026	\$ 45,427
	2027	<u>23,005</u>
Total undiscounted cash flows		68,432
Less: present value discount		<u>(1,685)</u>
Total lease liabilities		<u>\$ 66,747</u>

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2025 and 2024

(15) Retirement Plan

The Land Trust maintains a “Savings Incentive Match Plan for Employees of Small Employers (SIMPLE)”, which is open to all employees after six months of employment. The Organization matches employee contributions up to 3% of total compensation. The total employer contributions under the plan for the years ended September 30, 2025 and 2024 was \$10,595 and \$6,322, respectively.

(16) Liquidity and Availability

The Land Trust regularly monitors liquidity required to meet its operating needs and other financial commitments, while also striving to maximize the investment of its available funds. In addition to the financial assets and other resources available for general expenditure within one year, the Land Trust has Board-designated funds that, while the Land Trust does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, with Board approval, if necessary. The Land Trust operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of September 30, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 86,481	\$ 131,201
Pledges receivable, current	91,318	87,775
Investments	<u>4,729,437</u>	<u>4,209,502</u>
Total financial assets	<u>4,907,236</u>	<u>4,428,478</u>
Less amounts not readily available to meet general expenditures within one year:		
Restricted by donor to purpose	(2,526,505)	(2,352,725)
Restricted by donor in perpetuity (VHCB)	(46,500)	(46,500)
Funds with Board designations	<u>(1,518,089)</u>	<u>(1,391,801)</u>
Total	<u>(4,091,094)</u>	<u>(3,791,026)</u>
Financial assets available to meet cash needs		
for general expenditure within one year	<u>\$ 816,142</u>	<u>\$ 637,452</u>

(17) Subsequent Events

On September 29, 2025, the Organization executed a real estate option agreement along with an unrelated party to purchase two parcels totaling 168 acres and eight cabins known as the Muddy Moose property for a purchase price of \$3,650,000. The option was \$20,000 with each buyer splitting the cost. The Organization’s deposit of \$10,000 is reflected as other assets in the statements of financial position. On January 28, 2026, the Organization exercised this option, and purchased the Muddy Moose property, which was paid by contributions and liquidation of investments.

FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2025 and 2024

(18) Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.