CAPITAL REGION LAND CONSERVANCY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

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HARRIS, HARDY & JOHNSTONE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Capital Region Land Conservancy, Inc.
Richmond, Virginia

Opinion

We have audited the accompanying consolidated financial statements of Capital Region Land Conservancy, Inc. (the "Organization") (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Capital Region Land Conservancy, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Capital Region Land Conservancy, 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 opinions.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

300 Arboretum Place, Suite 660, North Chesterfield, Virginia 23236 Tel: 804-560-0560 Fax: 804-560-0553 hhjcpa.com

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 and *Government 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Capital Region 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Capital Region 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2026, on our consideration of Capital Region Land Conservancy, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Capital Region Land Conservancy, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Capital Region Land Conservancy, Inc.'s internal control over financial reporting and compliance.

Harris, Hardy & Johnstone, P.C.

Richmond, Virginia
September 29, 2026

CAPITAL REGION LAND CONSERVANCY, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 1,544,681	$ 937,224
Certificates of deposit	129,917	125,816
Unconditional promises to give	189,803	362,251
Prepaid expenses	15,035	15,035
Investments, operations	3,024,065	2,680,581
Beneficial interest in assets held by others	355,895	307,485
Other assets	1,000	31,000
Conservation land	10,132,000	8,854,363
Right-of-use asset - operating, net of accumulated amortization of $16,721	119,661	-
	$ 15,512,057	$ 13,313,755
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 96,930	$ 36,546
Refundable advances	-	27,000
Lines of credit and short-term note payable	926,250	300,000
Lease liability - operating	119,661	-
TOTAL LIABILITIES	1,142,841	363,546
NET ASSETS		
Without donor restrictions		
Undesignated	300,974	532,974
Board-designated	150,000	150,000
Board-designated - beneficial interest	355,895	307,485
Conservation land	10,132,000	8,854,363
With donor restrictions	3,430,347	3,105,387
TOTAL NET ASSETS	14,369,216	12,950,209
	$ 15,512,057	$ 13,313,755

See Independent Auditor's Report and Notes to Consolidated Financial Statements

CAPITAL REGION LAND CONSERVANCY, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Support			
Contributions			
Individuals	$ 193,443	$ -	$ 193,443
Corporate	83,307	2,094,946	2,178,253
Private foundations	261,184	791,609	1,052,793
Contributed land for conservation and in-kind	-	2,025,000	2,025,000
Grants			
Federal agencies	-	1,487,154	1,487,154
State and local agencies	50,000	1,976,379	2,026,379
Total Support	587,934	8,375,088	8,963,022
Special Events			
Special event revenue	14,932	-	14,932
Direct benefits to donors	(5,759)	-	(5,759)
Net Support from Special Events	9,173	-	9,173
Disposition of Conservation Land			
Sales proceeds of conservation land	-	-	-
Book value of conservation land	(2,695,123)	-	(2,695,123)
Net loss on disposition of conservation land	(2,695,123)	-	(2,695,123)
Sales of Inventory			
Sales	272	-	272
Cost of goods sold	(30,000)	-	(30,000)
Net Sales of Inventory	(29,728)	-	(29,728)
Other Revenues, Gains and (Losses)			
Investment return, net	204,340	66,138	270,478
Other income	8,500	-	8,500
Total Other Revenues, Gains and (Losses)	212,840	66,138	278,978
Net Assets Released from Restrictions			
Satisfaction of use restrictions	8,116,266	(8,116,266)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	6,201,362	324,960	6,526,322
EXPENSES AND LOSSES			
Program Services			
Conservation activities and actions	4,896,152	-	4,896,152
Management and General	139,218	-	139,218
Fundraising	71,945	-	71,945
TOTAL EXPENSES AND LOSSES	5,107,315	-	5,107,315
CHANGE IN NET ASSETS	1,094,047	324,960	1,419,007
NET ASSETS, beginning of year	9,844,822	3,105,387	12,950,209
NET ASSETS, end of year	$ 10,938,869	$ 3,430,347	$ 14,369,216

See Independent Auditor's Report and Notes to Consolidated Financial Statements

CAPITAL REGION LAND CONSERVANCY, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Support			
Contributions			
Individuals	$ 206,474	$ -	$ 206,474
Corporate	140,910	488,770	629,680
Private foundations	-	1,053,012	1,053,012
Contributed land for conservation and in-kind	-	2,487,956	2,487,956
Grants			
Federal agencies	-	2,680,000	2,680,000
State and local agencies	-	1,785,674	1,785,674
Total Support	347,384	8,495,412	8,842,796
Special Events			
Special event revenue	10,216	-	10,216
Direct benefits to donors	(4,620)	-	(4,620)
Net Support from Special Events	5,596	-	5,596
Disposition of Conservation Land			
Sales proceeds of conservation land	238,354	-	238,354
Book value of conservation land	(3,521,770)	-	(3,521,770)
Net loss on disposition of conservation land	(3,283,416)	-	(3,283,416)
Sales of Inventory			
Sales	551	-	551
Cost of goods sold	(2,035)	-	(2,035)
Net Sales of Inventory	(1,484)	-	(1,484)
Other Revenues, Gains and (Losses)			
Investment return, net	145,527	56,586	202,113
Other income	2,501	-	2,501
Total Other Revenues, Gains and (Losses)	148,028	56,586	204,614
Net Assets Released from Restrictions			
Satisfaction of use restrictions	5,993,448	(5,993,448)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	3,209,556	2,558,550	5,768,106
EXPENSES AND LOSSES			
Program Services			
Conservation activities and actions	3,534,108	-	3,534,108
Management and General	128,731	-	128,731
Fundraising	47,437	-	47,437
TOTAL EXPENSES AND LOSSES	3,710,276	-	3,710,276
CHANGE IN NET ASSETS	(500,720)	2,558,550	2,057,830
NET ASSETS, beginning of year	10,345,542	546,837	10,892,379
NET ASSETS, end of year	$ 9,844,822	$ 3,105,387	$ 12,950,209

See Independent Auditor's Report and Notes to Consolidated Financial Statements

CAPITAL REGION LAND CONSERVANCY, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025

	Conservation Activities and Actions	Management and General	Fundraising	Total
Salaries and wages	$ 343,455	$ 43,798	$ 38,679	$ 425,932
Payroll taxes	27,609	3,351	2,959	33,919
Employee benefits	18,571	25,980	-	44,551
	389,635	73,129	41,638	504,402
Land acquisition assistance and easements	4,235,653	-	-	4,235,653
Professional fees	84,756	21,056	2,310	108,122
Interest	62,661	-	-	62,661
Repairs	46,109	-	-	46,109
Cost of goods sold	-	-	30,000	30,000
Real estate taxes	23,941	-	-	23,941
Occupancy	-	23,413	-	23,413
Printing	2,235	1,876	15,600	19,711
Equipment	15,110	1,945	1,285	18,340
Fundraising	491	-	10,132	10,623
Insurance	3,309	5,402	-	8,711
Supplies	8,424	158	-	8,582
Membership	8,575	-	-	8,575
Postage	528	394	6,739	7,661
Telephone	3,300	2,758	-	6,058
Travel	5,549	32	-	5,581
Other expenses	1,801	2,045	-	3,846
Contributions	-	3,174	-	3,174
Bank service charges	178	2,898	-	3,076
Conferences and meetings	1,847	505	-	2,352
Miscellaneous	1,250	365	-	1,615
Advertising	680	68	-	748
Fees and subscriptions	120	-	-	120
TOTAL EXPENSES	4,896,152	139,218	107,704	5,143,074
Direct benefits to donors	-	-	(5,759)	(5,759)
Cost of goods sold	-	-	(30,000)	(30,000)
PER STATEMENT OF ACTIVITIES	$ 4,896,152	$ 139,218	$ 71,945	$ 5,107,315

See Independent Auditor's Report and Notes to Consolidated Financial Statements

CAPITAL REGION LAND CONSERVANCY, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Conservation Activities and Actions	Management and General	Fundraising	Total
Salaries and wages	$ 300,077	$ 27,858	$ 28,523	$ 356,458
Payroll taxes	22,979	2,131	2,141	27,251
Employee benefits	-	7,681	-	7,681
	323,056	37,670	30,664	391,390
Land acquisition assistance and easements	2,734,131	-	-	2,734,131
Professional fees	382,973	43,736	-	426,709
Interest	14,729	2,669	-	17,398
Repairs	9,178	-	-	9,178
Cost of goods sold	-	-	2,035	2,035
Real estate taxes	17,455	(30)	-	17,425
Occupancy	-	7,200	-	7,200
Printing	3,755	222	9,397	13,374
Equipment	2,156	2,496	2,552	7,204
Fundraising	85	-	3,921	4,006
Insurance	12,700	22,107	-	34,807
Supplies	9,793	323	409	10,525
Membership	3,550	1,000	-	4,550
Postage	72	185	4,779	5,036
Telephone	4,251	1,341	-	5,592
Travel	3,366	67	-	3,433
Other expenses	1,956	1,400	-	3,356
Contributions	665	2,849	-	3,514
Bank service charges	95	4,348	-	4,443
Conferences and meetings	863	625	-	1,488
Miscellaneous	710	475	85	1,270
Advertising	-	-	250	250
Fees and subscriptions	59	48	-	107
Accreditation	8,010	-	-	8,010
Bad debt expense	500	-	-	500
TOTAL EXPENSES	3,534,108	128,731	54,092	3,716,931
Direct benefits to donors	-	-	(4,620)	(4,620)
Cost of goods sold	-	-	(2,035)	(2,035)
PER STATEMENT OF ACTIVITIES	$ 3,534,108	$ 128,731	$ 47,437	$ 3,710,276

See Independent Auditor's Report and Notes to Consolidated Financial Statements

CAPITAL REGION LAND CONSERVANCY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,419,007	$ 2,057,830
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized gain on investments	(40,610)	(25,333)
Unrealized gain on investments	(21,440)	(47,162)
Dividends and interest reinvested	(130,312)	(65,059)
Change in value of beneficial interest in assets held by others	(48,410)	(24,791)
Amortization	16,721	-
Contributed land for conservation	(2,025,000)	(2,486,000)
Losses on disposition of conservation land	2,695,123	3,521,770
(Increase) decrease in		
Unconditional promises to give	172,448	(137,646)
Prepaid expenses	-	2,500
Other assets	30,000	-
Purchase of conservation land	(1,947,760)	(862,823)
Increase (decrease) in		
Accounts payable	60,384	22,936
Refundable advances	(27,000)	-
Lease liability - operating	(16,721)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	136,430	1,956,222
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(346,935)	(1,786,008)
Proceeds from sale of investment securities	191,712	390,444
NET CASH USED IN INVESTING ACTIVITIES	(155,223)	(1,395,564)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from (repayments on) lines of credit	666,250	(466,750)
Curtailment of short-term note payable	(40,000)	-
Proceeds from issuance of short-term note payable	-	300,000
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	626,250	(166,750)
NET INCREASE IN CASH AND CASH EQUIVALENTS	607,457	393,908
CASH AND CASH EQUIVALENTS, beginning of year	937,224	543,316
CASH AND CASH EQUIVALENTS, end of year	$ 1,544,681	$ 937,224
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 62,661	$ 17,398

See Independent Auditor's Report and Notes to Consolidated Financial Statements

CAPITAL REGION LAND CONSERVANCY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Capital Region Land Conservancy, Inc. (the "Organization") was formed as a nonprofit corporation under the laws of the Commonwealth of Virginia. The Organization is dedicated to serving the City of Richmond and the Counties of Chesterfield, Henrico, Hanover, Goochland, Powhatan, New Kent, and Charles City with a mission to conserve the natural and historic resources of Virginia's Richmond region for the benefit of people and nature. CRLC Land Holdings, LLC, a wholly-owned subsidiary of the Organization, was formed in 2020 for the primary purpose of holding conservation land.

Summary of Significant Accounting Policies

The Organization prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America for nonprofit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of Capital Region Land Conservancy, Inc. and its wholly-owned subsidiary, CRLC Land Holdings, LLC. All intercompany transactions have been eliminated in consolidation.

Fair Value Measurements

The Organization reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by accounting principles generally accepted in the United States of America, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- *Level 1:* Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
- *Level 2:* Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets in markets that are not active;
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3:* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements - Continued
When available, the Organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that the Organization is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in the Organization's consolidated financial statements are:

- *Initial* measurement of noncash gifts, including gifts of investment assets, unconditional promises to give, and donated conservation land.
- *Recurring* measurement of investments (Note C).

The Organization uses the following ways to determine the fair value of its investments:

- *Money market funds*: Determined by the published NAV per unit at the end of the last trading day of the year, which is the basis for transactions at that date.
- *Equity securities traded on national securities exchanges*: Determined by the closing price on the last business day of the fiscal year.
- *Open-end mutual funds*: Determined by the published NAV per unit at the end of the last trading day of the fiscal year, which is the basis for transactions at that date.
- *Exchange-traded funds*: Determined by the published closing price on the last business day of the fiscal year.

Estimates
The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities as of the date of the consolidated financial statements. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Income Taxes
The Organization is exempt from federal income taxes as defined under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose could be subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

CRLC Land Holdings, LLC is a single-member LLC entity and, therefore, is considered a disregarded entity for tax purposes.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBTI). The Organization has recognized no uncertain tax positions for the years ended December 31, 2025 and 2024.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period.

Cash Equivalents

Cash equivalents include all deposits in banks and highly liquid investments with original maturity dates of less than three months. The carrying value of cash equivalents approximated fair value because of the short maturities of those financial instruments.

Certificates of Deposit

Certificates of deposit are not included in cash in the accompanying consolidated financial statements. The certificates of deposit have various maturity dates and interest rates ranging from 3.21% to 3.25%.

Unconditional Promises to Give/Allowance

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value as of the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Management believes that all outstanding contribution receivables are collectible in full, therefore no allowance for uncollectible receivables has been provided.

Government Grants/Refundable Advances

The Organization receives grants and from federal, state, and local agencies to be used for specific programs or land purchases. The excess of reimbursable expenditures over cash receipts is included in government grants receivable and any excess of cash receipts over reimbursable expenditures is included in refundable advances.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments, operations

The Organization invests cash in excess of its immediate needs in money market funds, mutual funds, exchange-traded funds, and equities. Short-term investments are reported at fair value.

The investment policy specific to these investments is monitored by the Finance Committee of the Organization's Board of Directors. The policy requires that investments be readily marketable and nonvolatile.

Beneficial Interest in Trust

The Organization is the irrevocable beneficiary of a perpetual charitable trust held by a bank trustee. The beneficial interest in the trust is reported at its fair value, which is estimated as the fair value of the underlying trust assets. Distributions of income from the trust assets are restricted to uses designated by the Board of Directors and are reported as investment return increasing net assets without donor restrictions. The value of the beneficial interest in the trust is adjusted annually for the change in its estimated fair value.

Conservation Land

The Organization records land 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. Upon sale or gift, the book value of the land is reported as a program expense and the related proceeds, if any, are reported as revenue in the consolidated statement of activities.

Net Assets

The consolidated financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

The Organization's unspent contributions are included in this class if the donor limited their use.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Assets With Donor Restrictions - Continued

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Reclassifications

Certain accounts in the prior-year consolidated financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year consolidated financial statements, with no effect on previously reported change in net assets.

Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met. Remainder revenue is received from the remainder trust funds designated to the Organization by grantors upon their death.

Grant Revenue

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's audit requirements for federal awards and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

Conservation Easements

Donated conservation easements are not recorded as an asset due to the fact that the typical conservation easement provides the Organization with no affirmative rights, except the right to monitor and enforce the easement. In instances whereby conservation easements are acquired by a specific grant or restricted donations, the costs incurred by the Organization to acquire the conservation easement are expensed in the period incurred. The Organization recorded six and six conservation easements held by the Organization, and two and two with another organization during the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, the Organization held twenty-eight and twenty-two conservation easements covering 2,525.03 and 1,986.41 acres on properties owned by others, respectively, co-held twenty-four and twenty-two conservation easements covering 2,847.75 and 2,828.78 acres on properties owned by others, and owned ten and ten fee-simple properties covering 733.92 and 704.88 acres, respectively, for conservation.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Donated Services

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fund-raising campaigns. Accounting principles generally accepted in the United States of America allow recognition of contributed services only if (*a*) the services create or enhance nonfinancial assets or (*b*) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. The Organization received pro bono legal services that would meet the criteria for recognition, however the value of those services is undetermined.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by management personnel.
- Occupancy, insurance, supplies and certain professional fees are allocated based on management's best estimate of each program and supporting activity.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Leases

The Organization determines if a contract contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The lease classification is determined at the commencement date.

The Organization has elected to apply the practical expedient allowing for leases with terms of 12 months or fewer to remain off the consolidated statement of financial position.

The Organization applies the discount rate implicit in the lease contract. If there is no implicit rate, the Organization applies the risk-free interest rate.

The Organization applies the practical expedient to use hindsight in determining the lease term when a lease contains renewal or termination options.

Advertising

Advertising costs are expensed as incurred.

NOTE B - LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2025 are:

Financial assets	
Cash and cash equivalents	$ 1,544,681
Certificates of deposit	129,917
Unconditional promises to give	189,803
Investments, operations	3,024,065
Beneficial interest in assets held by others	355,895
Total financial assets	5,244,361
Less financial assets held to meet donor-imposed restrictions	
Board designated – beneficial interest	355,895
Purpose restricted net assets	3,430,347
Less financial assets not available within one year	
Board designated, long-term	150,000
Total financial assets available for general expenditures within one year	$ 1,308,119

Of the financial assets for the years ended December 31, 2025 and 2024, $150,000 from the operating reserve fund is subject to board designations that make the funds unavailable for general expenditures within one year of the consolidated statement of financial position date without board approval. These designations are in place to ensure the Organization's ongoing and future viability to achieve its mission. As part of its liquidity management, the Organization holds a diversified portfolio of liquid assets including cash, exchange traded funds, and money market funds. Management and the Board of Directors regularly monitor liquidity needs of the Organization.

NOTE C - INVESTMENTS

Fair value of investments consists of the following as of December 31, 2025 and 2024:

	2025	2024
Equities	$ 375,198	$ 295,962
Mutual funds	655,156	605,567
Exchange traded funds	670,674	451,446
Money market funds	1,323,037	1,327,606
Beneficial interest in CF	355,895	307,485
	$ 3,379,960	$ 2,988,066

NOTE C - INVESTMENTS - Continued

The following table summarizes investments measured at fair value by classification within the fair value hierarchy as of December 31, 2025:

	Level 1	Level 3	Fair Value
Exchange-traded funds			
Large-Cap Core	$ 276,632	$ -	$ 276,632
Mid-Cap Core	45,189	-	45,189
Growth	81,429	-	81,429
Small-Cap Core	26,117	-	26,117
Other	241,307	-	241,307
Mutual funds			
Growth	124,230	-	124,230
International	112,839	-	112,839
Real estate	206,547	-	206,547
Other	211,540	-	211,540
Equities	375,198	-	375,198
Money market funds	1,323,037	-	1,323,037
Beneficial interest in CF	-	355,895	355,895
	$ 3,024,065	$ 355,895	$ 3,379,960

The following table summarizes investments measured at fair value by classification within the fair value hierarchy as of December 31, 2024:

	Level 1	Level 3	Fair Value
Exchange-traded funds			
Large-Cap Core	$ 67,441	$ -	$ 67,441
Mid-Cap Core	60,480	-	60,480
S&P 500 Index	64,586	-	64,586
Small-Cap Core	62,536	-	62,536
Other	196,402	-	196,402
Mutual funds			
Growth	145,717	-	145,717
International	74,627	-	74,627
Real estate	168,130	-	168,130
Other	217,094	-	217,094
Equities	295,962	-	295,962
Money market funds	1,327,606	-	1,327,606
Beneficial interest in CF	-	307,485	307,485
	$ 2,680,581	$ 307,485	$ 2,988,066

NOTE D - BENEFICIAL INTEREST IN TRUST

The Organization's Board of Directors entered into an agreement with The Community Foundation for a greater Richmond (TCF) to create a beneficial interest in trust (Fund) as described under FASB ASC 958-605, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. The beneficial interest was formed for the benefit of the Organization.

Under the terms of the agreement, variance power was granted to TCF, including the power for TCF's Board of Governors to modify any restrictions or conditions on the distribution of the funds for any specified charitable purpose or to specified organizations, if in their sole judgment, such restriction or condition becomes incapable of fulfillment.

Income of the Fund shall be available at least annually to the Board of Governors of The Community Foundation for the benefit of the Organization. Upon a vote of 75% of all members of the Organization's Board of Directors, and not more than once in any four-year period, up to 10% of the prior calendar year-ending fund balance may be requested for allowable purposes. Any spendable income not requested by the Board of Directors within a given calendar year will be added to the Fund's principal balance.

The net income of the Fund, after deducting the expenses of investment and administering the Fund, shall be distributed quarterly to the Organization. The Organization may elect, by written notice to the Community Foundation, to add all or any part of such net income to the Fund. All such additions shall be treated as principal, unless otherwise directed by the Organization at or before the time of addition.

Gifts may be added to the Fund at any time by the Organization or other donors to assure the growth of the Fund as a permanent beneficial interest for the programs of the Organization. In the event of the dissolution of the Organization, the Community Foundation shall thereafter continue to hold the Fund and shall apply the principal and income therefrom as the Board of Directors of TCF shall direct. For its services, the Community Foundation shall be entitled to take and receive an amount equal to one percent (1%) of the Fund balance per annum, charged quarterly.

The beneficial interest in the trust is reported at its fair value, which is estimated as the fair value of the underlying trust assets. Because there are no observable market transactions for assets similar to the beneficial interest in the trust and because the trust cannot be redeemed, the valuation technique used by the Organization is a level 3 fair value measure.

The following table represents the activity in the beneficial interests for the years ended December 31, 2025 and 2024:

	2025	2024
Beneficial interest in assets held by The Community Foundation, beginning of year	$ 307,485	$ 282,694
Donations received by The Community Foundation		-
Fees paid to The Community Foundation	(3,173)	(2,849)
Net investment return	51,583	27,640
Beneficial interest in assets held by The Community Foundation, end of year	$ 355,895	$ 307,485

NOTE E - LINES OF CREDIT AND SHORT-TERM NOTE PAYABLE

The Organization has available a revolving line of credit with Primis Bank with a maximum principal amount not to exceed $666,250. Interest is computed at Prime plus 1.5% with a floor of 4.75% (7.75% as of December 31, 2025). As of December 31, 2025, $666,250 was outstanding on this line of credit. There was no balance due as of December 31, 2024. The note is collateralized by the Organization's conservation land.

The Organization has a short-term note payable with Colonial Farm Credit for $300,000, with interest at 7.25%. The note required all unpaid principal and interest to be paid on December 1, 2025. The note was re-amortized and extended until June 1, 2026, at which date the note was fully paid off. The note was collateralized by the Organization's conservation land.

NOTE F - NET ASSETS

As of December 31, 2025 and 2024, net assets with donor restrictions totaling $3,430,347 and $3,105,387, respectively, are available for Conservation Easement Stewardship, the Legal Defense Fund, and the Our Land and Water Campaign. During the years ended December 31, 2025 and 2024, net assets were released from restriction totaling $8,116,266 and $5,993,448, respectively, by incurring expenses satisfying the purpose restrictions specified by grantors and donors.

Prior year excess funds have been designated by the Board of Directors. The board-designated funds are for the purpose of providing a financial reserve and to enhance the overall long-term security for the Organization for future funding of its programs and initiatives.

NOTE G - LEASES

The Organization has a lease for commercial real estate. During the year ended December 31, 2025, the Organization recognized a right-of-use asset and lease liability from the operating lease totaling $136,382. The lease calls for monthly rent of $2,500 and is scheduled to expire on April 30, 2030.

As of December 31, 2025, the weighted-average remaining lease term for the operating lease was 4.33 years.

The risk-free rate has been used as the discount rate when the rate implicit in the lease is unknown. The weighted-average discount rate associated with the operating lease as of December 31, 2025 was 3.81%. During the year ended December 31, 2025, the Organization made cash payments totaling $20,000.

During the years ended December 31, 2025, lease expenses were as follows:

Operating lease expense	$ 20,000
Short-term lease expense	3,413
Total lease expenses	$ 23,413

NOTE G - LEASES - Continued

Future payments due under the operating lease as of December 31, 2025 are as follows:

Year Ending December 31,	
2026	$ 30,000
2027	30,000
2028	30,000
2029	30,000
2030 and thereafter	10,000
Total undiscounted cash flows	130,000
Less: present value discount	10,339
Total lease liabilities	$ 119,661

The Organization leased office space on a month-to-month basis during the year ended December 31, 2024. Total rent expense was $7,200 for the year ended December 31, 2024. This lease did not qualify to be recorded on the consolidated statement of financial position under FASB ASC 842, Leases, based on the short-term lease practical expedient.

NOTE H - CONDITIONAL PROMISES TO GIVE

As of December 31, 2025 and 2024, the Organization was the recipient of $5,866,648 and $7,587,649, respectively, of conditional promises to give for various future conservation land acquisition projects.

NOTE I - CONCENTRATION OF CREDIT RISK

All depository accounts of the Organization are in institutions insured by the Federal Depository Insurance Corporation; however, the deposits exceeded the insurance limits from time to time during the years ended December 31, 2025 and 2024. As of December 31, 2025 and 2024, the Organization's balance in excess of insurance was $1,278,393 and $688,874, respectively.

For the year ended December 31, 2025, approximately 35% of total revenues and other support came from two funding sources. For the year ended December 31, 2024, approximately 68% of total revenues and other support came from three funding sources. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Organization's programs and activities.

NOTE J - SUBSEQUENT EVENTS

In the preparation of its consolidated financial statements, Capital Region Land Conservancy, Inc. has evaluated subsequent events through September 29, 2026, which was the date the consolidated financial statements were available to be issued. There are no material subsequent events that require disclosure in the accompanying consolidated financial statements.

HARRIS, HARDY & JOHNSTONE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Capital Region Land Conservancy, Inc.
Richmond, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Capital Region Land Conservancy, Inc. (the "Organization") (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

300 Arboretum Place, Suite 660, North Chesterfield, Virginia 23236 Tel: 804-560-0560 Fax: 804-560-0553 hhjcpa.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harris, Hardy & Johnstone, P.C.

Richmond, Virginia
September 29, 2026

HARRIS, HARDY & JOHNSTONE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Capital Region Land Conservancy, Inc.
Richmond, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Capital Region Land Conservancy, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Capital Region Land Conservancy, Inc.'s major federal programs for the year ended December 31, 2025. Capital Region Land Conservancy, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Capital Region Land Conservancy, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Capital Region Land Conservancy, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Capital Region Land Conservancy, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Capital Region Land Conservancy, Inc.'s federal programs.

300 Arboretum Place, Suite 660, North Chesterfield, Virginia 23236 Tel: 804-560-0560 Fax: 804-560-0553 hhjcpa.com

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Capital Region Land Conservancy, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Capital Region Land Conservancy, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Capital Region Land Conservancy, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Capital Region Land Conservancy, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Capital Region Land Conservancy, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

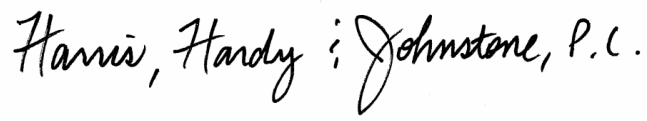
Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Richmond, Virginia
September 29, 2026

CAPITAL REGION LAND CONSERVANCY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2025

Grant Name	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity/Grant ID Number	Federal Expenditures
U.S. DEPARTMENT OF INTERIOR				
Battlefield Land Acquisition Grant	15.928	Virginia Department of Conservation	P24AP0062201	$ 1,487,154
U.S. DEPARTMENT OF TREASURY				
Coronavirus State and Local Fiscal Recovery	21.027	City of Richmond, Virginia	N/A	316,903
				$ 1,804,057

CAPITAL REGION LAND CONSERVANCY, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2025

NOTE A - BASIS OF PRESENTATION

The accompanying Supplemental Schedule of Expenditures of Federal Awards ("the Schedule") is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, functional expenses or cash flows of the Organization.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

The Organization has elected to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The Organization did not provide federal awards to any subrecipients during the year ended December 31, 2025.

CAPITAL REGION LAND CONSERVANCY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2025

Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the consolidated financial statements of Capital Region Land Conservancy, Inc. were prepared in accordance with GAAP.

2. No material weaknesses were identified during the audit of the consolidated financial statements.

3. No instances of noncompliance material to the consolidated financial statements of Capital Region Land Conservancy, Inc. were disclosed during the audit.

4. No material weaknesses were identified during the audit of the major federal award programs.

5. The auditor's report on compliance for the major federal award programs for Capital Region Land Conservancy, Inc. expresses an unmodified opinion.

6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in this schedule.

7. The program tested as a major program was:

2025	Listing #
Battlefield Land Acquisition Grants	15.928

8. The threshold for distinguishing Types A and B was $1,000,000.

9. Capital Region Land Conservancy, Inc. was determined not to be a low-risk auditee.

Findings - Financial Statement Audit

None

Findings and Questioned Costs - Major Federal Award Programs Audit

None