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Partners for Environmental Stewardship

Financial Statements

June 30, 2025 (Audited) and 2024 (Reviewed)

Partners for Environmental Stewardship

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June 30, 2025 (Audited) and 2024 (Reviewed)

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Independent Auditor's Report

To the Board of Directors
Partners for Environmental Stewardship
Lancaster, Pennsylvania

Opinion

We have audited the financial statements of Partners for Environmental Stewardship (the Organization), which comprise the statement of financial position as of June 30, 2025, the related statements of activities, functional expenses - by natural classification, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Other Matter - 2024 Financial Statements

The 2024 financial statements were reviewed by us, and our report thereon, dated December 4, 2024, stated that we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements taken as a whole.

RKL LLP

January 26, 2026
Lancaster, Pennsylvania

Partners for Environmental Stewardship

Statement of Financial Position

	June 30, 2025 (Audited)	2024 (Reviewed)
Assets		
Current Assets		
Cash	**$ 293,744**	$ 237,811
Promises to give	**300,000**	-
Prepaid expenses	**18,437**	-
Total Current Assets	**612,181**	237,811
Property and Equipment, Net	**666,217**	257,161
Other Assets		
Right-of-use asset, operating lease	**168,292**	-
Security deposit	**5,710**	-
Total Other Assets	**174,002**	-
Total Assets	**$ 1,452,400**	$ 494,972
Liabilities and Net Assets		
Current Liabilities		
Current portion of obligations under operating lease	**$ 64,223**	$ -
Accounts payable and accrued expenses	**116,400**	57,047
Total Current Liabilities	**180,623**	57,047
Obligations under Operating Lease	**104,572**	-
Total Liabilities	**285,195**	57,047
Net Assets		
Without donor restrictions	**867,205**	437,925
With donor restrictions	**300,000**	-
Total Net Assets	**1,167,205**	437,925
Total Liabilities and Net Assets	**$ 1,452,400**	$ 494,972

See accompanying notes.

Partners for Environmental Stewardship

Statement of Activities

	Year Ended June 30, 2025 (Audited)		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	$ 700,000	$ 300,000	$ 1,000,000
In-kind contributions	86,390	-	86,390
Total Revenue	786,390	300,000	1,086,390
Expenses			
Program services	129,529	-	129,529
Supporting services			
Management and general	204,908	-	204,908
Fundraising	22,673	-	22,673
Total Expenses	357,110	-	357,110
Change in Net Assets	$ 429,280	$ 300,000	$ 729,280

See accompanying notes.

Partners for Environmental Stewardship

Statement of Activities (continued)

	Period August 15, 2023 to June 30, 2024 (Reviewed)		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	$ 577,000	$ -	$ 577,000
In-kind contributions	-	-	-
Total Revenue	577,000	-	577,000
Expenses			
Program services	-	-	-
Supporting services			
Management and general	139,075	-	139,075
Fundraising	-	-	-
Total Expenses	139,075	-	139,075
Change in Net Assets	$ 437,925	$ -	$ 437,925

Partners for Environmental Stewardship

Statement of Functional Expenses - by Natural Classification

	Year Ended June 30, 2025 (Audited)			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Professional fees	$ 104,833	$ 182,049	$ 20,139	$ 307,021
Occupancy	12,816	4,191	1,890	18,897
Dues and subscriptions	-	14,689	-	14,689
Depreciation	4,365	1,427	644	6,436
Travel	5,264	-	-	5,264
Conferences and meetings	2,251	-	-	2,251
Miscellaneous	-	1,364	-	1,364
Supplies	-	673	-	673
Insurance	-	515	-	515
	$ 129,529	$ 204,908	$ 22,673	$ 357,110

See accompanying notes.

Partners for Environmental Stewardship

Statement of Functional Expenses - by Natural Classification (continued)

	Period August 15, 2023 to June 30, 2024 (Reviewed)			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Professional fees	$ -	$ 123,595	$ -	$ 123,595
Occupancy	-	-	-	-
Dues and subscriptions	-	-	-	-
Depreciation	-	-	-	-
Travel	-	7,684	-	7,684
Conferences and meetings	-	7,543	-	7,543
Miscellaneous	-	15	-	15
Supplies	-	238	-	238
Insurance	-	-	-	-
	$ -	$ 139,075	$ -	$ 139,075

Partners for Environmental Stewardship

Statement of Changes in Net Assets

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets - August 14, 2023	$ -	$ -	$ -
Change in net assets	437,925	-	437,925
Net Assets - June 30, 2024 (Reviewed)	437,925	-	437,925
Change in net assets	**429,280**	**300,000**	**729,280**
Net Assets - June 30, 2025 (Audited)	**$ 867,205**	**$ 300,000**	**$ 1,167,205**

See accompanying notes.

Partners for Environmental Stewardship

Statement of Cash Flows

	Year Ended June 30, 2025 (Audited)	Period August 15, 2023 to June 30, 2024 (Reviewed)
Cash Flows from Operating Activities		
Change in net assets	**$ 729,280**	$ 437,925
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	**6,436**	-
Amortization of right-of-use asset, operating lease included in occupancy expense	**15,965**	-
(Increase) decrease in assets		
Promises to give	**(300,000)**	-
Prepaid expenses	**(18,437)**	-
Security deposit	**(5,710)**	-
Increase (decrease) in liabilities		
Obligations under operating lease	**(15,462)**	-
Accounts payable and accrued expenses	**28,809**	5,300
Net Cash Provided by Operating Activities	**440,881**	443,225
Cash Flows from Investing Activities		
Capital expenditures	**(384,948)**	(205,414)
Net Cash Used in Investing Activities	**(384,948)**	(205,414)
Net Increase in Cash	**55,933**	237,811
Cash at Beginning of Period	**237,811**	-
Cash at End of Period	**$ 293,744**	$ 237,811

Supplementary Schedules of Noncash Investing and Financing Activities

In 2025

The Organization included $82,291 of property and equipment in accounts payable and accrued expenses.

Right-of-use asset, operating lease and operating lease liability of $184,257 was recorded.

In 2024

The Organization included $51,747 of property and equipment in accounts payable and accrued expenses.

Note 1 - Nature of Operations

Partners for Environmental Stewardship's (the Organization) mission and exempt purpose is to establish Lancaster County and the City of Lancaster in Pennsylvania as an Environmental Center of Excellence (the Center) by developing a public forum where citizens can convene, interact, and educate. The Organization, along with other community partners, have come together to plan site selection and building construction for various needs of the community. The Center will foster collaborative innovation to solve some of the challenging ecological issues that we face as a community, and act around how best to restore, conserve, and celebrate the natural habitat and environment that we enjoy in our region and beyond. The Organization derives substantially all of its revenue from contributions.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Promises to Give

Promises to give are stated at outstanding balances. Promises to give are recognized when the Organization is notified of the promises. The Organization considers promises to give to be fully collectible. If collection becomes doubtful, an allowance for uncollectible promises to give will be established, or the accounts will be charged to income when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received. All promises to give are considered current as of June 30, 2025.

Property and Equipment

Property and equipment are stated at cost, if purchased, or fair market value, if contributed.

Property and equipment are depreciated using the straight-line method over the estimated average useful lives of the assets. For leasehold improvements, the Organization depreciates the assets over the shorter of the estimated useful life or the term of the lease. Construction in progress is not depreciated until the project has been completed and placed into service.

Maintenance, repairs, and minor renewals, which do not significantly improve or extend the lives of the respective assets, are charged to operations when incurred. Additions, improvements, and major renewals are capitalized.

The Organization's policy is to capitalize property and equipment expenditures of $5,000 or more.

Note 2 - Summary of Significant Accounting Policies (continued)

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value of the impaired asset. Fair value estimates are based on assumptions concerning the amount and timing of estimated future cash flows and discount rates reflecting varying degrees of perceived risk. Management has concluded that no impairment adjustments were required during 2025 and 2024.

Net Assets

Net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that are restricted for a specific purpose or passage of time or are restricted in perpetuity.

Revenue Recognition

Contributions

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

All contributions are considered to be available for operations unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as support with donor restrictions that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

Donated or Contributed Services or Materials

Donated or contributed services or materials meeting the criteria for recognition are reflected in the financial statements as in-kind contributions at their estimated value on the date of receipt. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at the fair value when received.

Note 2 - Summary of Significant Accounting Policies (continued)

Right-of-Use Assets and Lease Liabilities

The Organization records leases in accordance with Topic 842, *Leases*, which recognizes most leases on the statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis.

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease labilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

Functional Expenses

The costs of providing the Organization's programs and supporting services have been summarized on a functional basis in the statement of activities and statement of functional expenses - by natural classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Supporting services consist of management and general and fundraising expenses. Expenses require allocation on a reasonable basis that is consistently applied. Expenses are generally allocated on the basis of time and effort.

Note 3 - Tax-Exempt Status

The Organization is a nonprofit entity described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from income taxes on related activities pursuant to Section 509(a) of the Code. In addition, the Organization was organized under the Pennsylvania Nonprofit Corporation Law and is exempt from state income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization, including whether the entity is exempt from income taxes. Management evaluated the tax positions taken and concluded that the Organization has taken no uncertain tax positions that require recognition or disclosure in the financial statements. The Organization was formed on August 15, 2023, and, therefore, is not subject to income tax examinations by the U.S. federal, state, or local tax authorities prior to that date.

Note 4 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor restrictions or other designations limiting their use, within one year of the date of the statement of financial position comprise of the following as of June 30:

	2025	2024
Financial Assets		
Cash	**$ 293,744**	$ 237,811
Promises to give	**300,000**	-
Total Financial Assets	**593,744**	237,811
Less Amounts that are Internally Designated or Externally Restricted	**-**	-
Financial Assets Available to be Used for General Expenditures Within One Year	**$ 593,744**	$ 237,811

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Note 5 - Concentration of Credit Risk

The Organization maintains its cash balances in one financial institution. At times during the year and period ended June 30, 2025 and 2024, respectively, the Organization's cash balances may have exceeded the federally insured limit of $250,000.

The Organization derives a significant portion of its support and revenue from contributions. For the year and period ended June 30, 2025 and 2024, respectively, one donor accounted for 100% of total support and revenue. Additionally, as of June 30, 2025, one donor accounted for 100% of promises to give.

Note 6 - In-Kind Contributions

In-kind contributions consist of the following for the year and period ended June 30:

	2025	2024
Professional fees	**$ 86,390**	$ -

Contributed professional fees include donated services for leadership and operations administration and accounting and financial reporting. The fair value was determined based on standard hourly rates for similar services in the principal market, adjusted for the estimated number of hours donated. There are no associated donor restrictions related to these services.

Note 6 - In-Kind Contributions (continued)

During the year and period ended June 30, 2025 and 2024, there were also individual volunteers and businesses that have donated time to the Organization's programs and administrative functions. These services do not meet the criteria for recognition as contributed services and are not reflected in the accompanying financial statements.

Note 7 - Property and Equipment

Property and equipment consist of the following as of June 30:

	2025	2024
Construction in progress*	**$ 550,057**	$ 257,161
Leasehold improvements	**70,800**	-
Land*	**51,796**	-
	672,653	257,161
Accumulated depreciation	**(6,436)**	-
	$ 666,217	$ 257,161

*Not depreciated

Depreciation expense amounted to $6,436 and $-0- for the year and period ended June 30, 2025 and 2024, respectively.

During the year and period ended June 30, 2025 and 2024, respectively, the Organization entered into several contracts related to the construction project for the Center. As of June 30, 2025, the Organization had outstanding long-term contracts amounting to approximately $1,182,000, of which approximately $440,000 has been incurred.

Note 8 - Net Assets with Donor Restrictions

The Organization's net assets with donor restrictions consist of the following as of June 30:

	2025	2024
Subject to the Passage of Time		
Promises to give - general support	**$ 300,000**	$ -

Note 9 - Leases

The Organization entered into a lease agreement during the year ended June 30, 2025 to lease office space. The lease includes an option to renew at the Organization's sole discretion. The options to extend or terminate a lease are included in the lease term only when it is reasonably certain that the Organization will exercise the option. The Organization's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

The Organization does not have any finance lease agreements.

The components of lease expense for the year ended June 30, 2025 include operating lease cost of $17,634.

The weighted-average remaining lease term and discount rate were as follows as of June 30, 2025:

Weighted-Average Remaining Lease Term	
Operating lease	**2.50 Years**
Weighted-Average Discount Rate	
Operating lease	**3.85%**

Future undiscounted cash flows for the remaining three years and a reconciliation to the lease liabilities recognized on the statement of financial position are as follows as of June 30, 2025:

	Operating Lease
2026	**$ 69,382**
2027	**71,292**
2028	**36,173**
	176,847
Imputed interest	**(8,052)**
Total Present Value of Lease Liabilities	**$ 168,795**
Current portion of obligations under operating lease	**$ 64,223**
Long-term portion of obligations under operating lease	**104,572**
	$ 168,795

Note 10 - Related Parties

The Organization has related party transactions with a foundation where members of management and the Board of Directors are employed or are board members of the foundation, which consisted of the following as of and for the year and period ended June 30:

	2025	2024
Revenue		
Contributions	**$ 1,000,000**	$ 577,000
Gifts in-kind	**86,390**	-
Expenses		
Professional fees expense	**96,925**	70,875
Property and Equipment		
Leasehold improvements	**70,800**	-
Construction in progress	**77,500**	30,625

Note 11 - Subsequent Events

The Organization has evaluated subsequent events through January 26, 2026. This date is the date the financial statements were available to be issued. The following events subsequent to June 30, 2025 were noted:

In September 2025, the Organization entered into an agreement to enter into a ground lease with the City of Lancaster. As part of the agreement, the Organization intends to enter into a 99-year ground lease and develop an environmental center. This agreement secures the Organization's ability to complete due diligence and design activities.

In November 2025, the Organization was approved by a related party (refer to Note 10) for a $1.5 million grant, which will be used primarily for design costs for the environmental center.

No other material events subsequent to June 30, 2025 were noted.