

Big Waters Land Trust, Inc.

Financial Statements and
Independent Auditor's Report
September 30, 2025 and 2024

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Kerkering, Barberio & Co.
Certified Public Accountants

Independent Auditor's Report

The Board of Trustees
Big Waters Land Trust, Inc.
Osprey, Florida

Opinion

We have audited the financial statements of Big Waters Land Trust, Inc. (the Organization) (a non-profit organization), which comprise the statements of financial position as of September 30, 2025 and 2024, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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 GAAS will always detect a material misstatement when it exists.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Kerkuing Barbario & Co.

Sarasota, Florida
January 27, 2026

Big Waters Land Trust, Inc.

Statements of Financial Position
September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 638,148	\$ 857,396
Accounts receivable	25,701	61,422
Promises to give, current portion (Note 6)	569,911	268,850
Prepaid expenses and other assets	172,191	168,654
Total current assets	<u>1,405,951</u>	<u>1,356,322</u>
Promises to give, net of current portion (Note 6)	1,797	11,797
Cash and certificates of deposit reserved for future projects	5,022,441	4,486,695
Investments (Note 7)	5,256,222	4,858,552
Land, buildings, improvements and equipment, net (Note 5)	4,326,907	4,047,324
Land held for conservation (Note 1)	<u>22,839,564</u>	<u>22,839,559</u>
Total Assets	<u>\$ 38,852,882</u>	<u>\$ 37,600,249</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 125,361	\$ 44,285
Accrued expenses	260,367	178,865
Deferred income	197,113	248,329
Security deposits	3,500	10,250
Total current liabilities	<u>586,341</u>	<u>481,729</u>
Net Assets:		
Without donor restrictions		
Undesignated	4,626,231	4,463,607
Board designated (Note 13)	7,919,195	7,666,340
Total net assets without donor restrictions	<u>12,545,426</u>	<u>12,129,947</u>
With donor restrictions (Note 11)		
Purpose restricted	2,631,911	1,949,374
Perpetual in nature	<u>23,089,204</u>	<u>23,039,199</u>
Total net assets with donor restrictions	<u>25,721,115</u>	<u>24,988,573</u>
Total Net Assets	<u>38,266,541</u>	<u>37,118,520</u>
Total Liabilities and Net Assets	<u>\$ 38,852,882</u>	<u>\$ 37,600,249</u>

See accompanying notes to financial statements.

Big Waters Land Trust, Inc.

Statement of Activities

Year Ended September 30, 2025

(With Summarized Totals For 2024)

	Without Donor Restriction	With Donor Restriction	2025 Total	2024 Total
Revenues, Gains, and Other Support:				
Contributions	\$ 1,667,991	\$ 1,917,161	\$ 3,585,152	\$ 3,740,466
Grants	-	74,387	74,387	50,000
In-kind contributions	390,663	-	390,663	2,295,698
Program income	139,754	-	139,754	130,159
Interest and dividend income, net of fees	212,733	72,710	285,443	258,479
Realized and unrealized gain on investments, net	313,665	28,876	342,541	939,901
Special events revenue, net of direct costs of \$160,093 and \$261,693 respectively	141,249	-	141,249	424,263
Gain (loss) on sale of property	(17,288)	-	(17,288)	2,669
Net assets released from restrictions (Note 12)	1,360,597	(1,360,597)	-	-
Total revenues, gains, and other support	<u>4,209,364</u>	<u>732,537</u>	<u>4,941,901</u>	<u>7,841,635</u>
Expenses:				
Program expenses	3,270,017	-	3,270,017	4,848,029
Management and general	160,683	-	160,683	117,362
Fundraising	363,180	-	363,180	440,913
Total program expenses	<u>3,793,880</u>	<u>-</u>	<u>3,793,880</u>	<u>5,406,304</u>
Change in net assets	415,484	732,537	1,148,021	2,435,331
Land held for conservation transferred to perpetual in nature	(5)	5	-	-
Net assets, beginning of year	12,129,947	24,988,573	37,118,520	34,683,189
Net assets, end of year	<u>\$ 12,545,426</u>	<u>\$ 25,721,115</u>	<u>\$ 38,266,541</u>	<u>\$ 37,118,520</u>

See accompanying notes to financial statements.

Big Waters Land Trust, Inc.

Statement of Activities

Year Ended September 30, 2024

(With Summarized Totals For 2025)

	Without Donor Restriction	With Donor Restriction	2024 Total	2025 Total
Revenues, Gains, and Other Support:				
Contributions	\$ 2,185,137	\$ 1,555,329	\$ 3,740,466	\$ 3,585,152
Grants	-	50,000	50,000	74,387
In-kind contributions	2,295,698	-	2,295,698	390,663
Program income	130,159	-	130,159	139,754
Interest and dividend income, net of fees	212,987	45,492	258,479	285,443
Realized and unrealized gain on investments, net	880,344	59,557	939,901	342,541
Special events revenue, net of direct costs of \$261,693 and \$160,093 respectively	424,263	-	424,263	141,249
Gain (loss) on sale of property	2,669	-	2,669	(17,288)
Net assets released from restrictions	897,356	(897,356)	-	-
Total revenues, gains, and other support	<u>7,028,613</u>	<u>813,022</u>	<u>7,841,635</u>	<u>4,941,901</u>
Expenses:				
Program expenses	4,848,029	-	4,848,029	3,270,017
Management and general	117,362	-	117,362	160,683
Fundraising	440,913	-	440,913	363,180
Total program expenses	<u>5,406,304</u>	<u>-</u>	<u>5,406,304</u>	<u>3,793,880</u>
Change in net assets	1,622,309	813,022	2,435,331	1,148,021
Land held for conservation transferred to perpetual in nature	(1)	1	-	-
Net assets, beginning of year	<u>10,507,639</u>	<u>24,175,550</u>	<u>34,683,189</u>	<u>37,118,520</u>
Net assets, end of year	<u>\$ 12,129,947</u>	<u>\$ 24,988,573</u>	<u>\$ 37,118,520</u>	<u>\$ 38,266,541</u>

See accompanying notes to financial statements.

Big Waters Land Trust, Inc.

Statement of Functional Expenses

Year Ended September 30, 2025

(With Summarized Totals For 2024)

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2025 Total</u>	<u>2024 Total</u>
Expenses:					
Fees	\$ 44,649	\$ -	\$ 858	\$ 45,507	\$ 7,606
Office expense	10,585	-	-	10,585	10,563
Bank/finance charges	34	-	-	34	75
IT and software	34,953	8,823	31,306	75,082	59,949
Supplies	58,322	-	2	58,324	60,637
Donor cultivation	5,911	-	1,150	7,061	9,569
Taxes - property	6,500	-	-	6,500	9,420
Utilities	16,111	-	-	16,111	14,096
Licenses & Permits	436	-	-	436	1,620
Dues, subscriptions, books, and memberships	16,791	-	780	17,571	17,613
Advisors expense	1,358	-	-	1,358	2,827
Telephone	16,547	550	1,340	18,437	17,164
Merchant processing	256	-	4,407	4,663	14,113
Advertising/promotion	17,674	-	-	17,674	22,578
Lawn/grounds maintenance	26,987	-	-	26,987	30,726
Building maintenance	23,925	-	-	23,925	21,639
Miscellaneous	1,850	-	-	1,850	30,161
Personnel	1,235,915	122,635	304,247	1,662,797	1,577,316
Depreciation & amortization	172,219	3,409	10,675	186,303	165,436
Professional fees	163,861	25,195	-	189,056	297,408
Quads project expenses	867,310	-	-	867,310	87,796
Publications	35,065	-	5,874	40,939	46,760
Staff travel, training, & conferences	40,581	71	2,441	43,093	60,130
Liability & other insurance	55,946	-	-	55,946	33,533
Land acquisition program expense	384,995	-	-	384,995	2,794,999
Bad debt expense	25,573	-	100	25,673	12,495
In-kind expenses	5,663	-	-	5,663	75
Total expenses	<u>\$ 3,270,017</u>	<u>\$ 160,683</u>	<u>\$ 363,180</u>	<u>\$ 3,793,880</u>	<u>\$ 5,406,304</u>

See accompanying notes to financial statements.

Big Waters Land Trust, Inc.

Statement of Functional Expenses

Year Ended September 30, 2024

(With Summarized Totals For 2025)

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2024 Total</u>	<u>2025 Total</u>
Expenses:					
Fees	\$ 7,606	\$ -	\$ -	\$ 7,606	\$ 45,507
Office expense	10,563	-	-	10,563	10,585
Bank/finance charges	75	-	-	75	34
IT and software	27,815	3,902	28,232	59,949	75,082
Supplies	60,194	-	443	60,637	58,324
Donor cultivation	128	-	9,441	9,569	7,061
Taxes - property	9,420	-	-	9,420	6,500
Utilities	14,096	-	-	14,096	16,111
Licenses & Permits	1,620	-	-	1,620	436
Dues, subscriptions, books, and memberships	15,803	-	1,810	17,613	17,571
Advisors expense	2,827	-	-	2,827	1,358
Telephone	15,414	150	1,600	17,164	18,437
Merchant processing	-	-	14,113	14,113	4,663
Advertising/promotion	22,578	-	-	22,578	17,674
Lawn/grounds maintenance	30,726	-	-	30,726	26,987
Building maintenance	21,564	-	75	21,639	23,925
Miscellaneous	27,872	-	2,289	30,161	1,850
Personnel	1,191,555	44,399	341,362	1,577,316	1,662,797
Depreciation & amortization	152,929	3,027	9,480	165,436	186,303
Professional fees	217,932	65,869	13,607	297,408	189,056
Quads project expenses	87,796	-	-	87,796	867,310
Publications	44,819	-	1,941	46,760	40,939
Staff travel, training, & conferences	56,090	15	4,025	60,130	43,093
Liability & other insurance	33,533	-	-	33,533	55,946
Land acquisition program expense	2,794,999	-	-	2,794,999	384,995
Bad debt expense	-	-	12,495	12,495	25,673
In-kind expenses	75	-	-	75	5,663
Total expenses	<u>\$ 4,848,029</u>	<u>\$ 117,362</u>	<u>\$ 440,913</u>	<u>\$ 5,406,304</u>	<u>\$ 3,793,880</u>

See accompanying notes to financial statements.

Big Waters Land Trust, Inc.
 Statements of Cash Flows
 Years Ended September 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	\$ 1,148,021	\$ 2,435,331
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	186,303	165,436
Realized and unrealized gain on investments, net	(342,541)	(939,901)
In-kind donation of land held for conservation	(385,000)	(2,291,270)
Non-cash donation of investments	(722,440)	(279,986)
Non-cash land acquisition program expense	384,995	2,794,999
(Gain) loss on sale of property	17,288	(2,669)
Change in operating assets:		
Accounts receivable	35,721	(54,236)
Promises to give	(291,061)	20,890
Prepaid expenses and other assets	(3,537)	(29,727)
Change in operating liabilities:		
Accounts payable	81,076	(117,970)
Accrued expenses	81,502	126,839
Deferred income	(51,216)	8,148
Security deposits	(6,750)	(6,200)
Total adjustments	(1,015,660)	(605,647)
Net cash provided by operating activities	132,361	1,829,684
Cash Flows from Investing Activities:		
Purchases of investments	(2,717,341)	(1,975,741)
Proceeds from sales of investments	3,384,652	2,364,904
Purchase of land held for conservation	-	(533,061)
Proceeds from sale of land held for conservation	-	32,000
Purchase of land, buildings, improvements, and equipment	(483,174)	(166,830)
Net cash provided by (used in) investing activities	184,137	(278,728)
Cash flows from financing activities		
Change in cash and certificates of deposit reserved for future projects	(535,746)	(1,757,794)
Net cash used in financing activities	(535,746)	(1,757,794)
Net change in cash and cash equivalents	(219,248)	(206,838)
Cash and cash equivalents, beginning of year	857,396	1,064,234
Cash and cash equivalents, end of year	\$ 638,148	\$ 857,396

See accompanying notes to financial statements.

Big Waters Land Trust, Inc.

Notes to Financial Statements

September 30, 2025 and 2024

I. Organization

Big Waters Land Trust, Inc. (the Organization) is a not-for-profit corporation whose mission is to protect land and water for the benefit of people and nature. The Organization accomplishes this mission by working with landowners, businesses, government, and other not-for-profits. They are a nationally accredited land trust that purchases and receives in donation natural areas, holds voluntary conservation easements, and educates for responsible land and water stewardship. They work in Manatee, Sarasota, Charlotte, Lee, Collier, and parts of Hillsborough, Hardee, DeSoto, and Glades Counties. The Organization's revenue comes primarily from contributions and grants.

In December 2024, the Organization changed its name from Conservation Foundation of the Gulf Coast, Inc. to Big Waters Land Trust.

The Organization works with partners in their conservation initiatives. In some cases, the land conserved or conservation easements obtained are retained by the partner. Those properties are not reflected in the schedule below. As it is the Organization's mission to protect land in perpetuity, a significant portion of its approximate \$27,166,500 in real property assets is in protected land as reflected in the following chart:

Conservation Easement Properties:	Acres	Value
Casey Key Waterfront	0.70	\$ 1.00
Manasota Key Waterfront	0.97	1.00
Pine Island Preserve**	**	1.00
Manatee River Waterfront	0.41	1.00
Robinson Preserve Expansion	149.18	1.00
Johnson Preserve at Braden River	32.38	1.00
Johnson Preserve at Braden River - Bergstresser	11.44	1.00
Tatum Sawgrass Preservation Area	25.00	1.00
Pepper Ranch Preserve	1,510.00	1.00
Resilient Retreat	84.60	1.00
Felts Audubon Preserve	28.50	1.00
Celery Fields - Quad Parcels	33.60	1.00
Bobby Jones Golf Course	307.28	1.00
Braden River - Garst	14.38	1.00
Braden River - Garst	57.34	1.00
Celery Fields - Kelly Trust	48.40	1.00
Cape Coral - Burrowing Owls Lot 1	1.34	1.00
Cape Coral - Burrowing Owls Lot 2	0.24	1.00
Cape Coral - Burrowing Owls Lot 3	0.24	1.00
Cape Coral - Burrowing Owls Lot 4	0.71	1.00
Cape Coral - Burrowing Owls Lot 5	0.46	1.00
Subtotal	<u>2,307.17</u>	<u>21.00</u>

Big Waters Land Trust, Inc.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

I. Organization (Continued)

Fee Properties:		
Pine Island Preserve	207.00	8,046,135
Pine Island Preserve **	22.05	22,050
Michael Biehl Park	0.28	407,050
Bay Preserve at Osprey	4.38	6,065,065
Manatee River Waterfront	1.70	345,793
Siesta Key Preserve	1.21	4,805,000
Upper Myakka Preserve	65.85	6,800
Tatum Sawgrass Scrub Preserve	38.74	435,000
Myakka Headwaters Preserve	362.30	1,280,524
Naples C.R.E.W. - Lichtefield	10.00	8,665
Naples C.R.E.W. - Pare	10.00	9,234
Myakka Headwaters Preserve - Lewis	69.47	1,408,227
Subtotal**	792.98	22,839,543
Total Land Protected in Perpetuity **	3,100.15	22,839,564
Trade Land Fee Properties:		
Tarpon Point Landing - Myakka River	1.30	103,973
Total Land	\$ 22,943,537	

** Total Pine Island Preserve property protected both by a conservation easement and owned in fee of 22.05 acres cannot be double-counted. To avoid double-counting, it is included as fee property acreage on audited financial statements and as conservation easement property acreage on Form 990.

2. Summary of Significant Accounting Policies

Financial Statements

The financial statements and notes are representations of the Organization's management which is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Use of Estimates and Assumptions

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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, 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. Quasi-endowment funds and board designated funds, established by the Board of Directors, are classified as net assets without donor restrictions.

Big Waters Land Trust, Inc.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Net assets with donor restrictions - net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, these net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Other donor-imposed restrictions are perpetual in nature. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investment for general or specific purposes. In addition, the Organization records land held for conservation as perpetual in nature.

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions and grants received with donor and grantor stipulations that limit the use of donated assets are treated as net assets with donor restrictions as determined by the donor.

Contributions restricted by the donor for endowment purposes are treated as net assets with donor restrictions where the fund stays intact in perpetuity. After receipt of contributions without donor restrictions, the Board, at its discretion, may designate how the contributions are to be expended. Revenue without donor restrictions is recognized when earned.

Donated Materials and Services

The Organization receives donated security, advertising and design services as well as property and improvements. These donations are shown on the accompanying statements of activities as in-kind contributions. The fair market value of the donated services was \$5,663 and \$4,428 for the years ended September 30, 2025 and 2024, respectively. In-kind contributions are recorded at fair value using current rates normally charged to consumers for similar services.

During the years ended September 30, 2025 and 2024, the Organization received in-kind donations of conservation easements totaling \$385,000 and \$2,291,270, respectively, which were based off an appraised value.

The Organization also receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. These services do not meet the criteria for recognition as donated revenue under generally accepted accounting principles, and as a result, no amounts have been recognized in the statement of activities.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. The expenses that are allocated include salaries and wages, benefits, payroll taxes and other expenses for services which are allocated on the basis of estimated time and effort. Depreciation and amortization are allocated based on a square foot analysis.

Big Waters Land Trust, Inc.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

2. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made.

Under the Income Taxes Topic of the FASB Accounting Standards Codification, the Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

The Organization files income tax returns in the U.S. federal jurisdiction. The tax periods open to examination by the major taxing jurisdictions to which the Organization is subject include fiscal years ended September 30, 2022 through September 30, 2025.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents and certificates of deposit reserved for future projects or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash and cash equivalents for purposes of the Statements of Cash Flows.

Accounts Receivable and Allowance for Uncollectable Accounts

The Organization uses the allowance method to provide for uncollectible accounts receivable. As of September 30, 2025 and 2024, no allowance for uncollectible accounts has been recorded. Management has deemed all accounts receivable to be collectable.

Promises to Give

Promises to give are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Promises to give that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions.

Land, Buildings, Improvements and Equipment

Land, buildings, improvements and equipment with values of \$1,000 or more are recorded at cost when purchased or, if donated, at the fair market value at the date of donation and are depreciated using the straight-line method over the assets estimated useful life (5 years for furniture and equipment, 5 years for vehicles, 15 years for land improvements, 50 years for buildings, and 5-50 years for building improvements). When property and equipment assets are retired or disposed of, the cost and related accumulated depreciation is removed from the accounts and any gain or loss is reflected in income for that period. The cost of maintenance and repairs is charged to expense as incurred.

Land purchased for the purpose of conservation and protection is classified as land held for conservation in the Statements of Financial Position.

Big Waters Land Trust, Inc.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

2. Summary of Significant Accounting Policies (Continued)

Conservation Easements

Conservation easements are legal documents filed in the official records of the Clerk of Circuit Court in the applicable counties. A conservation easement places legally enforceable, permanent restrictions on the development and other uses of property. Conservation easements are negotiated between the landowner and the Organization based on the natural characteristics of the property and the wishes of the landowner. By accepting a conservation easement, the Organization incurs perpetual responsibility in relation to monitoring the property to ensure compliance with the easement and legal costs of enforcement. As of September 30, 2025, the Organization holds 21 conservation easements consisting of 2,307.17 acres.

Conservation easements, either purchased or donated, are initially valued at their appraised value or assessed value. When donated, the appraised value is reflected as a contribution in the Statements of Activities. The value of conservation easements not determined by appraisal is determined by using the County Appraiser's assessed value of the land, discounted by 50%, which the Organization determines is consistent with standards within the industry and experience in local conservation easement projects. When purchased, the difference between the purchase price and the appraised value is reflected as an in-kind contribution in the Statement of Activities. Once the development rights for a specific conservation easement are extinguished, generally immediately after acquisition, a valuation allowance is established to reduce the carrying value of the conservation easement to a nominal value of \$1, in order to reflect the lack of marketability of the easement, due to the extinguishment of development rights. The provision for the valuation allowance is included in "Land acquisition program expense" in the Statement of Functional Expenses.

Investments

Investments are reported at their fair value in the Statements of Financial Position, which represents the value at the date of donation or cost on the date of purchase plus reinvested earnings and appreciation or depreciation. Increases and decreases in fair value are recognized in the period in which they occur and the carrying values of the investments are adjusted to reflect these market fluctuations. Gains or losses on securities sold are computed on a specific identification basis. Unrealized and realized gains and losses are netted in the Statement of Activities.

Financial Instruments Not Measured at Fair Value

The Organization's financial instruments that are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature includes cash and cash equivalents, accounts receivable, cash and certificates of deposit reserved for future projects, prepaid expenses and other assets, accounts payable, accrued expenses, deferred income, and security deposits.

Reclassifications

To facilitate comparison of financial data, certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 reporting presentation. Such reclassifications had no effect on the change in net assets previously reported.

Big Waters Land Trust, Inc.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

3. Liquidity and Availability

Financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2025	2024
Cash and cash equivalents	\$ 638,148	\$ 857,396
Accounts receivable	25,701	61,422
Promises to give, current portion	569,911	268,850
Cash and certificates of deposit reserved for future projects	5,022,441	4,486,695
Investments	5,256,222	4,858,552
Total financial assets available within one year	11,512,423	10,532,915
Less: Amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	(2,631,911)	(1,949,374)
Restricted by donors in perpetuity	(249,640)	(199,640)
Total amounts unavailable for general expenditures within one year	(2,881,551)	(2,149,014)
Amounts unavailable to management without Board approval:		
Board designated for quasi-endowment	(4,891,078)	(4,656,877)
Board designated for future projects	(3,028,117)	(3,009,463)
Total amounts unavailable to management without Board approval	(7,919,195)	(7,666,340)
Total financial assets available to management for general expenditure within one year	\$ 711,677	\$ 717,561

The Organization manages its liquid assets in accordance with regular budgeting processes developed through the coordinated efforts of management and the Board of Directors. Regular reporting by management to those charged with governance ensures the results from operating activities are monitored closely.

As of September 30, 2025 and 2024, the board-designated endowment of \$4,891,078 and \$4,656,877, respectively, is subject to an annual spending rate of generally 4% of the fund's balance. As of September 30, 2025 and 2024, the Organization's board designated for future projects totals \$3,028,117 and \$3,009,463, respectively. Although the Organization does not intend to spend from these board-designated amounts (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

4. Certificates of Deposit

The Organization had four certificates of deposit that were held at a financial institution that were valued at original cost plus accrued interest. The certificates of deposit have original maturities ranging from three to six months, and interest rates ranging from 4.55% to 5.15%. The Organization held \$0 and \$802,294 in certificates of deposits as of September 30, 2025 and 2024, respectively. The certificates of deposit were recognized under cash and certificates of deposit reserved for future projects on the accompanying Statement of Financial Position.

Big Waters Land Trust, Inc.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

5. Land, Buildings, Improvements and Equipment

Land, buildings, improvements and equipment consisted of the following at September 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 103,973	\$ 103,973
Furniture, fixtures and equipment	167,656	148,847
Buildings and improvements	4,595,124	4,191,391
Land improvements	158,972	158,972
Vehicles	93,528	93,528
Construction in progress	986,236	976,679
	<u>6,105,489</u>	<u>5,673,390</u>
Less: accumulated depreciation	<u>(1,778,582)</u>	<u>(1,626,066)</u>
Total land, buildings, improvements and equipment, net	<u>\$ 4,326,907</u>	<u>\$ 4,047,324</u>

Depreciation expense for the years ended September 30, 2025 and 2024 was \$186,303 and \$165,436, respectively.

The Organization leases land to a local government for a nominal fee to be used as a park.

6. Promises to Give

Promises to give are summarized as follows at September 30:

	<u>2025</u>	<u>2024</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 569,911	\$ 268,850
One year to five years	2,000	12,000
Total unconditional promises	<u>571,911</u>	<u>280,850</u>
Less: discounts to net present value	<u>(203)</u>	<u>(203)</u>
Total promises to give, net	<u>\$ 571,708</u>	<u>\$ 280,647</u>

No allowance for uncollectible promises to give was determined to be necessary for the years ended September 30, 2025 and 2024.

The Organization has received conditional promises of bequest from donors which, if received, would generally be restricted for specific purposes stipulated by the donors. It is not practical to estimate the net realizable value of such promises.

7. Investments

Investments consisted of the following as of September 30, 2025:

	<u>Cost</u>	<u>Market Value</u>
Common stock	\$ 1,161,252	\$ 1,270,567
Exchange traded funds	2,774,581	3,399,215
Fixed income	574,012	586,440
Total investments	<u>\$ 4,509,845</u>	<u>\$ 5,256,222</u>

Big Waters Land Trust, Inc.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

7. Investments (Continued)

Investments consisted of the following as of September 30, 2024:

	Cost	Market Value
Common stock	\$ 673,311	\$ 849,441
Real estate	48,324	51,221
Exchange traded funds	2,611,958	3,169,658
Fixed income	802,218	788,232
Total investments	\$ 4,135,811	\$ 4,858,552

Interest and dividend income, net of investment fees and expenses for the years ended September 30, 2025 and 2024 totaled \$98,161 and \$258,479, respectively. Realized and unrealized gains on investments for the year ended September 30, 2025 consisted of net realized gains of \$325,466 and net unrealized gains of \$17,075. Realized and unrealized gains on investments for the year ended September 30, 2024 consisted of net realized gains of \$199,520 and net unrealized gains of \$740,381.

8. Fair Value of Financial Assets and Liabilities

The Organization values certain assets in accordance with the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. This Topic provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

The following tables present information about the classes of assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2025 and 2024, and indicates the fair value hierarchy of the valuation techniques used to determine fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 - quoted market prices in active markets for identical assets or liabilities, such as publicly traded equity securities.

Level 2 - inputs, other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.), or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability (for example, certain hedge funds, private equity and other). The inputs reflect the Organization's assumptions based on the best information available in the circumstance.

Big Waters Land Trust, Inc.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

8. Fair Value of Financial Assets and Liabilities (Continued)

Description	September 30, 2025	Level 1	Level 2	Level 3
Assets at Fair Value:				
Investments:				
Common stock	\$ 1,270,567	\$ 1,270,567	\$ -	\$ -
Exchange traded funds:				
Equities	2,405,046	2,405,046	-	-
Fixed income	994,169	994,169	-	-
Total exchange traded funds	3,399,215	3,399,215	-	-
Fixed income:				
Government agencies	234,228	-	234,228	-
Corporate bonds	352,212	-	352,212	-
Total fixed income	586,440	-	586,440	-
Total investments at fair value	\$ 5,256,222	\$ 4,669,782	\$ 586,440	\$ -

Description	September 30, 2024	Level 1	Level 2	Level 3
Assets at Fair Value:				
Investments:				
Common stock	\$ 849,441	\$ 849,441	\$ -	\$ -
Real estate	51,221	51,221	-	-
Exchange traded funds:				
Equities	2,492,754	2,492,754	-	-
Fixed income	676,904	676,904	-	-
Total exchange traded funds	3,169,658	3,169,658	-	-
Fixed income:				
Government agencies	237,670	-	237,670	-
Corporate bonds	550,562	-	550,562	-
Total fixed income	788,232	-	788,232	-
Total investments at fair value	\$ 4,858,552	\$ 4,070,320	\$ 788,232	\$ -

9. Employee Retention Tax Credit

Under the provisions of the extension of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) passed by the United States Congress and signed by the President, the Organization is eligible for a refundable employee retention credit subject to certain criteria. The Organization has recorded the employee retention credit in accordance with ASC 958-605 *Not-for-Profit Entities Revenue Recognition*, where the employee retention credit is accounted for as a conditional contribution. In order to claim the credit, the Organization is required to meet certain conditions. When those conditions are met, the refund is recorded in prepaid expenses and other assets on the accompanying Statement of Financial Position, as well as grant revenue on the accompanying Statement of Activities. For the year ended September 30, 2021, the Organization recognized employee retention credits totaling \$164,589.

As of September 30, 2025 and 2024, the Organization has \$93,672 and \$93,672, respectively, recorded as a receivable in prepaid expenses and other assets for the Employee Retention Tax Credit.

Big Waters Land Trust, Inc.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

10. Concentration of Credit Risk

The Organization places its cash and cash equivalents with high credit quality financial institutions. During the year, the Organization may have deposits with financial institutions which exceed FDIC insurance limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

11. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of September 30:

Subject to expenditure for specified purpose:	<u>2025</u>	<u>2024</u>
Contributions and grants receivable	\$ 571,708	\$ 278,850
Other programs	1,098,492	843,275
Donor restricted for land acquisition	801,917	695,869
Donor restricted endowment for land stewardship	61,000	61,000
Endowment earnings - restricted for land stewardship	98,794	70,380
Total purpose restrictions	<u>2,631,911</u>	<u>1,949,374</u>
Perpetual in nature:		
Donor restricted endowment for land stewardship	249,640	199,640
Land held for conservation	22,839,564	22,839,559
Total perpetual in nature	<u>23,089,204</u>	<u>23,039,199</u>
Total net assets with donor restrictions	<u>\$ 25,721,115</u>	<u>\$ 24,988,573</u>

12. Net Assets Released From Restrictions

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by the donor are as follows during the year ended September 30:

	<u>2025</u>	<u>2024</u>
Expenditures for the Land Fund	\$ -	\$ 19,831
Expenditures for Celery Fields Quad Project	767,744	92,017
Expenditures for Garst Project	-	555,511
Expenditures for other programs	592,853	229,997
Total net assets released from restrictions	<u>\$ 1,360,597</u>	<u>\$ 897,356</u>

13. Board Designated Net Assets

Board designated net assets at September 30 are broken out as follows:

	<u>2025</u>	<u>2024</u>
Quasi-endowments	\$ 4,891,078	\$ 4,656,877
Pine Island park development and stewardship	1,364,226	1,362,510
Bay Preserve capital	65,970	56,640
Board Designated Capital Reserve Fund	405,413	471,819
Operating reserve	420,241	403,204
Board advised fund - land acquisition	638,136	612,264
Wind sinking fund	134,131	103,026
Total board designated net assets	<u>\$ 7,919,195</u>	<u>\$ 7,666,340</u>

Big Waters Land Trust, Inc.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

14. Endowment Funds

The Organization's endowment consists of funds established for a variety of purposes. Its endowment includes both donor restricted endowment funds and funds designated by the Board to function as endowments (quasi-endowments). As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization's Board has interpreted the Uniform Prudent Management of Institutional Funds (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies donor restricted endowment funds as (a) the original value of gifts donated to the perpetual endowment, and (b) the original value of subsequent gifts to the perpetual endowment. The remaining portion of the donor restricted endowment fund that is not classified as perpetual in nature is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

Endowment Net Asset Composition

As of September 30, 2025, endowment funds are broken out as follows:

	Without Donor Restrictions	With Donor Restrictions
Endowment funds without donor restrictions:		
General Quasi-Endowment Fund	\$ 2,117,004	\$ -
Bay Preserve Quasi-Endowment Fund	895,472	-
Stewardship Fund	442,157	-
Pine Island Preserve at Matlacha Pass Quasi-Endowment Fund	1,436,445	-
Endowment funds with donor restrictions:		
Endowment earnings - restricted for land stewardship	-	98,794
Purpose restricted	-	61,000
Perpetual in nature	-	249,640
Total endowment funds	\$ 4,891,078	\$ 409,434

As of September 30, 2024, endowment funds are broken out as follows:

	Without Donor Restrictions	With Donor Restrictions
Endowment funds without donor restrictions:		
General Quasi-Endowment Fund	\$ 2,014,333	\$ -
Bay Preserve Quasi-Endowment Fund	852,047	-
Stewardship Fund	423,710	-
Pine Island Preserve at Matlacha Pass Quasi-Endowment Fund	1,366,787	-
Endowment funds with donor restrictions:		
Endowment earnings - restricted for land stewardship	-	70,380
Purpose restricted	-	61,000
Perpetual in nature	-	199,640
Total endowment funds	\$ 4,656,877	\$ 331,020

Big Waters Land Trust, Inc.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

14. Endowment Funds (Continued)

Change in Endowment Net Assets

Changes in endowment net assets for the year ended September 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, October 1, 2024	\$ 4,656,877	\$ 331,020	\$ 4,987,897
Endowment investment return:			
Interest and dividends	115,352	9,748	125,100
Realized and unrealized gain, net	307,786	31,044	338,830
Total endowment investment return	423,138	40,792	463,930
Account fees	(24,828)	(2,168)	(26,996)
Contributions	-	50,000	50,000
Distributions to the Organization	(164,109)	(10,210)	(174,319)
Net other endowment activity	(188,937)	37,622	(151,315)
Endowment net assets, September 30, 2025	\$ 4,891,078	\$ 409,434	\$ 5,300,512

Changes in endowment net assets for the year ended September 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, October 1, 2023	\$ 3,804,016	\$ 228,857	\$ 4,032,873
Endowment investment return:			
Interest and dividends	112,496	6,657	119,153
Realized and unrealized gain, net	881,256	58,645	939,901
Total endowment investment return	993,752	65,302	1,059,054
Account fees	(31,959)	(1,541)	(33,500)
Distributions to the Organization	(162,572)	(13,052)	(175,624)
Transfers	53,640	51,454	105,094
Net other endowment activity	(140,891)	36,861	(104,030)
Endowment net assets, September 30, 2024	\$ 4,656,877	\$ 331,020	\$ 4,987,897

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level classified as donor restricted endowment funds. As of September 30, 2025 and 2024, there were no deficiencies of this nature reported in net assets with donor restrictions.

Return Objectives, Strategies Employed for Achieving Objectives, and Risk Parameters

The Organization's investment objectives are the preservation of the portfolio's capital and the maximization of investment earnings in excess of inflation within acceptable levels of capital market volatility. These objectives are met with investment strategies that consider a long term horizon while also considering the short term spending needs of the transferred funds.

Big Waters Land Trust, Inc.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

14. Endowment Funds (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization's quasi-endowment spending is set annually by the Board after considering the funding needs of current Organization operations and the desire to preserve the long-term purchasing power of its quasi-endowment funds. Annual distributions of generally 4% from the endowment funds are authorized by the Board based on recommendations of the Finance Committee.

15. Commitments and Contingencies

During the normal course of business, the Organization may become subject to liens and/or lawsuits. Land trusts, such as the Organization, are frequently parties to litigation and liens involving their conservation activities. In the opinion of management, disposition of these matters will not have a material effect on the Organization's financial condition or results of operations.

Since the year ended September 30, 2023, the Organization has elected to act as a self-insurer for insurable risks on wind damages to the Bay Preserve property.

16. Leases

The Organization has entered into an operating lease agreement for office equipment for \$343 per month for a term of five years, expiring in June 2026.

The future minimum required lease payments under the operating office equipment lease are as follows as of September 30:

2026	\$	3,087
Total operating lease commitment for equipment	\$	<u>3,087</u>

The Organization incurred \$4,116 and \$4,116 in rental expenses for the years ended September 30, 2025 and 2024, respectively. Rental expenses for the office equipment lease are recognized as office expenses on the Statement of Functional Expenses.

17. Retirement Plan

Beginning in January 2012, eligible employees can elect to participate in a 401(k) Safe Harbor Plan. In 2025 and 2024, eligible employees received a matching contribution equal to 100% of salary deferrals that did not exceed 3% of their compensation plus 50% of their salary deferrals between 3% and 5% of their compensation. Total plan contributions for the years ended September 30, 2025 and 2024 were \$47,179 and \$48,098, respectively.

18. Related Party Transactions

From time to time, the Organization receives donations and promises to give from members of its Board of Trustees or engages in transactions with entities for which board members have a relationship. All board members sign conflict of interest forms, remove themselves from the room during discussion, and abstain from voting on issues where there could be a potential conflict of interest.

The Organization entered into an agreement with a board member to provide a one-year hunting licenses for the Myakka Headwaters Preserve property totaling \$4,741 and \$4,310 for the years ended September 30, 2025 and 2024, respectively.

Big Waters Land Trust, Inc.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

19. Line of Credit

The Organization has a revolving line of credit up to \$1,500,000 available from a financial institution with a maturity date of December 2028. The interest rate is the greater of 1% or the Prime Rate minus 0.375%. The line of credit is secured by the investments the Organization is holding with the financial institution. There was no outstanding balance on this line of credit as of September 30, 2025 and 2024.

20. Subsequent Events

The Organization has evaluated all events subsequent to the statement of financial position date of September 30, 2025, through the date these financial statements were available for issuance, January 27, 2026, and has determined that there are no subsequent events that require disclosure under the FASB Accounting Standards Codification.