THE CHARLESTON PARKS CONSERVANCY
CHARLESTON, SOUTH CAROLINA

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

GLASER + COMPANY
certified public accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Charleston Parks Conservancy
Charleston, South Carolina

Opinion
We have audited the financial statements of The Charleston Parks Conservancy (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and 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 referred to above present fairly, in all material respects, the financial position of The Charleston Parks Conservancy as of December 31, 2025 and 2024, and the changes in 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Charleston Parks Conservancy 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 Charleston Parks Conservancy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 Charleston Parks Conservancy'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 Charleston Parks Conservancy'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.

Glaser and Company, LLC

Charleston, South Carolina
April 2, 2026

THE CHARLESTON PARKS CONSERVANCY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 210,576	$ 651,828
Accounts receivable	25,142	35,114
Unconditional promises to give, current	30,000	5,000
Prepaid expenses	28,005	19,337
Total current assets	293,723	711,279
Non-current Assets		
Investments	8,218,675	7,972,500
Unconditional promises to give, net, net of current portion	81,212	-
Operating lease right-of-use asset	398,195	457,136
Property and equipment, net	22,895	40,902
Total non-current assets	8,720,977	8,470,538
Total assets	$ 9,014,700	$ 9,181,817
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 14,994	$ 26,055
Accrued expenses	17,771	53,711
Deferred sponsorships revenue	50,362	38,390
Operating lease liability, current portion	64,335	58,941
Total current liabilities	147,462	177,097
Non-Current Liabilities		
Operating lease liability, net of current portion	333,860	398,195
Total non-current liabilities	333,860	398,195
Total liabilities	481,322	575,292
Net Assets		
Net assets without donor restrictions		
Undesignated	7,156,333	7,218,467
Board designated operating reserve	654,000	624,000
Net assets with donor restrictions	723,045	764,058
Total net assets	8,533,378	8,606,525
Total liabilities and net assets	$ 9,014,700	$ 9,181,817

See accompanying notes to the financial statements.

THE CHARLESTON PARKS CONSERVANCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions	$ 295,816	$ 477,299	$ 773,115
Grants	272,500	104,929	377,429
Contributed nonfinancial assets and services	275,193	-	275,193
Special events, net of $600,434 of expenses	216,853	-	216,853
Programs	25,059	-	25,059
Merchandise	18,560	-	18,560
Investment income, net	1,193,316	-	1,193,316
Miscellaneous	1,376	-	1,376
Total support and revenues	2,298,673	582,228	2,880,901
Net assets released from restriction	623,241	(623,241)	-
Total support and revenues and net assets released from restriction	2,921,914	(41,013)	2,880,901
Functional Expenses			
Program services	2,124,522	-	2,124,522
Supporting services:			
Management and general	505,677	-	505,677
Fundraising	323,849	-	323,849
Total functional expenses	2,954,048	-	2,954,048
Decrease in net assets	(32,134)	(41,013)	(73,147)
Net assets, beginning of year	7,842,467	764,058	8,606,525
Net assets, end of year	$ 7,810,333	$ 723,045	$ 8,533,378

See accompanying notes to the financial statements.

THE CHARLESTON PARKS CONSERVANCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions	$ 205,424	$ 457,355	$ 662,779
Grants	415,062	-	415,062
Contributed nonfinancial assets and services	158,971	-	158,971
Special events, net of $413,479 of expenses	343,462	-	343,462
Programs	26,305	-	26,305
Merchandise	16,623	-	16,623
Investment income, net	884,807	-	884,807
Miscellaneous	25,818	-	25,818
Total support and revenues	2,076,472	457,355	2,533,827
Net assets released from restriction	255,708	(255,708)	-
Total support and revenues and net assets released from restriction	2,332,180	201,647	2,533,827
Functional Expenses			
Program services	1,749,818	-	1,749,818
Supporting services:			
Management and general	262,867	-	262,867
Fundraising	253,155	-	253,155
Total functional expenses	2,265,840	-	2,265,840
Increase in net assets	66,340	201,647	267,987
Net assets, beginning of year	7,776,127	562,411	8,338,538
Net assets, end of year	$ 7,842,467	$ 764,058	$ 8,606,525

See accompanying notes to the financial statements.

THE CHARLESTON PARKS CONSERVANCY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services	Management and General	Fundraising	Total
Salaries	$ 781,008	$ 283,814	$ 242,920	$ 1,307,742
Payroll taxes	60,365	21,349	18,694	100,408
Employee benefits	66,822	15,546	20,492	102,860
	908,195	320,709	282,106	1,511,010
Plants, mulch and compost	215,850	-	-	215,850
Hardscape and landscape supplies	49,555	-	-	49,555
Other supplies	70,844	-	-	70,844
Advertising	177,253	-	-	177,253
Contract services	513,544	85,316	14,859	613,719
Office supplies	3,740	12,623	5,264	21,627
Postage and mailings	3	430	321	754
Telephone and communications	6,129	6,136	2,193	14,458
Equipment rental	6,676	-	-	6,676
Occupancy	71,995	4,330	3,669	79,994
Insurance	40,756	6,281	1,256	48,293
Conferences and meetings	9,805	8,227	660	18,692
Travel	14,243	545	5,847	20,635
Automobile	10,861	-	-	10,861
Bank charges	-	33,547	-	33,547
Dues and subscriptions	1,482	24,040	124	25,646
Stewardship	151	108	6,724	6,983
Depreciation	16,207	975	826	18,008
Bad debts	-	2,400	-	2,400
Miscellaneous	7,233	10	-	7,243
Total expenses	$ 2,124,522	$ 505,677	$ 323,849	$ 2,954,048

See accompanying notes to the financial statements.

THE CHARLESTON PARKS CONSERVANCY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Management and General	Fundraising	Total
Salaries	$ 923,105	$ 106,363	$ 188,232	$ 1,217,700
Payroll taxes	68,322	7,872	13,932	90,126
Employee benefits	72,584	8,363	14,801	95,748
	1,064,011	122,598	216,965	1,403,574
Plants, mulch and compost	152,421	-	-	152,421
Hardscape and landscape supplies	16,084	-	-	16,084
Other supplies	115,812	-	-	115,812
Advertising	91,052	-	-	91,052
Contract services	110,803	76,166	15,570	202,539
Office supplies	15,837	1,825	3,229	20,891
Postage and mailings	4,024	464	821	5,309
Telephone and communications	8,573	988	1,748	11,309
Equipment rental	3,785	-	-	3,785
Occupancy	78,840	4,742	4,018	87,600
Insurance	21,899	8,443	3,437	33,779
Conferences and meetings	10,264	1,183	2,093	13,540
Travel	9,259	236	418	9,913
Automobile	10,731	-	-	10,731
Bank charges	-	39,506	-	39,506
Dues and subscriptions	12,159	1,401	2,479	16,039
Stewardship	5,246	605	1,070	6,921
Depreciation	15,046	905	767	16,718
Bad debts	-	3,500	-	3,500
Miscellaneous	3,972	305	540	4,817
Total expenses	$ 1,749,818	$ 262,867	$ 253,155	$ 2,265,840

See accompanying notes to the financial statements.

THE CHARLESTON PARKS CONSERVANCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	$ (73,147)	$ 267,987
Adjustments to reconcile increase in net assets to net cash used for operating activities:		
Depreciation	18,008	16,718
Amortization of discount on unconditional promises to give	6,388	-
Bad debts	2,400	3,500
Unrealized and realized gains on investments	(941,825)	(689,715)
(Increase) decrease in assets:		
Accounts receivable	9,972	(26,114)
Unconditional promises to give	(115,000)	7,000
Prepaid expenses	(8,668)	1,365
Operating lease right-of-use asset	58,941	54,247
(Decrease) increase in liabilities:		
Accounts payable	(11,061)	(16,822)
Accrued expenses	(35,940)	4,577
Deferred revenue	11,972	3,967
Operating lease liability	(58,941)	(54,247)
Net cash used for operating activities	(1,136,901)	(427,537)
Cash Flows from Investing Activities:		
Purchase of property and equipment	-	(22,949)
Purchase of investments	(1,488,326)	(6,269,127)
Proceeds on sale of investments	2,183,975	6,727,016
Net cash provided by investing activities	695,649	434,940
Net (decrease) increase in cash and cash equivalents	(441,252)	7,403
Cash and cash equivalents, beginning of year	651,828	644,425
Cash and cash equivalents, end of year	$ 210,576	$ 651,828

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Charleston Parks Conservancy (the Conservancy) was incorporated in December 2006 as a nonprofit organization under the laws of South Carolina. The Conservancy is a charitable organization with a mission to inspire the people of Charleston to connect with their parks and together create stunning public spaces and a strong community. The Conservancy unites local resources, leverages support and organizes volunteers to be stewards of Charleston's urban parks. The Conservancy's support and revenue come primarily from contributions and grants, special events and income on investments.

The Conservancy operates a variety of programs to make parks beautiful, keep parks beautiful, and make parks fun and lively. The park Renovations program is aimed at restoring, rejuvenating, and reinventing community parks and green spaces by replacing outdated equipment, developing long-term park functionality plans, and redesigning existing parks for optimal use. With the Garden in the Parks program, the Conservancy partners with local government and community volunteers to provide continuous care and maintenance to various parks and green spaces. The Conservancy is a significant local resource for gardening education, particularly regional and Lowcountry-based gardening practices. Through the Community Garden program, the Conservancy maintains three community gardens and provides opportunities for anyone to lease garden plots, learn to garden naturally, provide fresh food for local food banks, and advance knowledge of the environment and local community.

The Conservancy recently introduced a public art initiative, Art in the Parks, a collaborative temporary, contemporary art program within Charleston's public spaces and parks. The Conservancy also hosts many free or low-cost community events in the parks including Teddy Bear Picnic, Movie Nights, Jazz Brunch at Hampton Park, and many more.

Basis of Accounting

The Conservancy uses the accrual basis of accounting for the preparation of the financial statements. Accrual basis accounting is an accounting principle generally accepted in the United States of America (US GAAP) which recognizes revenues when they are earned or billed, rather than when they are received, and expenses when they are incurred, rather than when they are paid.

Basis of Presentation

In accordance with ASC 958-205, *Presentation of Financial Statements*, the Conservancy reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are net assets not subject to donor-imposed stipulations. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions; however, donor-restricted contributions that are received and expended in the same year are classified as without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets, (that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed), are reported as reclassifications between the applicable classes of net assets.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed restrictions consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Conservancy may spend the funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions are recognized as revenues in the period unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Accretion of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Realized and unrealized gains (losses) and income on investments are reported as changes in the following classifications: (a) net assets with donor restrictions—if the terms of the gift require they be added to the principal of a permanent endowment fund, or if the terms of the gift impose restrictions on their use and (b) net assets without donor restrictions—in all other cases.

Board Designated Net Assets

The Board adopted an Operating Reserve Fund Policy which established a target minimum fund of one year of average monthly operating costs. The calculation of average monthly operating costs shall include all recurring, predicable expenses, such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The preparation of financial statements also requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the allocation of expenses by function. It is at least reasonably possible that the estimates used will change within the near term.

Unconditional Promises to Give

Contributions receivable are recorded at their estimated fair value when the promise is made. Contributions receivable consists of unsecured unconditional promises to give. An allowance for uncollectible contributions receivable is provided based upon management’s judgement including such factors as prior collection history, type of contribution, the credit standing of applicable donors and nature of fundraising activity. Contributions receivable are reported at their net realizable value. Contributions receivable expected to be collected in future years are recorded at the present value of their net realizable value, at an appropriate discount rate commensurate with risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. The discount rate for remaining long-term pledge balances for 2025 and 2024 was 3.93% and 0%, respectively.

Grants and Accounts Receivables

The Conservancy may from time to time have grants and accounts receivables from grantors. Grants and accounts receivable are considered to be fully collectible based on past experience. The Conservancy uses the allowance method to account for uncollectible for doubtful accounts. The allowance is based on management's estimate of the collectability of the receivables and historical experience.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments

Investments consist primarily of assets invested in cash equivalents, bonds and equity securities. The Conservancy accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statement of financial position. Fair value of marketable equity and debt securities is based on quoted market prices. Alternative investments are stated at the fair value of their underlying assets and allocated to the investors in proportion to the investor's ownership percentage. Donated investments are recorded as contributions at their fair market value on the date of the gift. The realized and unrealized gain or loss on investments is reflected in the changes in net assets.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Recent market conditions have resulted in an unusually high degree of volatility and increased the risk and may affect the short-term liquidity associated with certain investments held by the Conservancy which could impact the value of investments after the date of these financial statements. Because the values of individual investments can fluctuate with market conditions, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined.

Property and Equipment

Property and equipment over $2,500 are capitalized and stated at cost or, if donated, at fair value at the date of donation, less accumulated depreciation. The cost of assets retired or otherwise disposed, and the related accumulated depreciation is eliminated from the account. The net book value of assets traded is added to the cost of the replacement asset.

Expenditures for maintenance and repairs are charged directly to operations as incurred. Depreciation is charged to operations over the estimated useful lives of the assets, principally ranging from 40 years for buildings, 5 to 7 years for furniture and fixtures and 3 to 5 years for computer equipment, using the straight-line method.

Compensated Absences

Compensated absences are earned by employees based on years of service and are given an annual allotment of hours on January 1st each year. Any balance of hours cannot be carried over to the following year and employees cannot be paid for unused leave if not all hours are taken annually.

Fair Value Measurements

Under US GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. In determining fair value, the Conservancy uses various valuation approaches. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Conservancy. Unobservable inputs reflect the Conservancy's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Conservancy has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 measurements. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

All of the Conservancy's investments are valued at level 1.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Conservancy considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Revenue Recognition

The Conservancy derives revenues primarily from contributions and grants, sponsorships and event ticket sales and program fees. The Conservancy recognizes contributions when cash, securities or other assets, an unconditional promise to give (contribution receivable) or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and right of return – are not recognized until the conditions are met. The Conservancy recognizes sponsorship, event ticket sales and program fees during the year in which the event or program is provided to the customer. The performance obligation of delivery the event or program is simultaneously received and consumed by the customer; therefore, revenue is recognized at the point in time of when the event is held or program is delivered. All amounts received prior to the commencement of the specific event or program are deferred to the applicable period.

Contributed marketable securities and nonfinancial goods and services are recorded as contributions at their fair values at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Conservancy reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Conservancy reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Conservancy. The Conservancy also receives donated services from other contributors and volunteers that are not measurable, and therefore, are excluded from the financial statements. Contributed nonfinancial goods and services for the years ended December 31, 2025 and 2024 was $275,193 and $158,971, respectively.

Functional Expense Allocation

The cost of providing the various programs and activities has been summarized on a functional basis in the statement of activities. Expenses other than those that benefit multiple functions are directly charged to the program activities. The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Conservancy. Those expenses include personal, occupancy, computer support and maintenance, and insurance. Occupancy is allocated based on a square footage basis, computer support and maintenance are allocated based upon individual departmental users, and insurance is allocated based upon salaries.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Leases

The Conservancy has an operating lease for its office space at 720 Magnolia Road. The obligations associated with this lease has been recognized as a liability in the statement of financial position based on future lease payments, discounted by the incremental borrowing rate for the Conservancy's operating lease. Lease terms may include options to extend or terminate the lease. The value of a lease is reflected in the valuation if it is reasonably certain management will exercise an option to extend or terminate a lease. The Conservancy has elected for its operating lease to use a risk-free rate as a discount rate for the lease.

Income Taxes

The Conservancy is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Conservancy is classified by the IRS as other than a private foundation under Section 509(a)(1) and, therefore, is exempt from federal and state income taxes.

The Conservancy has adopted Financial Accounting Standards Board ("FASB") guidance related to accounting for uncertainty in income taxes which clarifies the accounting for income taxes by prescribing the minimum recognition threshold that a tax position is required to meet before being recognized in the Organization's financial statements. The interpretation also provides guidance on derecognition classification, interest and penalties, disclosure, and transition.

Advertising

Advertising is expensed in the period incurred. Advertising, marketing and public relations amounted to $177,253 and $91,052 for the years ended December 31, 2025 and 2024, respectively.

Subsequent Events

In accordance with ASC 855, the Conservancy evaluated subsequent events through the report date, the date the financials were available for issue, and has concluded no significant events meet the criteria of the professional accounting standards to be recognized or not recognized but disclosed in the financial statements.

2. CONCENTRATION OF CREDIT RISK

The Conservancy maintains its cash and cash equivalents with various financial institutions covered by the Federal Deposit Insurance Corporation (FDIC). Cash guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Conservancy's uninsured cash balance was $0 and $358,582 as of December 31, 2025 and 2024, respectively. Cash (money market funds) in an investment account is held in safekeeping at a national brokerage firm. The firm participates in the Securities Investor Protection Corporation (SIPC), which protects SIPC-eligible assets in each account up to a maximum of $500,000, of which $250,000 may be in cash.

The Conservancy serves one geographical area which is located in Charleston, South Carolina.

3. INVESTMENTS

The following schedule summarizes the Conservancy's investments stated at fair value as of December 31:

	2025		
	Fair Value	Cost	Unrealized Gains
Cash	$ 55,346	$ 55,346	$ -
US Treasuries and corporate bonds	457,139	453,245	3,894
Exchange traded funds and equities	7,706,190	6,757,694	948,496
Total investments	$ 8,218,675	$ 7,266,285	$ 952,390

	2024		
	Fair Value	Cost	Unrealized Gains (Losses)
Cash	$ 14,105	$ 14,105	$ -
US Treasuries and corporate bonds	941,130	984,000	(42,870)
Exchange traded funds and equities	7,017,265	6,762,464	254,801
Total investments	$ 7,972,500	$ 7,760,569	$ 211,931

Net investment income, including interest on cash and cash equivalents, consists of the following for the years ended December 31:

	2025	2024
Interest and dividends	$ 267,563	$ 210,394
Realized gains	271,837	1,987,132
Unrealized (losses) gains	669,988	(1,297,417)
Advisory fees	(16,072)	(15,302)
Investment returns, net	$ 1,193,316	$ 884,807

4. CONTRIBUTED NONFINANCIAL ASSETS

The Conservancy received the following contributions of nonfinancial assets for the years ending December 31 as follows:

	2025	2024
Advertising	$ 110,000	$ -
Catered foods and drinks	91,774	114,685
Donated rent	-	9,600
Donated plants and garden supplies	-	1,700
Events	73,419	32,986
Total contributed nonfinancial assets and services	$ 275,193	$ 158,971

4. CONTRIBUTED NONFINANCIAL ASSETS - continued

The Conservancy recognized contributed nonfinancial assets within revenue, including contributed advertising, food and beverage catering, event rentals, auction items, event logistics, video production services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed advertising was used to promote fundraising and awareness of the Conservancy's fundraising events. Advertising is valued and reported at the estimated fair value in the financial statements based on the current rates for similar advertising space.

The Conservancy is provided the use of office space by the City of Charleston Department of Parks as a contributed nonfinancial asset. The Conservancy records the contributed nonfinancial asset and related occupancy expense as the estimated fair value of the rent.

The Conservancy received other contributed nonfinancial assets for various services and products, including donated program supplies and other goods and services contributed as contributed nonfinancial sponsorships for various Conservancy programs and events. In valuing these goods and services, the Conservancy estimated the fair value based on estimates of wholesale value that would be paid for purchasing similar products.

5. RETIREMENT PLAN

The Conservancy offers a section 401(k) retirement plan to employees. Full time employees are eligible to participate and contribute up to the maximum amount permitted by law. The Conservancy matches 100% for the first 3% of employee salary deferrals and 50% of the next 2% of employee salary deferrals. During the years ended December 31, 2025 and 2024, the Conservancy made matching contributions totaling $24,923 and $26,801, respectively.

6. LEASES

The Conservancy leases office space under a five-year non-cancelable lease agreement dated March 1, 2017. Monthly payments start at $4,000 with a yearly increase of $500 beginning on March 1, 2018. This lease expired on February 28, 2022 with a two-year renewal option that the Conservancy implemented with the operating lease. The lease was amended, effective October 25, 2024 to extend the lease through February 28, 2031. Rent is $6,500 per month beginning on March 1, 2025 with a 3% annual escalation beginning on March 1, 2025.

In accordance with ASC 842, Leases, management determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on our statements of financial position.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As our leases do not provide an implicit rate, we elected to use a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight- line basis over the lease term.

The Conservancy's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

6. LEASES – continued

Total right-of-use assets and lease liabilities at December 31:

	2025	2024
Right-of-use asset - operating lease	$ 398,195	$ 457,136
Operating lease liability, current portion	64,335	58,941
Operating lease liability, long-term portion	333,860	398,195
Total	$ 398,195	$ 457,136
Average discount rate		
Operating leases	4.88%	4.88%
Average remaining lease term years		
Operating leases	5.2	6.2

Future minimum lease payments under non-cancellable leases as of December 31, 2025 were as follows:

2026	$ 82,349
2027	84,819
2028	87,365
2029	90,315
2030	92,684
Thereafter	15,523
	453,055
Less imputed interest	(54,860)
Present value of lease liability	$ 398,195

7. UNCONDITIONAL PROMISES TO GIVE

The following is a summary of promises to give and the allowance as of December 31:

	2025	2024
Unconditional promises to give	$ 120,000	$ 5,000
Less: unamortized discount	(6,388)	-
Present value of unconditional promises to give	113,612	5,000
Less: allowance for uncollectible promises to give	(2,400)	-
Unconditional promises to give, net	$ 111,212	$ 5,000

7. UNCONDITIONAL PROMISES TO GIVE - continued

Future payments of unconditional promises to give at December 31, 2025:

2026	$	30,000
2027		30,000
2028		30,000
2029		30,000
Total unconditional promises to give	$	120,000

8. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2025 and 2024, net assets with donor restrictions are restricted for the following purposes or future periods:

	2025	2024
Subject to passage of time:		
Contributions receivable	$ 120,000	$ 5,000
Subject of purpose restrictions:		
Project Fund	64,630	40,000
Charleston Trees	59,915	95,181
Colonial Lake	117,346	104,287
Community Gardens	41,209	51,209
Garden District Park Fund	1,000	-
Hampton Park-Rose Pavilion	984	-
Levi James Coffey Memorial Fund	-	84,634
Plymouth Park	-	212,873
Susie Jackson Freedom Memorial Garden Fund	424	2,000
Theodora Park	1,099	-
Hazel Parker Revitalization Fund	120,104	-
Tiedemann Park Fund	283	344
Vangie Rainsford Fund	-	344
West Ashley Greenway	47,729	39,564
Wragg Square	148,322	128,622
Total net assets with donor restrictions	$ 723,045	$ 764,058

9. LIQUIDITY AND FINANCIAL ASSETS AVAILABLE

The following table reflects the Conservancy's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, when donors or laws prevent the Conservancy from spending the financial assets for general expenditures during the coming year, when financial assets are held for others, or when governing board has set aside the resources for specific reserves. Resources that are unavailable because of the governing board's policies could be drawn upon if the board approves that action, but the governing board is not contemplating doing so.

	2025	2024
Financial assets, at end of year	$ 8,565,605	$ 8,664,442
Less those unavailable for general expenditure within one year:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time	(90,000)	-
Financial assets to meet the cash needs for general expenditures within one year	$ 8,475,605	$ 8,664,442