

NORTH COAST LAND CONSERVANCY, INC.

FINANCIAL STATEMENTS

Year Ended September 30, 2025



KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

NORTH COAST LAND CONSERVANCY, INC.

FINANCIAL STATEMENTS

Year Ended September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Coast Land Conservancy, Inc.
Seaside, Oregon

Opinion

We have audited the accompanying financial statements of North Coast Land Conservancy, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Coast Land Conservancy, Inc. 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Coast Land Conservancy, Inc. 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 North Coast Land Conservancy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, including omissions, 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.

To the Board of Directors
North Coast Land Conservancy, Inc.

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 North Coast Land Conservancy, 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 North Coast Land Conservancy, 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.

Report on Summarized Comparative Information

We have previously audited North Coast Land Conservancy, Inc.'s 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated March 18, 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.



Portland, Oregon
April 10, 2026

NORTH COAST LAND CONSERVANCY, INC.

STATEMENT OF FINANCIAL POSITION

September 30, 2025

(With Comparative Totals as of September 30, 2024)

ASSETS

	2025	2024
Cash and cash equivalents	\$ 446,009	\$ 239,843
Contracts receivable	47,207	32,881
Grants receivable (Note I)	175,000	-
Investments (Note C)	5,835,578	4,942,948
Prepaid expenses	5,373	6,336
Deposit for property acquisition	56,950	7,980
Property and equipment, net (Note D)	1,878,439	1,930,621
Conservation land (Note E)	24,447,672	24,447,672
Land held for transfer (Note F)	702,077	-
Beneficial interest in assets held by others (Note G)	408,568	398,277
Total assets	\$ 34,002,873	\$ 32,006,558

LIABILITIES AND NET ASSETS

Accounts payable	\$ 7,471	\$ 44,894
Payroll and related liabilities	180,823	139,559
Total liabilities	188,294	184,453
Net assets		
Without donor restrictions		
Available for operations	3,084,743	2,362,462
Board designated (Note K)	2,630,876	2,615,558
Invested in land (Note E & F)	25,149,749	24,447,672
Invested in property and equipment	1,878,439	1,930,621
Total without donor restrictions	32,743,807	31,356,313
With donor restrictions (Note K)	1,070,772	465,792
Total net assets	33,814,579	31,822,105
Total liabilities and net assets	\$ 34,002,873	\$ 32,006,558

See notes to financial statements.

NORTH COAST LAND CONSERVANCY, INC.

STATEMENT OF ACTIVITIES

Year Ended September 30, 2025

(With Comparative Totals for the Year Ended September 30, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2025	2024
Operating revenue				
Government grants and contracts	\$ -	\$ 151,241	\$ 151,241	\$ 128,992
Acquisition grants and donations	-	1,069,152	1,069,152	14,218
Foundation and individual contributions	1,475,471	328,041	1,803,512	1,362,123
Carbon offset grant	137,034	-	137,034	-
Property income	20,517	-	20,517	17,793
	1,633,022	1,548,434	3,181,456	1,523,126
Net assets released from restrictions				
Satisfaction of purpose	951,426	(951,426)	-	-
Total operating revenue	2,584,448	597,008	3,181,456	1,523,126
Expenses				
Program services				
Conservation of land	324,590	-	324,590	290,376
Stewardship of owned lands	579,584	-	579,584	507,481
Education and outreach	397,731	-	397,731	356,900
Total program services	1,301,905	-	1,301,905	1,154,757
Supporting services				
Management and general	228,183	-	228,183	159,495
Fundraising	212,649	-	212,649	173,578
Total expenses	1,742,737	-	1,742,737	1,487,830
Change in net assets before non-operating activities	841,711	597,008	1,438,719	35,296
Increase (decrease) in beneficial interest in assets held by others	17,710	7,972	25,682	57,033
Dividends and interest	178,959	-	178,959	199,060
Net realized and unrealized gain (loss) on investments	349,114	-	349,114	727,532
Change in net assets	1,387,494	604,980	1,992,474	1,018,921
Net assets, beginning of year	31,356,313	465,792	31,822,105	30,803,184
Net assets, end of year	\$ 32,743,807	\$ 1,070,772	\$ 33,814,579	\$ 31,822,105

See notes to financial statements.

NORTH COAST LAND CONSERVANCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2025

(With Comparative Totals for the Year Ended September 30, 2024)

	<u>PROGRAM SERVICES</u>				<u>SUPPORTING SERVICES</u>		<u>Total</u>	
	<u>Conservation of Land</u>	<u>Stewardship of Owned Lands</u>	<u>Education and Outreach</u>	<u>Program Total</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2025</u>	<u>2024</u>
Payroll and benefits	\$ 276,025	\$ 436,024	\$ 309,547	\$ 1,021,596	\$ 88,585	\$ 168,786	\$ 1,278,967	\$ 1,055,367
Professional services	2,520	1,875	10,068	14,463	64,755	9,410	88,628	122,082
Land management and acquisition	675	84,033	-	84,708	-	-	84,708	85,341
Occupancy	1,500	5,993	1,940	9,433	35,081	880	45,394	44,026
Office expense	14,458	10,724	41,591	66,773	16,956	20,008	103,737	78,884
Meetings and travel	1,754	4,401	6,927	13,082	4,766	2,502	20,350	27,576
Depreciation	16,433	25,309	16,433	58,175	11,305	6,573	76,053	31,660
Insurance	11,225	11,225	11,225	33,675	6,735	4,490	44,900	42,894
	<u>\$ 324,590</u>	<u>\$ 579,584</u>	<u>\$ 397,731</u>	<u>\$ 1,301,905</u>	<u>\$ 228,183</u>	<u>\$ 212,649</u>	<u>\$ 1,742,737</u>	<u>\$ 1,487,830</u>

See notes to financial statements.

NORTH COAST LAND CONSERVANCY, INC.

STATEMENT OF CASH FLOWS

Year Ended September 30, 2025

(With Comparative Amounts for the Year Ended September 30, 2024)

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 1,992,474	\$ 1,018,921
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	76,053	31,660
Realized and unrealized losses (gains) on investments	(395,684)	(771,897)
Increase (decrease) in beneficial interest in assets held by others	(21,942)	(57,034)
Changes in assets and liabilities:		
Contracts receivable	(14,326)	38,266
Pledges receivable	(175,000)	-
Prepaid expenses	963	766
Deposit for property acquisition	(48,970)	(6,730)
Accounts payable	(37,423)	38,533
Payroll and related liabilities	41,264	40,568
Net cash provided by (used in) operating activities	1,417,409	333,053
Cash flows from investing activities:		
Purchase of property and equipment	(23,871)	(1,598,858)
Purchase of land held for transfer	(702,077)	-
Purchase of investments	(473,548)	(80,090)
Distribution from beneficial interest in assets held by others	11,651	15,452
Redemption of investments	100,000	1,220,000
Investment earnings retained in investment accounts	(123,398)	(151,374)
Net cash provided by (used in) investing activities	(1,211,243)	(594,870)
Net change in cash	206,166	(261,817)
Cash and cash equivalents, beginning of year	239,843	501,660
Cash and cash equivalents, end of year	\$ 446,009	\$ 239,843

See notes to financial statements.

NORTH COAST LAND CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE A – DESCRIPTION OF ORGANIZATION

North Coast Land Conservancy, Inc. (NCLC, or the Organization) is a nonprofit land trust dedicated to safeguarding Oregon's vital coastal landscapes since 1986. Working with a wide range of community partners, the Organization acquires strategic lands, supports marine reserves and marine protected areas, and manages a living network of coastal habitats – from Astoria to Lincoln City – necessary to support abundant wildlife and diverse community needs, now and forever. The Organization's mission is to help conserve Oregon's coastal lands and waters, forever. The Organization engages the community in strategically acquiring land for its ecological and cultural values, holding those lands in public trust in perpetuity, while also supporting stewardship and community science in the Cape Falcon Marine Reserve.

Program services include:

- **Conservation** – The conservation program builds strong relationships with local landowners and with local, state, and national organizations in order to voluntarily protect land with high ecological and cultural values along the North Oregon Coast. The Organization uses science and local knowledge to create conservation plans, and then works strategically to conserve the highest priority areas. Conservation is achieved through fee title acquisitions and conservation easements. As of September 30, 2025, the Organization had conserved 9,500 acres in 4 counties.
- **Stewardship** – The Organization's stewardship program empowers and supports staff and community volunteers to meet its minimum core standards for maintaining ecological integrity of the land it is responsible for and, when fiscally and ecologically feasible, go above and beyond in order to move sites toward a self-sustaining ecosystem habitat enhancement and restoration based on the best available science. The Organization works to instill stewardship in the community by sharing its commitment to land conservation and by providing opportunities for people to enjoy and work on the lands it conserves. The stewardship program hosts a number of public volunteer events as a way to accomplish habitat goals. In 2025, NCLC held weekly work parties with community volunteers throughout the year.
- **Education and Outreach** – The Organization builds strong community support for the conservation and stewardship work of the land trust through effective communications, engaging outreach programs and strategic partnerships with other organizations. The Organization's outreach program uses events on the land and presentations up and down its service area to foster deeper connections to the work of the land trust and to the land that it holds in conservation, leading to a greater community support of local conservation. In February 2022, the Organization adopted the Cape Falcon Marine Reserve program. This program focuses on education and community support for the state marine reserve as well as community science programs to support Oregon Department of Fish and Wildlife's science goals within the marine reserve. The community engagement program hosted approximately 25 events during the year ending September 30, 2025, and engaged with thousands of beach goers via the tidepool ambassador program. These events were in person, free, and open to the public.

NORTH COAST LAND CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash and Cash Equivalents

The Organization classifies as cash and cash equivalents all checking, savings, and money market accounts and all investments maturing within 90 days when purchased.

Revenue Recognition

With regard to its revenues from all sources, the Organization evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, the Organization recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service. Exchange transactions include property income.
- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a release of a promisor's obligation to transfer assets. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants include government grants and contracts, acquisitions grants, foundation, and individual contributions.

NORTH COAST LAND CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Contributions of donated noncash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals with those skills. Such services would typically need to be purchased if not provided by donation, and are recorded at their fair values in the period received.

Conditional Promises to Give

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

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.

Investments and Fair Value Measurements

Investments and the beneficial interest in assets held by others (see Note C) are measured at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Net appreciation in fair value, which consists of the realized gains or losses and the unrealized gains (losses) of the underlying investments, is also shown in the statement of activities. Interest income is accrued as earned.

Property and Equipment

Property and equipment in excess of \$2,000 is recorded at cost or at estimated fair value at the date of gift. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Expenditures for additions, major renewals and betterments are capitalized, and expenditures for repairs and maintenance are charged to operations as they are incurred.

Conservation Lands and Easements

The Organization records land and land interests at cost if purchased or at fair value at the date of acquisition if all or part of the land was received as a donation. Fair value is generally determined by appraisal at the time of acquisition and is not subsequently adjusted.

Conservation land is real property with significant ecological value. These properties are either managed in an effort to protect the natural biological diversity of the property, or transferred to other organizations who will manage the lands in a similar fashion.

NORTH COAST LAND CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conservation Lands and Easements (Continued)

Conservation easements are comprised of listed rights and/or restrictions over the owned property that are conveyed by a property owner to the Organization, almost always in perpetuity, in order to protect the owned property as a significant natural area, as defined in federal tax regulations. These intangible assets may be sold or transferred to others so long as the assignee agrees to carry out, in perpetuity, the conservation purposes intended by the original grantor. Conservation easements purchased or donated are not recorded as assets on the statement of financial position. All easements acquired by purchase are recorded as conservation activities expenses in the statement of activities. Costs incurred in obtaining the easements are recorded as current period expenses.

Income Taxes

The Organization has been approved as a tax-exempt organization under the Internal Revenue Code 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

Functional Allocation of Expenses

The statement of functional expenses presents the natural classification detail of expenses by function. Individual salaries are distributed based on each person's time spent in programs or supporting tasks. Payroll taxes and benefits are allocated on the basis of the direct salary expenses by program. Certain shared costs including occupancy and office expenses are allocated either on the basis of square footage or on the basis of direct salary expense by program.

Reclassification

Certain prior year amounts have been reclassified for consistency with current year presentations. These reclassifications had no effect on the reported results of operations.

Prior Year Summarized Financial Information

The accompanying 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 Organization's financial statements for the year ended September 30, 2024, from which the summarized information was derived

NOTE C – FAIR VALUE MEASUREMENTS

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

Level 1 – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments and cash equivalents.

Level 2 – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies.

NORTH COAST LAND CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE C – FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 – Unobservable inputs that reflect management’s assumptions and best estimates based on available data. Assets in this level include beneficial interests in assets held by others.

Realized and unrealized gains and losses from investments are reported in the statement of activities as they occur. There have been no changes in valuation techniques and related inputs.

Fair values of assets measured on a recurring basis at September 30, 2025 were as follows:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 314,508	\$ -	\$ -	\$ 314,508
Fixed income funds	-	-	-	-
Equities	1,619,882	-	-	1,619,882
Equity funds	-	-	-	-
Mutual funds	2,302,145	-	-	2,302,145
Exchange traded funds	1,599,043	-	-	1,599,043
Beneficial interest in assets held by others	-	-	408,568	408,568
	<u>\$ 5,835,578</u>	<u>\$ -</u>	<u>\$ 408,568</u>	<u>\$ 6,244,146</u>

For the year ended September 30, 2025, the changes in investments classified as Level 3 are as follows:

Beginning balance	\$ 398,277
Earnings	8,273
Funds released	(11,650)
Investment fees	(2,709)
Realized and unrealized gain on investment	16,377
Total investments at fair value	\$ 408,568

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Building and improvements	\$ 2,073,138
Equipment	136,872
Furniture	15,297
Less accumulated depreciation and amortization	(346,868)
	\$ 1,878,439

NORTH COAST LAND CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE D – PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation and amortization expense totaled \$76,053 for the year ended September 30, 2025. The land association with the building and improvements is part of the land trust described in Note E.

NOTE E – CONSERVATION LAND

The first property to enter the Organization’s portfolio did so in 1997. From that time until September 30, 2025, approximately 60 properties entered the portfolio of conservation land. In addition to this, the Organization maintains various easements that have no recorded value. Land held by the Organization is valued at cost if purchased. If the land has been donated to the Organization, it is valued at fair market value at the date of acquisition, based on an independent appraisal. Any other subsidies invested in sites are valued at the cash value of those subsidies at the time of their donation. At September 30, 2025, the properties held by the Organization include the following:

Rainforest Reserve	10/26/2021	\$	8,097,860
9th Street Wetlands	10/15/2020		147,000
Tillamook River Wetlands	7/30/2020		306,603
Blind Slough	2/15/2019		1,074,438
Butte Creek Expansion	11/15/2018		161,067
Rautio Land	3/13/2017		232,139
Boneyard Ridge	7/29/2016		1,330,883
Butte Creek Habitat Reserve	6/7/2016		274,933
Bradley Bog	11/11/2014		175,800
Sand Lake III	5/15/2014		319,191
Skipanon Forest Land	12/20/2013		803,626
Clear Lake Land	9/20/2013		472,524
Ecola Road-Niekas	5/28/2013		122,167
North Fork Necanicum Land	12/30/2011		349,432
Necanicum Forest	12/20/2010		221,280
Shangrila/Stevens	12/1/2009		236,794
Coal Creek	3/2/2009		127,749
Reed Ranch-Westlake	9/17/2008		999,046
Crosel Creek	1/15/2007		582,972
Malarkey B-Gearhart Reserve	12/20/2006		994,000
Sand Creek II Land	12/5/2006		507,052
Malarkey B-Gearhart Reserve	12/5/2006		3,557,000
Stanley Lake	12/16/2005		250,979
Malarkey A-Shamrock Pines	12/30/2004		574,000
Circle Creek Land	7/12/2004		1,136,203 *
Pacific Wetlands-Sittner	8/28/2000		113,640
Ecola Road-Harvey	3/26/1997		104,940
Other smaller properties	various		<u>1,174,354</u>
Total		\$	<u><u>24,447,672</u></u>

*This property also used as location of the Circle Creek Conservation Center and administrative offices.

NORTH COAST LAND CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE F – LAND HELD FOR TRANSFER

During the year ended September 30, 2025, the Organization purchased property in Gearhart, Oregon for \$702,077, with the intent to eventually transfer this property to the City of Gearhart. The property is only temporarily held by the Organization, as such it is not deemed part of their conservation lands and is represented separately in the statement of financial position.

NOTE G – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The beneficial interest in assets held by others as of September 30, 2025 consists of three groups of pooled investments held by the Oregon Community Foundation (OCF). One account is maintained for easement stewardship. The other two accounts are maintained for long term operational stability.

Fair value of the beneficial interest in assets held by others is determined by the Organization's endowment partner, OCF, and is based upon the Organization's proportionate interest in OCF's endowment partner fund liability after adjustments for contributions and distributions made during the year. As such, the beneficial interest in assets held by others is considered a Level 3 investment (see Note C).

OCF's endowment partner fund liability is stated at fair value, which is generally equivalent to the present value of future payments expected to be made to the endowment partners. Funds may be distributed to the Organization upon a majority vote of its Board of Directors, if in the judgment of the OCF Board of Directors the requested distribution is consistent with the objectives and purposes of the Organization. If the Organization ceases to exist, distributions from the fund will be made to a qualified organization with similar objectives and purposes.

NOTE H – IN-KIND CONTRIBUTIONS

Volunteers provide many of the Organization's daily personnel needs for routine operations. No amounts have been recognized in the accompanying statements of activities because they did not meet the criteria for recognition.

The Organization estimates that more than 200 volunteers donated approximately 4,000 volunteer hours for the year ended September 30, 2025, on various projects ranging from:

- Weed removal
- Planting trees and native plants for restoration
- Native plant nursery care
- Trail maintenance
- Basic office administrative tasks
- Letter stuffing
- Event set up and catering support
- Photography
- Live music entertainment
- Art and craft classes
- Expert lectures

NORTH COAST LAND CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE I – GRANTS RECEIVABLE

Grants receivable consists of unconditional promises to give totaling \$175,000 as of September 30, 2025 and are expected to be collected as follows; \$87,500 in one year and \$87,500 in the year ended September 30, 2027. It is the Organization's policy to charge off uncollectible receivables when management determines the receivables will not be collected. Management has determined that an allowance was not necessary as of September 30, 2025.

NOTE J – CONDITIONAL PROMISES TO GIVE

The Organization has received the following conditional awards not yet recognized as revenue, as the conditions, primarily incurring qualified expenses were not met as of September 3, 2025.

<u>Award</u>	<u>Total</u>
RCAC Neskowin	\$ 32,518
Oregon Ocean Conservation Fund	313,810
USFWS Clatsop Plains	<u>8,244</u>
	<u>\$ 354,572</u>

NOTE K – RESTRICTIONS ON NET ASSETS

The Organization's net assets with donor restrictions are subject to the following purpose or time restrictions:

Subject to purpose restrictions:	
Circle Creek Trails	\$ 14,500
CCLC Dissolution Funds	193,283
Angora Acquisition Funds	7,020
Outreach Grants	15,954
Circle Creek Expansion Acq Funds	344,442
Subject to timing:	
Healy Foundation	75,000
Tareen Filgas Foundation	100,000
Subject to spending policy and appropriation:	
Stewardship funds held at OCF	<u>320,573</u>
Total net assets with donor restrictions	<u>\$ 1,070,772</u>

NORTH COAST LAND CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE K – RESTRICTIONS ON NET ASSETS (CONTINUED)

Board designated net assets consist of the following:

Dedicated Stewardship Funds	\$ 2,477,882
Easement Defense Fund	65,000
OCF Easement Support Fund	<u>87,994</u>
Total board designated net assets	<u>\$ 2,630,876</u>

NOTE L – PENSION PLAN

The Organization maintains a SIMPLE IRA retirement plan covering substantially all employees after one year of service. Employees may choose to make salary reduction contributions and the employer is required to make either matching or nonelective contributions. The Organization contributes 3% of qualifying compensation to the plan. Employer matching contributions to the plan for the year ending September 30, 2025, totaled \$26,171.

NOTE M – LIQUIDITY

The following chart represents the Organization's financial assets available to meet cash needs for general expenditures within one year of September 30, 2025:

Financial assets at year-end:	
Cash and cash equivalents	\$ 446,009
Receivables	47,207
Investments	5,835,578
Beneficial interest in assets held by others	<u>408,568</u>
Total financial assets	<u>6,737,362</u>
Less those unavailable for general expenditure within one year, due to:	
Contractual or donor-imposed restrictions	(1,070,772)
Board designations:	
Board-designated investments - Stewardship	<u>(2,630,876)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,035,714</u>

To finance stewardship, NCLC collects funds for that purpose at the time the conservation easement or acquisition is granted. The funds may be restricted by the donor, or at times the Organization will use its own funds (board designated funds) to fulfill the stewardship funding. The stewardship funds are invested, with the returns used to fund NCLC's routine stewardship activities; the principal typically is left untouched, except if needed to fund enforcement actions.

NORTH COAST LAND CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE N – CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances and certificates of deposit at a number of financial institutions. These balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to the maximum allowed. At September 30, 2025, there was \$196,676 cash in excess of FDIC insurance. The Organization also holds uninsured money market instruments and a mutual fund, both of which are subject to normal market fluctuations. The Organization's grants and contracts receivable are uncollateralized. No losses have been experienced on these accounts.

NOTE O – COMMITMENTS AND CONTINGENCIES

The Organization has engaged in a carbon offset contract associated with one of its conserved land trust properties. Amongst many provisions, the Organization must maintain the property in an undeveloped state for 40 years. This contract requires the Organization to fulfill certain additional obligations with regard to this property that are consistent with its mission. A third-party verifier has made a preliminary assessment that makes a future payment likely.

Due to the uncertain nature of these commitments, future anticipated receipts under this contract are not determinable and are not reported in the financial statements. The potential revenue is currently unknown and is dependent on future economic outcomes and market demand. Once received, there are no contractual requirements for how the funds are used. As of September 30, 2025, approximately \$137,000 has been received, however the Organization cannot receive more than approximately \$5,400,000 over the life of the project.

NOTE P – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 10, 2026, which is the date the financial statements were available to be issued.

The Organization had several property transactions after year end none of which included incurring debt, as follows:

- In December 2025, a Circle Creek expansion and acquisition was made for approximately \$220,000.
- In December 2025, a land donation was received related to the Blind Slough expansion with an approximate value of \$80,000.
- In January 2026, an Onion Peak land purchase, which is part of the Rainforest Reserve, was completed for approximately \$203,000.