HARFORD LAND TRUST, INC.

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

HARFORD LAND TRUST, INC.

CONTENTS

WEYRICH | CRONIN | SORRA

Independent Auditors' Report

To the Board of Directors
Harford Land Trust, Inc.
Bel Air, Maryland

Opinion

We have audited the accompanying financial statements of Harford Land Trust, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 Harford Land Trust, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Harford Land Trust, Inc. 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 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 Harford Land Trust, Inc.'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 Harford Land Trust, Inc.'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 Harford Land Trust, Inc.'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.

Wojcik, Cronin & Sorra, LLC

Hunt Valley, Maryland
July 13, 2026

HARFORD LAND TRUST, INC.

Statements of Financial Position
December 31, 2025 and 2024

ASSETS

	2025	2024
CURRENT ASSETS:		
Cash and cash equivalents	$ 34,177	$ 58,397
Restricted cash	309,264	306,452
Accounts receivable	17,245	8,859
Total Current Assets	360,686	373,708
PROPERTY AND EQUIPMENT:		
Land	998,072	998,072
Computers, furniture and equipment	23,589	23,589
Less: accumulated depreciation	(19,310)	(14,592)
Total Property and Equipment	1,002,351	1,007,069
OTHER ASSETS:		
Cash and cash equivalents - board designated	129,302	143,585
Investments	1,768,347	1,560,601
Right of use asset	85,024	15,016
Total Other Assets	1,982,673	1,719,202
TOTAL ASSETS	$ 3,345,710	$ 3,099,979

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 21,334	$ 9,185
Operating lease liability - short-term	21,643	15,163
Total Current Liabilities	42,977	24,348
LONG TERM LIABILTIES:		
Operating lease liability - long-term	64,573	- 0 -
TOTAL LIABILITIES	107,550	24,348
NET ASSETS:		
Without donor restrictions		
Operating	551,307	447,441
Board designated	2,034,514	1,873,778
	2,585,821	2,321,219
With donor restrictions	652,339	754,412
Total Net Assets	3,238,160	3,075,631
TOTAL LIABILITIES AND NET ASSETS	$ 3,345,710	$ 3,099,979

See accompanying notes to financial statements

HARFORD LAND TRUST, INC.

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	$ 145,599	$ 6,026	$ 151,625	$ 130,351	$ 1,000	$ 131,351
Fall and spring appeals	32,668	- 0 -	32,668	26,827	- 0 -	26,827
Memorial gifts	1,205	- 0 -	1,205	12,372	- 0 -	12,372
Membership contributions	23,185	- 0 -	23,185	22,651	- 0 -	22,651
Grants	164,842	57,620	222,462	606,596	74,762	681,358
Fundraising events - net of expense (2025 $38,320 and 2024 $36,914)	(30,909)	- 0 -	(30,909)	(11,832)	- 0 -	(11,832)
Contributed services	7,434	- 0 -	7,434	781	- 0 -	781
Investment return - net	238,710	2,813	241,523	79,937	42,581	122,518
Other income	2,680	- 0 -	2,680	728	- 0 -	728
Net assets released from restrictions	168,532	(168,532)	- 0 -	120,740	(120,740)	- 0 -
Total Support and Revenue	753,946	(102,073)	651,873	989,151	(2,397)	986,754
EXPENSES:						
Program services:						
Land projects	151,091	- 0 -	151,091	562,560	- 0 -	562,560
Land management	127,065	- 0 -	127,065	98,217	- 0 -	98,217
Outreach	155,837	- 0 -	155,837	151,409	- 0 -	151,409
Total Program Services	433,993	- 0 -	433,993	812,186	- 0 -	812,186
Supporting services:						
Management and general	35,225	- 0 -	35,225	29,122	- 0 -	29,122
Fundraising	20,126	- 0 -	20,126	15,562	- 0 -	15,562
Total Supporting Services	55,351	- 0 -	55,351	44,684	- 0 -	44,684
Total Expenses	489,344	- 0 -	489,344	856,870	- 0 -	856,870
CHANGE IN NET ASSETS	264,602	(102,073)	162,529	132,281	(2,397)	129,884
NET ASSETS AT BEGINNING	2,321,219	754,412	3,075,631	2,188,938	756,809	2,945,747
NET ASSETS AT END OF YEAR	$ 2,585,821	$ 652,339	$ 3,238,160	$ 2,321,219	$ 754,412	$ 3,075,631

See accompanying notes to financial statements

HARFORD LAND TRUST, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services				Supporting Services			
	Land - Projects	Land - Management	Outreach	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	$ 83,008	$ 74,706	$ 91,308	$ 249,022	$ 16,601	$ 11,068	$ 27,669	$ 276,691
Payroll taxes	6,082	5,474	6,691	18,247	1,217	810	2,027	20,274
Retirement benefits	2,376	2,218	2,535	7,129	475	316	791	7,920
Health insurance	2,927	2,707	3,149	8,783	662	442	1,104	9,887
	94,393	85,105	103,683	283,181	18,955	12,636	31,591	314,772
ACUB project expense	6,050	- 0 -	- 0 -	6,050	- 0 -	- 0 -	- 0 -	6,050
Advertising and promotion	- 0 -	- 0 -	8,247	8,247	323	- 0 -	323	8,570
Bank charges and credit card fees	- 0 -	- 0 -	- 0 -	- 0 -	1,523	- 0 -	1,523	1,523
Computer expense	1,323	1,235	2,222	4,780	1,503	176	1,679	6,459
Conferences and seminars	716	643	2,270	3,629	147	98	245	3,874
Contract labor	32,408	- 0 -	12,521	44,929	- 0 -	2,800	2,800	47,729
Cost of merchandise	- 0 -	- 0 -	935	935	- 0 -	- 0 -	- 0 -	935
Dues	1,137	1,061	2,328	4,526	227	152	379	4,905
Fundraising	- 0 -	- 0 -	- 0 -	- 0 -	324	570	894	894
Insurance	1,799	3,869	1,929	7,597	390	260	650	8,247
Meetings	- 0 -	- 0 -	1,135	1,135	- 0 -	- 0 -	- 0 -	1,135
Miscellaneous expense	- 0 -	- 0 -	660	660	397	- 0 -	397	1,057
Newsletter and member mailings	- 0 -	- 0 -	1,665	1,665	- 0 -	1,665	1,665	3,330
Office lease	7,950	7,418	8,479	23,847	2,028	1,060	3,088	26,935
Office supplies	81	76	473	630	125	11	136	766
Outreach	29	26	2,887	2,942	6	4	10	2,952
Payroll service	619	577	659	1,855	123	82	205	2,060
Postage	178	172	329	679	406	24	430	1,109
Professional fees	3,900	26,408	4,160	34,468	2,165	520	2,685	37,153
Tax - state registration	- 0 -	- 0 -	- 0 -	- 0 -	375	- 0 -	375	375
Telephone	508	475	542	1,525	102	68	170	1,695
Travel	- 0 -	- 0 -	713	713	1,388	- 0 -	1,388	2,101
	151,091	127,065	155,837	433,993	30,507	20,126	50,633	484,626
Depreciation	- 0 -	- 0 -	- 0 -	- 0 -	4,718	- 0 -	4,718	4,718
Total Expenses	$ 151,091	$ 127,065	$ 155,837	$ 433,993	$ 35,225	$ 20,126	$ 55,351	$ 489,344

See accompanying notes to financial statements

HARFORD LAND TRUST, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services				Supporting Services			
	Land - Projects	Land - Management	Outreach	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	$ 71,885	$ 64,698	$ 79,075	$ 215,658	$ 10,587	$ 9,585	$ 20,172	$ 235,830
Payroll taxes	5,422	4,879	5,964	16,265	909	723	1,632	17,897
Retirement benefits	2,126	1,983	2,266	6,375	425	283	708	7,083
Health Insurance	2,886	2,672	3,099	8,657	641	427	1,068	9,725
	82,319	74,232	90,404	246,955	12,562	11,018	23,580	270,535
ACUB project expense	461,955	- 0 -	47	462,002	- 0 -	- 0 -	- 0 -	462,002
Advertising and promotion	50	- 0 -	24,246	24,296	3,003	- 0 -	3,003	27,299
Bank charges and credit card fees	- 0 -	- 0 -	- 0 -	- 0 -	1,667	- 0 -	1,667	1,667
Charitable contributions	- 0 -	- 0 -	1,260	1,260	- 0 -	- 0 -	- 0 -	1,260
Computer expense	597	556	996	2,149	331	80	411	2,560
Conferences and seminars	2,294	2,141	2,447	6,882	544	305	849	7,731
Contract labor	- 0 -	- 0 -	4,300	4,300	- 0 -	- 0 -	- 0 -	4,300
Dues	1,103	1,029	1,541	3,673	221	146	367	4,040
Fundraising	- 0 -	- 0 -	- 0 -	- 0 -	324	570	894	894
Insurance	1,948	4,018	2,077	8,043	390	259	649	8,692
Meetings	141	131	999	1,271	28	18	46	1,317
Newsletter and member mailings	- 0 -	- 0 -	2,590	2,590	- 0 -	1,555	1,555	4,145
Office lease	6,769	6,318	7,220	20,307	1,173	903	2,076	22,383
Office supplies	17	16	33	66	490	2	492	558
Outreach	- 0 -	- 0 -	2,057	2,057	- 0 -	- 0 -	- 0 -	2,057
Payroll service	554	517	590	1,661	111	73	184	1,845
Postage	519	425	548	1,492	88	61	149	1,641
Printing expense	- 0 -	- 0 -	5,180	5,180	100	- 0 -	100	5,280
Professional fees	3,660	6,287	3,979	13,926	2,893	488	3,381	17,307
Property management	- 0 -	1,960	- 0 -	1,960	- 0 -	- 0 -	- 0 -	1,960
Tax - state registration	60	56	64	180	12	8	20	200
Telephone	442	412	471	1,325	88	59	147	1,472
Travel	132	119	360	611	379	17	396	1,007
	562,560	98,217	151,409	812,186	24,404	15,562	39,966	852,152
Depreciation	- 0 -	- 0 -	- 0 -	- 0 -	4,718	- 0 -	4,718	4,718
Total Expenses	$ 562,560	$ 98,217	$ 151,409	$ 812,186	$ 29,122	$ 15,562	$ 44,684	$ 856,870

See accompanying notes to financial statements

HARFORD LAND TRUST, INC.

Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 162,529	$ 129,884
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized gains on investments	(100,120)	(28,683)
Realized gains on investments	(9,458)	- 0 -
Noncash contributed marketable securities	(5,021)	- 0 -
Depreciation	4,718	4,718
Amortization of right-of-use asset	1,045	- 0 -
(Increase) decrease in current assets:		
Accounts receivable	(8,386)	6,115
Increase (decrease) in current liabilities:		
Accounts payable and accrued expenses	12,149	(3,405)
Net cash provided by operating activities	57,456	108,629
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	50,899	- 0 -
Purchase of investments	(144,046)	(55,014)
Net cash used in investing activities	(93,147)	(55,014)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(35,691)	53,615
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	508,434	454,819
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	$ 472,743	$ 508,434
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES:		
Acquisition of right-of-use asset and operating lease obligation	$ 104,878	$ - 0 -
Gifts received in stock contributions	$ 5,021	$ - 0 -
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:		
Contributed services	$ 7,434	$ 781

See accompanying notes to financial statements

1. Organization and Summary of Significant Accounting Policies

Nature of Operations - The Harford Land Trust, Inc. (the Organization) is a nonprofit organization established under the laws of Maryland in 1991. The purpose of the Organization is to protect and preserve, in a natural state, significant tracts of land in Harford County. Activities include providing technical assistance to landowners wishing to keep property undeveloped through conservation easements, buying and holding threatened lands until they can be transferred to conservation minded ownership, and fostering an increased public awareness of the County's natural resources.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, and disclosures at the date of the financial statements and certain reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Basis of Accounting - The accompanying financial statements are presented in accordance with the accrual basis of accounting and, accordingly, reflect receivables, payables, and other assets and liabilities. As such, revenue is recognized when earned and expenditures when incurred.

Financial Statement Presentation - The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represent the portion of net assets that is not subject to donor-imposed restrictions. Such net assets are available for use at the discretion of management and/or the Board of Trustees for general operating purposes. The Board of Trustees may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

- Operating - Represents resources available for support of operations.

- Board Designated - The Organization's Board of Trustees has designated certain amounts to be used for specific operational purposes.

Net assets with donor restrictions represent the portion of net assets that is subject to donor-imposed restrictions. Such restrictions may specify a purpose for which, or time in which, resources can be used. Some net assets with donor restrictions include stipulations that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board-approved spending policy.

Cash and Cash Equivalents – The Organization considers all money market accounts, highly liquid investments and certificates of deposit with an original maturity of three months or less to be cash equivalents.

1. Organization and Summary of Significant Accounting Policies (continued)

Restricted cash - Consists of funds with donor restrictions held for future land conservation projects and land stewardship.

Accounts Receivable - Accounts receivable consists of reimbursements under grant agreements and miscellaneous receivables. Accounts receivable are uncollateralized obligations and are stated at the invoice amount in the statements of financial position net of an allowance for credit losses. Revenue is recognized in accordance with the revenue recognition policy. There are no unbilled receivables as of December 31, 2025 and 2024. All receivables are expected to be collected within one year.

Allowance for Credit Losses - The Organization provides an allowance for credit losses, as needed, for amounts deemed uncollectible. The allowance is based on historical experience and management's analysis of accounts receivable. No allowance for uncollectible accounts is provided because management does not deem it necessary based on historical collection experience.

Investments - Investments in marketable securities with readily determinable fair values are reported at their fair value based on quoted prices in active markets (Level 1 measurements). Realized and unrealized gains and losses are recorded in the period in which they occur and are included in the statements of activities and changes in net assets as changes in net assets without donor restrictions unless their use is restricted by explicit donor-imposed stipulations or by law. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Land - Parcels of land purchased by the Organization are recorded at cost. Other parcels that are purchased at less than fair value or donated to the Organization are recognized at their appraised fair value at date of contribution. The Organization does not record the easements that they are a party to but bear no monetary value to the Organization.

Property and Equipment - Property and equipment are stated at cost, if purchased, or at fair value at the date of the gift, if donated. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

1. Organization and Summary of Significant Accounting Policies (continued)

Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized. The Organization's policy is to capitalize fixed asset expenditures greater than $1,000 with useful lives of two or more years. The cost of property and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method. The following represents the estimated useful lives:

Category	Years
Furniture and fixtures	5
Computers and equipment	5 – 6

Valuation of Long-Lived Assets - The Organization assesses its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the carrying amount of the assets exceeds its fair value. Fair value is determined using either the discounted cash flows or market value approach, depending on the nature of the asset. If an impairment loss is recognized, the carrying amount of the asset is reduced to its fair value, and depreciation is adjusted prospectively based on the new carrying amount and the remaining useful life of the asset. No impairment charges were required to be recognized for the years ended December 31, 2025 and 2024.

Compensated Absences - Employees are permitted to carry over unused vacation up to 240 hours. Employees receive payment for the full amount of any accrued vacation time at termination. Accordingly, the Organization has established a liability, reflected as a component of accrued liabilities on the statements of financial position. Compensated absences based on unused benefit time as of December 31, 2025 and 2024 totaled $13,669 and $7,606, respectively.

Revenue Recognition - Contributions, including fall and spring appeals and memorial gifts, and grants are recorded as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a donor 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 statements of activities and changes in net assets as net assets released from restrictions. Contributions and grants are recorded as revenues without donor restrictions if the restrictions on the use of these funds are satisfied in the same year as the contribution is received. Contributions and grants are recognized when unconditional promises to give are made by donors or when conditions are substantially met.

Grants - When grants are conditional, wherein the Organization has to incur qualifying expenses in order to earn income, revenue is recognized as the expenses are incurred on the accrual basis of accounting.

Memberships - Annual memberships are recognized as contribution revenue, as the Organization does not provide any benefits or services in exchange for the membership.

1. Organization and Summary of Significant Accounting Policies (continued)

Fundraising Events - The Organization operates several special events. Revenue related to these events is generally received in the same period the event takes place. Therefore, revenue is recognized in the period it is received. The performance obligation is satisfied on the date of the event.

The Organization benefits from several different revenue streams. The disaggregation of revenue for the years ended December 31, 2025 and 2024 is included in the chart below.

Revenue Type	Timing of Revenue Recognition	2025	2024
Contributions	Upon receipt	$ 151,625	$ 131,351
Fall and Spring Appeals	Upon receipt	32,668	26,827
Memorial gifts	Upon receipt	1,205	12,372
Membership contributions	Upon receipt	23,185	22,651
Grants			
ACUB grants	As expenditures incurred	22,091	469,011
Other grants	Upon receipt	200,371	212,347
Fundraising income, net of expense	Date of event	(30,909)	(11,832)
Contributed services	Upon receipt	7,434	781
Investment income-net	Period earned	241,523	122,518
Other income	Point in time	2,680	728
		$ 651,873	$ 986,754

Contributed Services - The Organization receives a significant amount of donated services from unpaid volunteers. Contributed professional services are recognized if the services received a) create or enhance long-lived assets, or b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services for the years ended December 31, 2025 and 2024 were $7,434 and $781, respectively. The estimated fair value of these professional services is provided by the service providers, who estimate the fair value based on current fair market rates at standard industry pricing for similar services.

Contribution of Nonfinancial Assets - Occasionally, the Organization receives donations of nonfinancial assets. Donations of goods and materials are recorded as support at their estimated fair value at the date of the donation based on current rates for similar items. The Organization’s policy is to use the assets in carrying out the Organization’s programs, except those from fundraising events are monetized.

1. Organization and Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses - Expenses are presented by both function and natural classification in the statements of functional expense. Expenses that are directly identifiable with a particular function are charged to the program or supporting service benefited. Other expenses may benefit more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include wages and benefits, which are allocated on the basis of time and effort using employee time records. Other expenses are allocated based on management's estimate of time spent on each function when the costs were incurred.

Income Taxes Status - Harford Land Trust, Inc., a nonprofit organization operating under section 501(c)(3) of the Internal Revenue Code, is exempt from federal, state, and local income taxes. Accordingly, no provision for income taxes is included in the financial statements. The Organization is not a private foundation. The Organization is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2022.

Advertising - It is the Organization's policy to expense advertising production costs as incurred and advertising communication costs the first time the advertising takes place. Advertising and promotion expense for the years ended December 31, 2025 and 2024 was $8,570 and $27,299, respectively.

Leases - The Organization calculates its operating lease right-of-use asset and operating lease liability using its incremental borrowing rate and terms under the lease agreements. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. The Organization amortizes the operating lease right-of-use asset over the lease term.

2. Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the total of the same such amounts in the statements of cash flows.

	2025	2024
Cash and cash equivalents	$ 34,177	$ 58,397
Cash and cash equivalents - board designated	129,302	143,585
Restricted cash	309,264	306,452
	$ 472,743	$ 508,434

Restricted and board designated cash consists of funds with donor restrictions held for future land conservation projects and funds designated by the board for land stewardship.

3. Investments and Fair Value Measurements

The fair value measurement accounting literature establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Transfers are determined at the transaction date.

The Organization's investment policy does not permit the acquisition of Level 2 and 3 assets. Therefore, there were no transfers into or out of Level 2 and 3 for the years ended December 31, 2025 or 2024.

The following is a description of the valuation methodologies used for assets measured at fair value:

Level 1 Fair Value Measurements

Mutual funds are valued at the closing price reported on the active market on which the individual securities are traded.

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 fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurements and levels within the hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2025 and 2024 are as follows

	2025		
		Fair Value Measurements at the End of the Reporting Period Using:	
	Cost	Quoted prices in Active Markets for Identical Assets (Level 1)	Unrealized Gain
Mutual funds	$ 1,608,584	$ 1,768,347	$ 159,763
	$ 1,608,584	$ 1,768,347	$ 159,763

3. Investments and Fair Value Measurements (continued)

	2024		
		Fair Value Measurements at the End of the Reporting Period Using:	
	Cost	Quoted prices in Active Markets for Identical Assets (Level 1)	Unrealized Gain
Mutual funds	$ 1,500,958	$ 1,560,601	$ 59,643
	$ 1,500,958	$ 1,560,601	$ 59,643

The following schedule summarizes the investment return in the statements of activities:

	2025	2024
Interest and dividend income	$ 145,797	$ 105,478
Unrealized gains	100,120	28,683
Realized gains	9,458	- 0 -
	255,375	134,161
Less: Investment expenses	(13,852)	(11,643)
Total	$ 241,523	$ 122,518

4. Land

The Organization owned the following parcels of land as of December 31, 2025 and 2024:

	2025	2024
Harford Hospice Property	$ 92,166	$ 92,166
James R. Kelly Property	83,109	83,109
Kosczelski Property	105,211	105,211
Otter Creek Woods	68,114	68,114
Rodgers Property	32,090	32,090
Stewart Property	107,536	107,536
Terra Firma Property	369,465	369,465
Ward Property	140,381	140,381
	$ 998,072	$ 998,072

Total acreage owned by the Organization as of December 31, 2025 and 2024 was 267 acres. Other parcels under conservation restrictions held by the Organization total 1,746 acres for both years ended December 31, 2025 and 2024. The Organization does not hold title to these properties but is a party to these conservation easements.

5. Board Designated Net Assets

The Board of Trustees has designated net assets without donor restrictions for the following projects on December 31:

	2025	2024
Hegeman Land Fund	$ 866,444	$ 705,708
Stewardship and defense	170,000	170,000
Land conservation	998,070	998,070
	$ 2,034,514	$ 1,873,778

6. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2025 and 2024 represent the following:

	2025	2024
Purpose restrictions, available for spending:		
ACUB	$ 551,443	$ 600,850
CBT Grant	- 0 -	17,393
Harford County MS4	47,620	47,869
Hegeman Land Fund	42,276	76,800
Other	10,000	9,500
Scholarships	1,000	2,000
	$ 652,339	$ 754,412

Net assets with donor restrictions were released during the years December 31, 2025 and 2024 as follows:

	2025	2024
ACUB	$ 52,220	$ 46,019
CBT Grants	17,393	- 0 -
Community needs assessment	- 0 -	27,600
Harford County MS4	47,869	- 0 -
Hegeman Land Fund	40,550	37,121
Other	9,500	9,000
Scholarships	1,000	1,000
	$ 168,532	$ 120,740

7. Liquidity and Availability of Financial Assets

The following reflects the Organization’s financial assets as of December 31, 2025 and 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2025	2024
Financial assets at year end	$ 2,258,335	$ 2,077,894
Less those unavailable for general expenditures within one year, due to:		
Board designated	1,036,444	875,708
Restricted by donors with purpose or time restrictions	652,339	754,393
Financial assets available to meet cash needs for general expenditures within one year	$ 569,552	$ 447,793

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, the Organization has Board Designated net assets without donor restrictions that, while the Organization does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary. The amount of Board Designated net assets available for current operations was $1,036,444 and $875,708 for the years ended December 31, 2025 and 2024, respectively.

8. Leasing Activities

In July 2021, the Organization entered into a new three-year lease for office space. Monthly rent of $1,750 is due beginning September 2021 with 3% annual escalation. Upon the expiration of this lease agreement on August 31, 2024, the agreement was extended for an additional one-year term. In February 2025, the agreement was extended for an additional four-year term, expiring August 31, 2029. Rent expense under office leases was $26,935 and $22,383, for the years ended December 31, 2025 and 2024, respectively.

The following summarizes the line items in the statements of financial position, which include amounts for the operating lease as of December 31:

	2025	2024
Operating Lease		
Operating lease right-of use assets	$ 85,024	$ 15,016
Current operating lease liability	$ 21,643	$ 15,163
Long-term operating lease liability	64,573	- 0 -
Total operating lease liability	$ 86,216	$ 15,163

8. Leasing Activities (continued)

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	2025	2024
Weighted Average Remaining Lease Term		
Operating Lease	3.67 years	.67 years
Weighted Average Discount Rate		
Operating Lease	3.0%	3.0%

The maturities of lease liabilities as of December 31, 2025 were as following:

	Operating
Year ending December 31:	
2026	$ 23,876
2027	24,592
2028	25,328
2029	17,216
Total lease payments	91,012
Less: interest	(4,796)
Present value of lease liability	$ 86,216

The following summarizes the line items in the statement of activities, which include the components of lease expense for the year ended December 31:

	2025	2024
Operating lease costs:		
Operating Lease expense included in program services expenses	$ 23,847	$ 20,307
Operating Lease expense included in supporting services expenses	3,088	2,076
Total operating lease costs	$ 26,935	$ 22,383

The following summarizes cash flow information related to the leases for the year ended December 31:

	2025	2024
Cash paid for amounts included in the measurement of lease liability:		
Operating cash flows from operating lease	$ 26,935	$ 22,383
Lease assets obtained in exchange for lease obligations:		
Operating Lease	$ 104,878	$ - 0 -

9. Retirement Program

The Organization sponsors a defined contribution pension plan covering substantially all employees. Contributions by employees are voluntary and are matched by the Organization up to 3% of total wages. Total contributions by the Organization during the years ended December 31, 2025 and 2024 were $7,920 and $7,083, respectively.

10. Concentrations of Credit and Market Risk

In the ordinary course of business, the Organization's cash, cash equivalents and restricted cash and investment balances may exceed the FDIC and SIPC insurance limits. The Organization continually reviews credit concentrations as part of its asset and liability management.

The Organization may invest in various types of marketable securities. Marketable securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain marketable securities, it is possible that changes in the values of these securities may occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

11. Commitments

In May 2014, the Organization signed an agreement with Mission and Installation Contracting Command on behalf of U.S. Army Environmental Command. The purpose of this contract is to support and sustain the military testing and training missions of the Army by avoiding land use conflicts, encouraging conservation of natural resources on the private property adjacent to Aberdeen Proving Grounds and to enhance relationships with affected civilian communities. Through this agreement, the U.S. Army will assist the Organization in acquiring land and/or easements on the adjacent property. The total value of the original contract was up to $4,300,000 with a term of five years from the date of signature. The contract was extended one year in 2019 and for another four years in 2020. An additional $878,000 was added to the contract in 2019. The Organization will be responsible for covering 10% of the cost of properties acquired and will be soliciting funds from state and local governments as well as private organizations to assist with these costs. As of December 31, 2022, the Organization has acquired seven properties under this agreement and preserved one property through a conservation easement. Total funds spent under the grant as of December 31, 2022 totaled $5,178,000.

In March 2021, the Organization signed a new agreement with Mission and Installation Contracting Command on behalf of U.S. Army Environmental Command and the previous agreement was closed. Under the new agreement, the Organization will be responsible for covering 20% of the cost of properties acquired and will be soliciting funds from state and local governments as well as private organizations to assist with these costs. As of December 31, 2025, $1,878,609 has been obligated under this agreement. As of December 31, 2025, the Organization has preserved one property through a conservation easement and one through a fee-simple purchase in partnership with Harford County Government.

12. Contingencies

The Organization participates in a federal award program. This program is subject to program compliance audits by the grantors or their representatives. Such audits could result in claims against the Organization for disallowed costs or noncompliance with restricted funds. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Management expects such amounts, if any, will not be significant. Accordingly, no provision has been made for any liability that may arise from such audits.

13. Litigation

In June 2025, the Organization filed legal action to enforce a conservation easement they are party to. While the final outcome cannot be determined at this time, management is of the opinion that the ultimate liability, if any, from the final resolution of this matter will not have a material effect on the Organization's financial statements. No accrual has been made in the accompanying financial statements for claims or awards arising from pending litigation.

14. Subsequent Events

Subsequent to year end, the Organization entered into a contract to sell real property for $223,640. The Organization is expected to settle on this transaction in July or August 2026.

Management has evaluated subsequent events through July 13, 2026, the date which the financial statements were available to be issued.