Ecotrust

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

and

Consolidating Information

with

Independent Auditors' Reports

ECOTRUST

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HOFFMAN,
STEWART
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Independent Auditors' Report

The Board of Directors
Ecotrust

Opinion

We have audited the accompanying consolidated financial statements of Ecotrust and its Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, 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, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ecotrust and its Subsidiaries as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain consolidated Subsidiaries, whose statements (prior to the effect of eliminating entries) reflect total assets of $162,777,114 as of December 31, 2023 and $125,112,994 as of December 31, 2022, and total revenues of $6,168,125 and $1,654,848, respectively, for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these certain consolidated subsidiaries, is based solely on the reports of the other auditors.

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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Ecotrust and its Subsidiaries 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. The financial statements of the Subsidiaries described in *Note 2* were not audited in accordance with *Government Auditing Standards*. The consolidated financial statements of Ecotrust and its Subsidiaries as of December 31, 2022 and for the year then ended were also not audited in accordance with *Government Auditing Standards*.

Change in Accounting Principle

As described in *Note 2* to the consolidated financial statements, Ecotrust and its Subsidiaries have elected to change their policy with respect to revenue recognition for sub-allocation fees received when certain tax credits are placed. Our opinion is not modified with respect to that matter.

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 Ecotrust and its Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' 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 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 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 collision, 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 audits.

- 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 audits 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 Ecotrust and its Subsidiaries' 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 Ecotrust and its Subsidiaries' 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2024, on our consideration of Ecotrust'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 Ecotrust'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 Ecotrust's internal control over financial reporting and compliance.

Hoffman, Stewart & Schmidt, P.C.

Lake Oswego, Oregon
September 5, 2024

ECOTRUST

Consolidated Statements of Financial Position

December 31,	2023	2022
ASSETS		
Cash and cash equivalents	$ 5,457,857	$ 3,651,626
Accounts receivable - net	803,197	425,898
Grants receivable *(due within one year)*	621,692	656,142
Notes receivable - net *(Note 4)*	124,589,599	121,518,810
Investments *(Notes 5, 18, and 19)*	22,454,219	21,423,885
Prepaid expenses and other assets	376,856	432,604
Deferred charges - net	134,008	242,605
Deferred rent receivable	54,832	35,587
Restricted cash *(Note 11)*	234,429	448,893
Property and equipment - net *(Notes 6 and 8)*	28,087,518	29,071,821
Total assets	**$ 182,814,207**	**$ 177,907,871**
LIABILITIES AND NET ASSETS AND INVESTMENT MEMBER AND NON-CONTROLLING INTERESTS		
Liabilities:		
Accounts payable	$ 212,568	$ 195,470
Accrued liabilities *(Note 11)*	1,373,978	1,259,272
Deferred revenue *(Note 7)*	21,687	225,799
Refundable advances	1,343,953	1,000,000
Deferred income taxes *(Note 17)*	387,762	326,328
Notes payable - net *(Note 8)*	6,122,975	7,584,537
Total liabilities	**9,462,923**	**10,591,406**
Commitments and contingencies *(Notes 11, 14, 20, and 22)*		
Net assets and Investment Member and non-controlling interests:		
Net assets:		
Without donor restrictions:		
Undesignated	21,546,613	21,517,345
Board designated for Indigenous Leadership	1,300,000	1,300,000
Total without donor restrictions	22,846,613	22,817,345
With donor restrictions *(Notes 10 and 19)*	10,964,164	10,622,310
Total net assets	**33,810,777**	**33,439,655**
Investment Member interest *(Note 13)*	128,373,291	125,100,490
Non-controlling interest *(Note 15)*	11,167,216	8,776,320
Total net assets and Investment Member and non-controlling interests	**173,351,284**	**167,316,465**
Total liabilities and net assets and Investment Member and non-controlling interests	**$ 182,814,207**	**$ 177,907,871**

The accompanying notes are an integral part of the consolidated financial statements.

ECOTRUST

Consolidated Statement of Activities

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Grants and contributions *(Notes 12 and 20)*	$ 1,914,930	$ 1,908,573	$ 3,823,503
Government grants and contributions	1,516,252	-	1,516,252
Non-financial contributions	7,495	-	7,495
Contracts and service fees *(Note 16)*	3,910,785	-	3,910,785
Investment return *(Notes 5 and 19)*	2,640,061	1,071,405	3,711,466
Net assets released from restrictions *(Note 10)*	2,638,124	(2,638,124)	-
Net revenues, gains, and other support	**12,627,647**	**341,854**	**12,969,501**
Operating expenses:			
Program services:			
Food Systems	1,290,782	-	1,290,782
Forests and Ecosystem Services	1,095,663	-	1,095,663
Indigenous Leadership	778,560	-	778,560
Knowledge Systems	1,412,438	-	1,412,438
Ecotrust Investments	3,213,113	-	3,213,113
Events	1,584,312	-	1,584,312
Total program services	9,374,868	-	9,374,868
Supporting services:			
Management and general	2,273,671	-	2,273,671
Communications	446,712	-	446,712
Development	630,972	-	630,972
Total supporting services	3,351,355	-	3,351,355
Total operating expenses	**12,726,223**	-	**12,726,223**
Increase (decrease) in net assets from operations	**(98,576)**	**341,854**	**243,278**
Non-operating income (expense)			
Provision for income taxes *(Note 17)*	(118,755)	-	(118,755)
Credit losses on accounts receivable	(95,258)	-	(95,258)
Credit losses on loans	(110,982)	-	(110,982)
Cancellation of debt income	3,121,140	-	3,121,140
Investment Member interest in income *(Note 13)*	(262,447)	-	(262,447)
Non-controlling interest in income - net *(Note 15)*	(2,405,896)	-	(2,405,896)
Gain on deconsolidations	42	-	42
Net non-operating income	**127,844**	-	**127,844**
Increase in net assets	**29,268**	**341,854**	**371,122**
Net assets, beginning of year	22,817,345	10,622,310	33,439,655
Net assets, end of year	**$ 22,846,613**	**$ 10,964,164**	**$ 33,810,777**

The accompanying notes are an integral part of the consolidated financial statements.

ECOTRUST

Consolidated Statement of Activities

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Grants and contributions *(Notes 12 and 20)*	$ 663,713	$ 2,683,254	$ 3,346,967
Government grants and contributions	441,194	-	441,194
Non-financial contributions	6,445	-	6,445
Contracts and service fees *(Note 16)*	3,449,658	-	3,449,658
Investment return *(Notes 5 and 19)*	1,823,319	(1,418,124)	405,195
Net assets released from restrictions *(Note 10)*	2,957,756	(2,957,756)	-
Net revenues, gains, and other support	**9,342,085**	**(1,692,626)**	**7,649,459**
Operating expenses:			
Program services:			
Food Systems	949,269	-	949,269
Forests and Ecosystem Services	544,548	-	544,548
Indigenous Leadership	310,061	-	310,061
Knowledge Systems	1,009,829	-	1,009,829
Ecotrust Investments	2,975,509	-	2,975,509
Events	1,568,918	-	1,568,918
Total program services	7,358,134	-	7,358,134
Supporting services:			
Management and general	2,950,895	-	2,950,895
Communications	561,798	-	561,798
Development	673,737	-	673,737
Total supporting services	4,186,430	-	4,186,430
Total operating expenses	**11,544,564**	**-**	**11,544,564**
Decrease in net assets from operations	**(2,202,479)**	**(1,692,626)**	**(3,895,105)**
Non-operating income (expense)			
Provision for income taxes *(Note 17)*	(54,607)	-	(54,607)
Provision for bad debts	(6,838)	-	(6,838)
Investment Member interest in income *(Note 13)*	(280,486)	-	(280,486)
Non-controlling interest in income - net *(Note 15)*	283,826	-	283,826
Gain on deconsolidations	37	-	37
Net non-operating expense	**(58,068)**	**-**	**(58,068)**
Decrease in net assets	**(2,260,547)**	**(1,692,626)**	**(3,953,173)**
Net assets, beginning of year	25,077,892	12,314,936	37,392,828
Net assets, end of year	**$ 22,817,345**	**$ 10,622,310**	**$ 33,439,655**

The accompanying notes are an integral part of the consolidated financial statements.

ECOTRUST

Consolidated Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services							Supporting Services				
	Food Systems	Forests and Ecosystem Services	Indigenous Leadership	Knowledge Systems	Ecotrust Investments	Events	Total Program Services	Management and General	Commun-ications	Development	Total Supporting Services	Total
Salaries	$ 884,454	$ 722,835	$ 297,558	$ 688,901	$ 851,291	$ 567,332	$ 4,012,371	$ 910,267	$ 318,062	$ 468,736	$ 1,697,065	$ 5,709,436
Payroll taxes and fringe benefits	213,215	172,019	72,703	164,673	212,499	141,345	976,454	280,432	81,683	120,618	482,733	1,459,187
Total payroll costs	1,097,669	894,854	370,261	853,574	1,063,790	708,677	4,988,825	1,190,699	399,745	589,354	2,179,798	7,168,623
Conferences, meetings, and travel	37,431	42,080	50,289	102,324	33,656	730	266,510	44,858	14,584	8,638	68,080	334,590
Contracts and consultants	105,038	110,392	31,318	309,868	120,830	27,687	705,133	264,997	23,045	11,456	299,498	1,004,631
Depreciation and amortization	-	-	-	6,644	1,133,990	-	1,140,634	15,364	-	-	15,364	1,155,998
Technology	729	3,008	2	3,788	210	513	8,250	152,437	-	4,472	156,909	165,159
Grants to others	38,572	37,560	320,390	112,500	1,400	-	510,422	899	1,950	5,000	7,849	518,271
Insurance	-	-	-	-	148,522	19,153	167,675	98,298	-	-	98,298	265,973
Interest	-	-	-	-	278,046	-	278,046	788	-	-	788	278,834
Miscellaneous	1,804	5,525	3,243	6,054	250,727	40,804	308,157	109,172	5,531	9,851	124,554	432,711
Occupancy	280	1,741	194	10,028	(225,174)	766,760	553,829	244,885	25	44	244,954	798,783
Professional fees	-	-	-	-	402,248	-	402,248	99,954	-	117	100,071	502,319
Office, supplies and equipment	9,259	503	2,863	7,658	4,868	19,988	45,139	51,320	1,832	2,040	55,192	100,331
Total expenses	**$ 1,290,782**	**$ 1,095,663**	**$ 778,560**	**$ 1,412,438**	**$ 3,213,113**	**$ 1,584,312**	**$ 9,374,868**	**$ 2,273,671**	**$ 446,712**	**$ 630,972**	**$ 3,351,355**	**$ 12,726,223**

The accompanying notes are an integral part of the consolidated financial statements.

ECOTRUST

Consolidated Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services							Supporting Services				
	Food Systems	Forests and Ecosystem Services	Indigenous Leadership	Knowledge Systems	Ecotrust Investments	Events	Total Program Services	Management and General	Commun-ications	Development	Total Supporting Services	Total
Salaries	$509,180	$ 231,306	$ 135,574	$ 558,464	$ 695,339	$ 472,996	$ 2,602,859	$ 2,056,206	$ 346,834	$ 444,740	$ 2,847,780	$ 5,450,639
Payroll taxes and fringe benefits	126,684	62,255	35,655	127,096	194,099	123,812	669,601	350,525	92,958	111,989	555,472	1,225,073
Total payroll costs	635,864	293,561	171,229	685,560	889,438	596,808	3,272,460	2,406,731	439,792	556,729	3,403,252	6,675,712
Conferences, meetings, and travel	18,826	24,270	50,157	36,408	23,250	358	153,269	65,194	500	13,154	78,848	232,117
Contracts and consultants	200,427	141,927	13,372	140,347	103,748	960	600,781	275,141	16,568	9,722	301,431	902,212
Depreciation and amortization	-	-	-	3,876	1,163,055	8,350	1,175,281	6,374	-	-	6,374	1,181,655
Direct allocations to programs	76,990	29,573	31,845	93,841	128,403	114,379	475,031	(611,924)	61,219	75,674	(475,031)	-
Technology	97	-	495	2,249	-	16,593	19,434	120,990	149	3,369	124,508	143,942
Grants to others	7,631	52,598	40,275	20,100	1,000	-	121,604	21,851	37,000	-	58,851	180,455
Insurance	-	-	-	-	160,524	1,000	161,524	121,964	-	-	121,964	283,488
Interest	-	-	-	-	124,526	-	124,526	-	-	-	-	124,526
Miscellaneous	1,136	494	1,920	8,776	177,094	22,208	211,628	75,012	6,094	12,861	93,967	305,595
Occupancy	382	649	559	5,167	(151,367)	793,503	648,893	235,988	77	-	236,065	884,958
Professional fees	-	-	-	25	353,879	-	353,904	133,489	-	(21)	133,468	487,372
Office, supplies and equipment	7,916	1,476	209	13,480	1,959	14,759	39,799	100,085	399	2,249	102,733	142,532
Total expenses	**$949,269**	**$ 544,548**	**$ 310,061**	**$ 1,009,829**	**$ 2,975,509**	**$ 1,568,918**	**$ 7,358,134**	**$ 2,950,895**	**$ 561,798**	**$ 673,737**	**$ 4,186,430**	**$ 11,544,564**

The accompanying notes are an integral part of the consolidated financial statements.

ECOTRUST

Consolidated Statements of Cash Flows

Years Ended December 31,	**2023**	**2022**
Cash flows from operating activities:		
Increase (decrease) in net assets	$ 371,122	$ (3,953,173)
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities:		
Cancellation of debt income	(3,121,140)	-
Deferred income taxes	61,434	7,768
Credit losses on accounts receivable	95,258	6,838
Credit losses on loans	110,982	-
Investment Member interest in income	262,447	280,486
Non-controlling interest in income (loss)	2,405,896	(283,826)
Gain on deconsolidations	(42)	(37)
Depreciation and amortization	1,155,998	1,181,655
Change in debt issuance costs	100,499	8,908
Net realized and unrealized (gains) losses on investments	(1,960,158)	1,229,987
Changes in:		
Accounts receivable	(472,557)	247,684
Grants receivable	34,450	(482,128)
Prepaid expenses and other assets	55,748	9,798
Deferred charges	(3,058)	(55,443)
Deferred rent receivable	(19,245)	38,713
Accounts payable	17,098	(15,234)
Accrued liabilities	114,706	(376,150)
Deferred revenue	(204,112)	(152,409)
Refundable advances	343,953	1,000,000
Net cash used by operating activities	**(650,721)**	**(1,306,563)**
Cash flows from investing activities:		
Proceeds from sale of investments	929,824	398,774
Purchases of investments	-	(3,202,939)
Purchases of property and equipment	(60,040)	(131,494)
Payments received on notes receivable	1,376,367	42,815
Notes receivable issued	(21,340,000)	(8,347,698)
Net cash used by investing activities	**(19,093,849)**	**(11,240,542)**
Carried forward	**(19,744,570)**	**(12,547,105)**

The accompanying notes are an integral part of the consolidated financial statements.

ECOTRUST

Consolidated Statements of Cash Flows - Continued

Years Ended December 31,	**2023**	**2022**
Brought forward	**$ (19,744,570)**	**$ (12,547,105)**
Cash flows from financing activities:		
Issuance of note payable	3,000,000	-
Payments on notes payable	(2,895,059)	-
Distributions to non-controlling interest members	(15,000)	(15,000)
Investment Member contributions	22,000,000	8,500,000
Investment Member distributions	(753,604)	(766,045)
Net cash provided by financing activities	**21,336,337**	**7,718,955**
Net increase (decrease) in cash, cash equivalents, and restricted cash	1,591,767	(4,828,150)
Cash, cash equivalents, and restricted cash, beginning of year	4,100,519	8,928,669
Cash, cash equivalents, and restricted cash, end of year	**$ 5,692,286**	**$ 4,100,519**
As presented in the accompanying consolidated statement of financial position:		
Cash and cash equivalents	$ 5,457,857	$ 3,651,626
Restricted cash	234,429	448,893
Total cash, cash equivalents, and restricted cash	**$ 5,692,286**	**$ 4,100,519**
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	$ 177,952	$ 124,008
Cash paid during the year for income taxes	43,565	50,579
Supplemental disclosures of noncash activity:		
Notes receivable removed due to deconsolidations	$ 18,236,000	$ 13,580,000
Change in notes receivable and notes payable from converted equity	5,141,862	-

The accompanying notes are an integral part of the consolidated financial statements.

1. Nature of Activities

Organization - Ecotrust was incorporated in Oregon on February 13, 1991, as a nonprofit charitable organization headquartered in Portland, Oregon.

Ecotrust works across the region from California to Alaska at the intersection of equity, the economy, and the environment. Across more than 35 active projects, we collaborate with partners to advance stewardship of lands and waters in ways that are ecologically and culturally restorative and racially and economically just; build broadly shared, intergenerational wealth for our region's communities; and support regional climate resilience while centering the needs of and learning from frontline communities. We are continuing our journey to become an anti-racist organization with a culture of belonging and resilient business model, supporting work that is self-determined and community-led.

Ecotrust is a dynamic organization - a 501(c)(3) nonprofit organization with multiple teams, for-profit subsidiaries, and mission-aligned resources combining to address the greatest challenges of our time: economic inequality; racial injustice; ecosystem degradation; and climate change.

Over three decades, our mission has been to inspire fresh thinking that creates economic opportunity, social equity, and environmental well-being. Our projects have included: co-founding the country's first environmental bank; starting the nation's first ecosystem investment fund; developing two campuses for economic and social exchange; co-creating a range of programs and original research in fisheries, forestry, and food systems; and developing new scientific and information tools to improve social, economic, and environmental decision-making.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by Ecotrust are described below to enhance the usefulness of the consolidated financial statements to the reader.

Principles of Consolidation - The consolidated financial statements include the accounts of Ecotrust and Subsidiaries as follows: Ecotrust Properties, LLC; Ecotrust Properties II, LLC; Natural Capital Holdings, LLC; Ecotrust Capital Partners, LLC; The Redd Manager, LLC; The Redd, LLC; The Redd Foundry, LLC; The Marble, LLC; Ecotrust CDE, LLC; Ecotrust Sub-CDE XXII, LLC (Sub-CDE XXII); Ecotrust Sub-CDE XXIII, LLC (Sub-CDE XXIII); Ecotrust Sub-CDE XXIV, LLC (Sub-CDE XXIV); Ecotrust Sub-CDE XXV, LLC (Sub-CDE XXV); Ecotrust Sub-CDE 26, LLC (Sub-CDE 26); Ecotrust Sub-CDE 27, LLC (Sub-CDE 27); Ecotrust Sub-CDE 28, LLC (Sub-CDE 28); Ecotrust Sub-CDE 29, LLC (Sub-CDE 29); Ecotrust Sub-CDE 30, LLC (Sub-CDE 30); Ecotrust Sub-CDE 31, LLC (Sub-CDE 31); Ecotrust Sub-CDE 32, LLC (Sub-CDE 32), Ecotrust Sub-CDE 33, LLC (Sub-CDE 33), Ecotrust Sub-CDE 34, LLC (Sub-CDE 34), Ecotrust Sub-CDE 35, LLC (Sub-CDE 35), and Ecotrust Sub-CDE 36, LLC (Sub-CDE 36).

The consolidating statements as of and for the year ended December 31, 2022, also included the accounts of Subsidiaries Ecotrust Sub-CDE XIX, LLC (Sub-CDE XIX); Ecotrust Sub-CDE XX, LLC (Sub-CDE XX); and Ecotrust Sub-CDE XXI, LLC (Sub-CDE XXI).

All significant intercompany investments, accounts, and transactions have been eliminated in the consolidated financial statements.

Principles of Deconsolidation - During the year ended December 31, 2023, the new markets tax credit (NMTC) compliance period ended for the projects associated with Sub-CDE XIX, Sub-CDE XX, and Sub-CDE XXI. During the year ended December 31, 2022, the NMTC compliance period ended for the projects associated with Sub-CDE XVI and Sub-CDE XVIII. This resulted in each Sub-CDE entering into a Redemption Agreements with the respective Investor Members of each Sub-CDE. Pursuant to those Redemption Agreements and other ancillary agreements, the Sub-CDE assigned its interest in Promissory Notes to each Investment Member in full liquidation of the Investment Members' interest in each Sub-CDE, as well as the pro rata distribution of cash. This also results in Ecotrust CDE, LLC becoming the sole owner of the respective Sub-CDEs.

As a result, Sub-CDE XIX, Sub-CDE XX, and Sub-CDE XXI were deconsolidated in 2023 and Sub-CDE XVI and Sub-CDE VIII were deconsolidated in 2022.

During the years ended December 31, 2023 and 2022, gains on deconsolidation of $42 and $37, respectively, were recognized by Ecotrust equaling the difference between the amount realized by Ecotrust from the disposition and the carrying value of the investments prior to disposition.

2. Summary of Significant Accounting Policies - Continued

Basis of Accounting - The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation - Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Ecotrust and changes therein are classified and reported as follows:

Net assets without donor restrictions represent net assets not subject to donor-imposed stipulations.

Net assets with donor restrictions represent net assets subject to donor-imposed stipulations that may or will be met by actions of Ecotrust and/or the passage of time. Some net assets with donor restrictions include a stipulation that the resources be maintained permanently but permit Ecotrust to use the income. Realized gains, as well as net appreciation of permanent endowment funds, may be expended unless explicit donor restrictions specify other treatment.

Expenses are reported as decreases in net assets without 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 donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates - The preparation of consolidated financial statements in conformity with GAAP 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 consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates are used in the consolidated financial statements for, among other things, calculating the allowance for credit losses, allowance for credit losses on loans, the reserve for investment loss, and depreciation and amortization expense.

Cash Equivalents - Ecotrust considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable - Accounts receivable are recognized as related revenues are recognized and at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus, accounts receivables do not bear interest, although a finance charge may be applied.

2. Summary of Significant Accounting Policies - Continued

Allowance for Credit Losses - Accounts receivable are primarily derived from programmatic funding sources, including consulting contracts. At each statement of financial position date, Ecotrust recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist.

Ecotrust writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or as an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. As of December 31, 2023, management believes the accounts receivable are fully collectible and as such, the allowance for credit losses is $-0-. During the year ended December 31, 2023, credit losses on accounts receivable were $95,258.

Notes Receivable - Loans receivable are presented at the amount expected to be collected.

Ecotrust records an allowance for credit losses on loans based on losses expected to arise over the contractual term of the financial asset. Assets are written off when Ecotrust deems the loan receivable to be uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses on loans. Expected recoveries of amounts previously written off, which do not exceed the aggregate of previous write-offs, are included in determining the allowance account. As of December 31, 2023, management believes the notes receivable are fully collectible and as such, the allowance for credit losses on loans is $-0-. During the year ended December 31, 2023, credit losses on loans were $110,982.

In developing estimates for expected credit losses on loans, management considers historical loss information updated for current conditions and reasonable and supportable forecasts that affect expected collectability using a probability-of-default approach. Management considers factors such as the borrower's financial condition, the borrower's ability to make scheduled interest or principal payments based on the current and forecasted direction of the economic and business environment, the remaining payment terms of the loan, the remaining time to maturity, and the value of underlying collateral. Although management uses many factors to estimate credit losses on loans, because of uncertainties associated with local economic conditions, collateral values, and future cash flows, it is reasonably possible that a material change could occur in the allowance for credit losses on loans in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Loans that are 90 days or more past due, based on the contractual terms of the loan, are classified on nonaccrual status. Uncollectible interest previously accrued is charged off, or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received and the principal balance is believed to be collectible. A loan previously classified on nonaccrual status will resume accruing interest based on the contractual terms of the loan when payments on the loan become current. There were no loans on nonaccrual status at December 31, 2023 and 2022.

2. Summary of Significant Accounting Policies - Continued

Investments - Investments with readily determinable fair values are carried at fair value on a recurring basis. Donated investments with readily determinable fair values are reported at fair value at the date of receipt. Net appreciation or depreciation in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation of those investments, is shown in the consolidated statement of activities.

Fair Value Measurements - GAAP establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments that would generally be included in Level 1 includes listed securities.

Level 2 - Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1. Fair value is determined through the use of models or other valuation methodologies. Investments that are generally included in this category include corporate bonds and loans.

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include general and limited partnership interests in corporate private equity and real estate funds, debt funds, and hedge funds.

Deferred Charges - Deferred charges consist of costs for the Federal Community Development Financial Institutions Fund (the CDFI Fund), Community Development Entity (CDE) application process, the application for NMTCs, and the application and structuring of Ecotrust's use of its allocations of NMTCs. Deferred charges are amortized over seven years, the compliance period of the NMTC, on a straight-line basis, commencing on the date the first qualified equity investment (QEI) is made for each project.

Deferred charges also consist of costs for lease commission fees. Theses charges are amortized over the life of the lease term on a straight-line basis, commencing on the date of the first lease payment.

Deferred charges have been reported net of accumulated amortization of $529,567 and $590,510 as of December 31, 2023 and 2022, respectively. Amortization expense for 2023 and 2022 was $111,655 and $127,691, respectively.

2. Summary of Significant Accounting Policies - Continued

Deferred Rent Receivable - Ecotrust Properties, LLC, The Redd Foundry, LLC, and The Marble, LLC lease building space with certain incentives and annual escalation clauses. Under GAAP, lease incentives and all rental payments, including fixed rent increases, are amortized over the life of the lease on a straight-line basis as an addition to or reduction of rent revenue. The differences between GAAP rent revenue and the required lease payment is reflected as deferred rent receivable in the accompanying consolidated statement of financial position.

Restricted Cash - Restricted cash includes amounts held by Ecotrust for lenders for various reserves related to financing associated with The Redd on Salmon Street and 457(b) deferred compensation plan assets.

Property and Equipment - Purchased property and equipment is carried at cost at date of purchase. Donated property and equipment is carried at estimated fair value at date of donation. Property and equipment acquisitions, renewals, and improvements exceeding $3,500 are capitalized. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years. Depreciation expense for 2023 and 2022 was $1,044,343 and $1,053,964, respectively. Donated artwork is not depreciated and is carried at estimated fair value at date of donation.

Debt Issuance Costs - Debt issuance costs are amortized over seven years, which is the expected loan term, on a straight-line basis. Amortization of debt issuance costs are included with interest expense.

Revenue Recognition and Change in Accounting Principle - Ecotrust's major sources of support and revenue and related recognition policies are summarized as follows:

Grants and contributions - Ecotrust recognizes grants and contributions when cash, securities or other assets; an unconditional promise to give; or a 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 met. At December 31, 2023 and 2022, Ecotrust had conditional promises to give totaling $-0- and $58,000, respectively, that had not been recognized because the achievement of matching donations was not yet met or expenses were not yet incurred. Amounts received prior to satisfying the barrier are reported as refundable advances in the consolidated statement of financial position.

Ecotrust reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statement of activities as net assets released from restrictions.

2. Summary of Significant Accounting Policies - Continued
Revenue Recognition and Change in Accounting Principle - Continued

Grants and contributions - Continued

Ecotrust reports any gifts of land, buildings, or equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, Ecotrust reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

A portion of Ecotrust's revenue is derived from federal and state government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Ecotrust has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualified expenditures or applicable barriers are reported as refundable advances in the consolidated statement of financial position. Ecotrust had cost-reimbursable grants and other conditional grants of approximately $11,470,000 and $4,530,000 that have not been recognized at December 31, 2023 and 2022, respectively, because qualifying expenditures have not yet been incurred or the applicable barrier had not been met.

Lease revenue - Lease revenue is recorded using the straight-line method over the life of the related lease.

Contract revenue - Ecotrust periodically enters into contracts with various entities for various projects. Revenues are generally recognized over the course of the contract as costs related to the contract are incurred. Amounts received but not yet recognized as revenue are considered contract liabilities and are included with deferred revenue *(Note 7)*.

Included in contract revenue are tax credit placement fees. Ecotrust receives a sub-allocation fee each time it places an NMTC with an eligible recipient. In 2022 and previous years, these fees were recognized as revenue using the straight-line method over the seven-year compliance period of the specific NMTC. In 2023, management determined that the sub-allocation and successful closing of the NMTC deal is the relevant performance obligation, since there is not a right of return during the seven-year compliance period and no portion of the fees would need to be returned over the seven-year compliance period, even in the event of noncompliance. The total effect of this change was an increase to total revenues of $201,936 for the year ended December 31, 2023.

2. Summary of Significant Accounting Policies - Continued

Endowment - As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. No net assets without donor restrictions were functioning as an endowment for 2023 or 2022.

Ecotrust manages its endowment in accordance with the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board of Directors of Ecotrust has interpreted UPMIFA as allowing Ecotrust to appropriate for expenditure or accumulate so much of an endowment fund as Ecotrust determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift agreement. Unless otherwise stated in the gift instrument, the assets in an endowment fund shall be donor restricted assets until appropriated for expenditure by the Board of Directors.

Ecotrust classifies as donor restricted endowment funds: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure.

In accordance with UPMIFA, Ecotrust considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of Ecotrust and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of Ecotrust; and
- The investment policies of Ecotrust.

Ecotrust has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs. Ecotrust's endowment assets are invested in cash and cash equivalents and investment portfolios held at the Oregon Community Foundation (OCF) and Charles Schwab. Ecotrust has a policy for appropriating for expenditure each year the amount of interest income earned on cash investments and distribution amounts received from OCF and Charles Schwab, which are based on a formula stipulated in the investment management agreement.

2. Summary of Significant Accounting Policies - Continued

Variable Interest Entities - Ecotrust follows GAAP with respect to consolidation of variable interest entities (VIE) and has applied these requirements to Ecotrust CDE, LLC's ownership interest in Sub-CDE XXII, Sub-CDE XXIII, Sub-CDE XXIV, Sub-CDE XXV, Sub-CDE 26, Sub-CDE 27, Sub-CDE 28, Sub-CDE 29, Sub-CDE 30, Sub-CDE 31, Sub-CDE 32, Sub-CDE 33, Sub-CDE 34, Sub-CDE 35, and Sub-CDE 36 as of December 31, 2023. These principles address the consolidation by business enterprises with investments in VIE. A VIE is generally an entity that has: 1) an insufficient amount of equity for the entity to carry on its principal operations without additional subordinated financial support from other parties; 2) a group of equity owners that are unable to make decisions about the entity's activities that have a significant effect on the success of the entity; or 3) equity that does not absorb the entity's losses or receive the benefits of the entity.

If any one of these characteristics is present, the entity is subject to the variable interest's consolidation model and consolidation is determined based on which member is the primary beneficiary. Equity investors lack the right to make decisions about the entity's activity if the voting rights of some investors are not proportional to their obligation to absorb losses or to share in residual returns. A VIE is required to be consolidated in the financial statements of the entity that is determined to be the primary beneficiary of the VIE.

Ecotrust has determined that it holds an interest in a VIE for which consolidation is required. Accordingly, Sub-CDE XXII, Sub-CDE XXIII, Sub-CDE XXIV, Sub-CDE XXV, Sub-CDE 26, Sub-CDE 27, Sub-CDE 28, Sub-CDE 29, Sub-CDE 30, Sub-CDE 31, Sub-CDE 32, Sub-CDE 33, Sub-CDE 34, Sub-CDE 35, and Sub-CDE 36 are consolidated into Ecotrust CDE, LLC, prior to its consolidation into Ecotrust.

Income Taxes - Ecotrust is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state law. It is, however, taxed on its unrelated business income, which is considered by management to be immaterial to the consolidated financial statements at December 31, 2023 and 2022. Ecotrust is not classified as a private foundation. Sub-CDE 27 is taxed as a corporation and pays tax at the entity level on any taxable income. All other consolidated entities are pass-through entities whose tax attributes are passed through to their respective owners.

GAAP prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and also provides guidance on various related matters such as interest, penalties, and required disclosures. Management does not believe Ecotrust and its consolidated entities have any entity level uncertain tax positions. Ecotrust and its consolidated entities file income tax and informational returns in the U.S. federal jurisdiction and various state and local jurisdictions. Generally, the returns are subject to examination by U.S. federal (or state and local) income tax authorities for three years from the filing of a return. Any interest or penalties assessed by taxing authorities is included with management and general expenses. There are currently no tax audits in progress for any periods.

2. Summary of Significant Accounting Policies - Continued

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional and natural basis in the consolidated statement of functional expenses. The consolidated statement of functional expenses reports certain categories of expenses that are attributable to more than one program and supporting service function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll costs, depreciation, technology, occupancy, professional services, and supplies and equipment. These expenses are allocated on the basis of estimates of time and effort.

Adoption of New Accounting Standard - In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (FASB ASC 326), which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by Ecoctrust that are subject to the guidance in FASB ASC 326 were accounts receivable and notes receivable.

Ecotrust adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in new/enhanced disclosures only.

Reclassifications - Certain reclassifications have been made to the 2022 information to conform with the 2023 presentation.

Measure of Operations - The consolidated statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to Ecotrust's core activities. Non-operating activities consist of activities that are considered ancillary to Ecotrust's core activities.

3. Program and Supporting Services

Program Services

Food Systems - Ecotrust's Food Systems team works in partnership to build a climate-smart food system that is racially and economically just. Our work takes an equity-centered approach, guided by our value of humble, respectful collaboration. We are focused on supporting connections and shared learning among a growing network of food system leaders committed to transformation and healing. In partnership, we work towards: building power to advance equitable outcomes in and with Black, Indigenous, and Communities of Color; enriching the connections communities have with fresh, culturally relevant foods; encouraging climate-smart land and fisheries management through leadership development, network building, technical assistance, and eliminating barriers to land stewardship and fisheries access of Black, Indigenous, and Communities of Color throughout our bioregion.

Forests and Ecosystem Services - The Forests and Ecosystem Services work advances climate-smart forestry by centering tribal stewardship and Indigenous ways of knowing. Ecotrust creates the tools, the structures, and the research to support climate-smart forest management, demonstrating that forests can store more carbon, provide high quality habitat for native fish and wildlife, offer recreational and economic development opportunities, and produce clean and abundant water, all while supporting a robust and reliable forest products industry. We work with partners to elevate their perspectives about forests and the role they play in maintaining the health and wellness of our communities and economies.

Indigenous Leadership - Since our founding in 1991, Indigenous peoples from Alaska to California have been involved with Ecotrust, as members of our board and staff, and as partners to advance the environmental, cultural, economic, and social conditions of their communities. We continue to support Indigenous peoples' steadfast efforts to exercise their right of self-determination and to protect their homelands and waters. We support and celebrate Indigenous leadership, increase education opportunities for Native people through scholarships and fellowships, and provide a platform for Native people to share their stories and issues. We also share our knowledge in forests and ecosystems, fisheries and marine planning, salmon and watershed restoration, and food systems to restore and strengthen Native communities. And we provide our technical expertise in GIS analysis, mapping and cartography, economic impact assessments, software and tool development, and data collection and management to help Indigenous leaders and communities make informed decisions.

3. Program and Supporting Services - Continued
Program Services - Continued

Knowledge Systems - Our Knowledge Systems work draws on a diverse toolkit that we use to support all Ecotrust's program areas. We develop and deliver decision-support tools, spatial and economic analyses, workforce development services, measurement and evaluation services, databases of both indigenous and Western scientific knowledge, and support partnerships for more resilient communities, economies, and ecosystems. We apply a wide variety of approaches and tools to help our staff and partners collect, analyze, visualize, and apply community-based knowledge of ecosystems in social and economic contexts. We value and support participatory approaches to co-creating, recording, and incorporating community knowledge, with a central role for indigenous knowledge and land stewardship in support of tribal sovereignty. We use our toolkit to support the implementation of management decisions, including tribal co-management of coastal and terrestrial ecosystems, at appropriate scales. Through our workforce development and career education services, we apply culturally specific approaches to growing Black, Indigenous, and Communities of Color's leadership in land and water stewardship. And through our measurement and evaluation services, we analyze and present evidence of the impact of Ecotrust and partners' programs and investments

Ecotrust Investments - Ecotrust harnesses the potential of a working endowment in concert with private investments to create economic, social, and environmental well-being in our region, and beyond. Ecotrust Investments is both a values-aligned funding source for Ecotrust's transformative work, and a catalyst that brings triple-bottom-line projects to life at a scale of broader impact. Through our own experiences leveraging catalytic capital, we are able to learn from the challenges and identify opportunities to pursue triple-bottom-line outcomes, invite new partners and partnerships, build financial resiliency, and engage in mission-propelling projects. Ecotrust Investments continues to transform our portfolio to fully embody our vision of resilience, creativity, intergenerational wealth, and community well-being.

Events - Ecotrust Events creates engagements that bring people together to build new connections and spark big ideas. Ecotrust Events manages four venues in the Natural Capital Center and the Redd on Salmon Street, offers safe convening opportunities for partners and clients, and generates operating revenue in support of Ecotrust's mission. Ecotrust Events also produces Ecotrust engagements to tell important stories, raise awareness on critical issues, celebrate connections, and inspire meaningful change within our region.

3. Program and Supporting Services - Continued

Supporting Services

Management and General - Ecotrust's management and general activities include business management, recordkeeping, budgeting, accounting, human resources/people & culture, equity, information technology, and related administrative activities. These activities help steward the ongoing work of advancing anti-racism and building a culture of belonging across our organization, and provide the necessary developmental, organizational, and management support for the effective operation of Ecotrust's programs.

Communications - Ecotrust's Communications team is charged with inspiring multiple audiences with our mission to create social, economic, and environmental well-being. We support strategic program initiatives and organizational goals through our expertise in variety of traditional and new media. Throughout this work, we share meaningful stories, disseminate research, amplify partner voices, shift narratives, and catalyze change.

Development - Development team activities include creating opportunities for funding and community partners to engage with and learn about Ecotrust's mission, conducting fundraising campaigns, preparing grant proposals, and managing other activities involving soliciting and stewarding contributions from individuals, foundations, corporations, and public entities.

4. Notes Receivable - Net

Notes receivable include the following at December 31:

	2023	2022
Notes receivable dated May 2023 (extension date), from Cape Barnabas, Inc. Principal and interest payments of $18,073 are due annually in May. Interest rate is at 2.25 per annum. Matures April 2032.	$ 105,579	$ 119,314
Note receivable dated December 2015, from COCRF Investor Fund 52, LLC. Partially repaid and partially converted to equity in The Marble.	-	6,474,860
Note receivable dated July 2016, from Chimacum Ridge, LLC removed as part of deconsolidation.	-	3,964,200
Note receivable dated July 2016, from Chimacum Ridge, LLC removed as part of deconsolidation.	-	1,855,800
Note receivable dated November 2016, from Onion Peak, LLC removed as part of deconsolidation.	-	3,964,200
Note receivable dated November 2016, from Onion Peak, LLC removed as part of deconsolidation.	-	1,855,800
Note receivable dated April 2017, from MLT Holdings, Inc. Interest only payments at 1.0382 percent per annum are accrued and paid quarterly through June 2024. Thereafter, principal and interest payments ranging from $15,889 and $68,299 are due quarterly. Matures April 2047. Secured by deed of trust on property.	4,597,600	4,597,600
Carried forward	4,703,179	22,831,774

4. Notes Receivable - Net - Continued

	2023	2022
Brought forward	$ 4,703,179	$ 22,831,774
Note receivable dated April 2017, from MLT Holdings, Inc. Interest only payments at 1.0382 percent per annum are accrued and paid quarterly through June 2024. Thereafter, principal and interest payments ranging from $7,577 and $32,569 are due quarterly. Matures April 2047. Secured by deed of trust on property.	2,192,400	2,192,400
Note receivable dated August 2017, from Wildcat Whiskey, LLC. Interest only payments at 1.3023 percent per annum are accrued and paid quarterly through September 2024. Thereafter, principal and interest payments of $101,550 are due quarterly. Matures March 2048. Secured by deed of trust on property.	8,210,000	8,210,000
Note receivable dated August 2017, from Wildcat Whiskey, LLC. Interest only payments at 1.3023 percent per annum are accrued and paid quarterly through September 2024. Thereafter, principal and interest payments of $48,450 are due quarterly. Matures March 2048. Secured by deed of trust on property.	3,915,000	3,915,000
Note receivable dated April 2018, from COCRF Investor Fund 105, LLC. Interest only payments at 1 percent per annum are accrued and paid quarterly through March 2025. Thereafter, principal and interest payments of $111,486 are due quarterly. Matures December 2047. Secured by deed of trust on property.	9,063,840	9,063,840
Note receivable dated June 2018, from Kiosko. Deemed uncollectible in 2023.	-	4,100
Carried forward	28,084,419	46,217,114

4. Notes Receivable - Net - Continued

	2023	2022
Brought forward	$ 28,084,419	$ 46,217,114
Note receivable dated September 2018, from Cay-Uma-Wa. Interest only payments at 1.2594 percent per annum are accrued and paid quarterly through September 2025. Thereafter, principal and interest payments of $148,526 are due quarterly. Matures September 2048. Secured by deed of trust on property.	11,847,300	11,847,300
Note receivable dated September 2018, from Cay-Uma-Wa. Interest only payments at 1.2594 percent per annum are accrued and paid quarterly through September 2025. Thereafter, principal and interest payments of $67,732 are due quarterly. Matures September 2048. Secured by deed of trust on property.	5,402,700	5,402,700
Note receivable dated November 2018, from NTUA New Markets V, Inc. Interest only payments at 1.4690 percent per annum are accrued and paid quarterly through November 2025. Thereafter, principal and interest payments of $53,924 are due quarterly. Matures November 2041. Secured by deed of trust on property.	3,070,540	3,070,540
Note receivable dated November 2018, from NTUA New Markets V, Inc. Interest only payments at 1.4690 percent per annum are accrued and paid quarterly through November 2025. Thereafter, principal and interest payments of $25,714 are due quarterly. Matures November 2041. Secured by deed of trust on property.	1,464,210	1,464,210
Carried forward	49,869,169	68,001,864

4. Notes Receivable - Net - Continued

	2023	2022
Brought forward	$ 49,869,169	$ 68,001,864
Note receivable dated November 2018, from from FR Restoration, LLC. Interest only payments at 1.038 percent per annum are accrued and paid quarterly through December 2025. Thereafter, principal and interest payments are due quarterly to fully amortize upon maturity. Matures December 2043 and is secured by deed of trust on property.	5,101,500	5,101,500
Note receivable dated November 2018, from from FR Restoration, LLC. Interest only payments at 1.038 percent per annum are accrued and paid quarterly through December 2025. Thereafter, principal and interest payments are due quarterly to fully amortize upon maturity. Matures December 2043 and is secured by deed of trust on property.	2,173,500	2,173,500
Note receivable dated November 2018, from Valued Growth Associates New Markets Project CDE II, LLC. Interest only payments at 1.379 percent per annum are accrued and paid quarterly through December 2025. Thereafter, principal and interest payments of $86,405 are due quarterly. Matures November 2048. Secured by deed of trust on property.	6,802,000	6,802,000
Note receivable dated November 2018, from Valued Growth Associates New Markets Project CDE II, LLC. Interest only payments at 1.379 percent per annum are accrued and paid quarterly through December 2025. Thereafter, principal and interest payments of $36,178 are due quarterly. Matures November 2048. Secured by deed of trust on property.	2,848,000	2,848,000
Carried forward	66,794,169	84,926,864

4. Notes Receivable - Net - Continued

	2023	2022
Brought forward	$ 66,794,169	$ 84,926,864
Note receivable dated December 2019, from Colville Tribal Treatment Facility Development, LLC. Interest only payments at 1.018737 percent per annum are accrued and paid quarterly through December 2026. Thereafter, principal and interest payments are due quarterly to fully amortize upon maturity. Matures December 2049. Secured by deed of trust on property.	4,426,700	4,426,700
Note receivable dated December 2019, from Colville Tribal Treatment Facility Development, LLC. Interest only payments at 1.018737 percent per annum are accrued and paid quarterly through December 2026. Thereafter, principal and interest payments of $22,927 are due quarterly. Matures December 2049. Secured by deed of trust on property.	1,878,300	1,878,300
Note receivable dated December 2020, from 4Points Laguna, LLC. Interest only payments at 1.344 percent per annum are accrued and paid quarterly through December 2027. Thereafter, principal and interest payments of $62,775 are due quarterly. Matures December 2049. Secured by deed trust on property.	4,775,453	4,775,453
Note receivable dated December 2020, from 4Points Laguna, LLC. Interest only payments at 1.344 percent per annum are accrued and paid quarterly through December 2027. Thereafter, principal and interest payments of $23,802 are due quarterly. Matures December 2049. Secured by deed of trust on property.	1,844,797	1,844,797
Note receivable dated February 2021, from Freeroot Ventures, Inc. Interest only payments at 5 percent per annum are accrued and paid monthly through February 2022. Thereafter, principal and interest payments of of $4,140 are due monthly. Matures February 2031. Unsecured.	298,680	332,498
Carried forward	80,018,099	98,184,612

4. Notes Receivable - Net - Continued

	2023	2022
Brought forward	$ 80,018,099	$ 98,184,612
Note receivable dated July 2021, from LC Restoration, LLC. Interest only payments at 1.4814 percent per annum are accrued and paid quarterly through June 2028. Thereafter, principal and interest payments of $47,801 are due quarterly. Matures June 2052. Secured by deed of trust on property.	3,855,875	3,855,875
Note receivable dated July 2021, from LC Restoration, LLC. Interest only payments at 1.4814 percent per annum are accrued and paid quarterly through June 2028. Thereafter, principal and interest payments of $17,735 are due quarterly. Matures June 2052. Secured by deed of trust on property.	1,430,625	1,430,625
Note receivable dated December 2021, from McKinley Paper Company, LLC. Interest only payments at 1.3288 percent per annum are accrued and paid quarterly through December 2028. Thereafter, principal and interest payments of $62,775 are due quarterly. Matures December 2051. Secured by deed of trust on property.	7,036,000	7,036,000
Note receivable dated December 2021, from McKinley Paper Company, LLC. Interest only payments at 1.3288 percent per annum are accrued and paid quarterly through December 2028. Thereafter, principal and interest payments of $62,775 are due quarterly. Matures December 2051. Secured by deed of trust on property.	2,664,000	2,664,000
Note receivable dated March 2022, from Unicom, Inc. Interest only payments at 1.44248 percent per annum and paid quarterly through March 2029. Thereafter, principal and interest payments of $76,077 are due quarterly. Matures March 2052. Secured by deed of trust on property.	5,947,450	5,947,450
Carried forward	100,952,049	119,118,562

4. Notes Receivable - Net - Continued

	2023	2022
Brought forward	$ 100,952,049	$ 119,118,562
Note receivable dated March 2022, from Unicom, Inc. Interest only payments at 1.44248 percent per annum and paid quarterly through March 2029. Thereafter, principal and interest payments of $28,302 are due quarterly. Matures March 2052. Secured by deed of trust on property.	2,297,550	2,297,550
Note receivable dated March 2022, from Land to Plate Distribution Cooperative. Deemed uncollectible in 2023.	-	102,698
Note receivable dated April 2023, from Juntos Fruitvale QALICB. Interest only payments at 1.164 percent per annum and paid quarterly through December 2030. Thereafter, principal and interest payments of $67,728 are due quarterly. Matures December 2057. Secured by deed of trust on property.	6,268,950	-
Note receivable dated April 2023, from Juntos Fruitvale QALICB. Interest only payments at 1.164 percent per annum and paid quarterly through December 2030. In April 2030, a mandatory principal only payment of $90,000 is due. Thereafter, principal and interest payments of $25,616 are due quarterly. Matures December 2057. Secured by deed of trust on property.	2,461,050	-
Note receivable dated May 2023, from Martin Luther King, Jr.-Los Angeles Healthcare Corporation (MLK Hospital). Interest only payments at 1.210 percent per annum and paid semi-annually through June 2030. Thereafter, principal and interest payments of $74,488 are due semi-annually. Matures December 2051. Secured by deed of trust on property.	2,755,333	-
Note receivable dated May 2023, from MLK Hospital. Interest only payments at 1.210 percent per annum and paid semi-annually through June 2030. Thereafter, principal and interest payments of $29,323 are due semi-annually. Matures December 2051. Secured by deed of trust on property.	1,124,667	-
Carried forward	115,859,599	121,518,810

4. Notes Receivable - Net - Continued

	2023	2022
Brought forward	$ 115,859,599	$ 121,518,810
Note receivable dated April 2023, from San Carlos Apache Tribe. Interest only payments at 1.175 percent per annum and paid quarterly through December 2030. Thereafter, principal and interest payments of $86,570 are due quarterly. Matures December 2052. Secured by deed of trust on property.	6,121,800	-
Note receivable dated April 2023, from San Carlos Apache Tribe. Interest only payments at 1.175 percent per annum and paid quarterly through December 2030. Thereafter, principal and interest payments of $36,883 are due quarterly. Matures December 2052. Secured by deed of trust on property.	2,608,200	-
	$ 124,589,599	$ 121,518,810

5. Investments

Investments consist of the following at December 31:

	2023	2022
Investments carried at fair value:		
Equity mutual funds	$ 2,089,669	$ 1,626,020
Money market mutual funds	3,216,783	3,553,860
Bond mutual funds	412,780	370,275
Exchange traded funds	410,545	621,583
Investments in Ecotrust Forests entities	9,438,307	9,067,668
Investments held at OCF	6,825,303	6,123,647
Investments held in Green Canopy, LLC	60,832	60,832
Investments carried at fair value	$ 22,454,219	$ 21,423,885

Investment return includes the following for the years ended December 31:

	2023	2022
Interest and dividends from investments	$ 88,574	$ 39,985
Interest from notes receivable	1,662,734	1,595,197
Net realized and unrealized gains (losses)	1,960,158	(1,229,987)
	$ 3,711,466	$ 405,195

Ecotrust has an agreement with OCF to transfer certain investments to OCF in order to achieve improved performance results and enhanced long-term planned giving goals. The agreement gives OCF variance power, that is, terms which grant OCF's Board of Directors the authority to modify restrictions and conditions of the fund agreement under certain circumstances. The agreement stipulates that OCF will distribute a percentage of the fair market value of the fund to Ecotrust based on the expected total return on the investments of the permanent funds of OCF and other factors. The agreement specifies that such percentage shall not be less than a reasonable rate of return. Additional distributions may be made on a resolution of both organizations' Boards of Directors.

6. Property and Equipment - Net

Property and equipment consists of the following at December 31:

	2023	2022
Land	$ 5,897,561	$ 5,897,561
Buildings	32,740,106	32,649,006
Furniture and equipment	1,265,246	1,265,246
Donated artwork	42,500	42,500
	39,945,413	39,854,313
Less accumulated depreciation	(11,857,895)	(10,813,552)
	28,087,518	29,040,761
Construction in process	-	31,060
Net property and equipment	$ 28,087,518	$ 29,071,821

7. Contract Liabilities

Contract liabilities (consisting of deferred revenue from contract revenues and tax credit placement fees) and changes therein were as follows as of December 31:

	2023	2022
Balance, beginning of year	$ 225,799	$ 378,208
Revenue recognized	(204,112)	(152,409)
Balance, end of year	$ 21,687	$ 225,799

As described in *Note 2*, Ecotrust adopted a change in accounting policy that changed the revenue recognition of tax credit placement fees. Starting in 2023, tax credit placement fees are fully recognized upon the successful closing of a NMTC deal, rather than recognized on a straight-line basis over the seven-year compliance period. Management determined there was not a right of return during the seven-year compliance period and that the performance obligation was met upon the closing of the NMTC deal. As such, all unamortized prior year tax credit placement fees were recognized as revenue as of January 1, 2023.

8. Notes Payable - Net

Notes payable include the following at December 31:

	2023	2022
Note payable to New Priorities Foundation, including interest at 2 percent per annum that is paid annually on October 1st. Principal is due in April 2028. Secured by Ecotrust's investment in Ecotrust Forests II, LLC.	$ 500,000	$ 500,000
Note payable to Nia Community Fund, LLC, including interest at 2 percent per annum. Interest payments are due quarterly. Principal is due in May 2027. Unsecured.	250,000	250,000
Note payable to OCF paid off in 2023.	-	500,000
Note payable to Meyer Memorial Trust paid off in 2023.	-	500,000
Note payable to The Lora L. and Martin N. Kelley Family Foundation paid off in 2023.	-	250,000
Note payable to Edwards Mother Earth Foundation paid off in 2023.	-	250,000
Note payable to COCRF SubCDE 38, LLC paid off in 2023.	-	1,886,330
Note payable to COCRF SubCDE 38, LLC forgiven during 2023.	-	1,017,900
Note payable to Globetrotter Foundation including interest at 2 percent per annum. Interest payments are due quarterly. Remaining principal and interest payments are due in January 2025. Unsecured.	250,000	250,000
Note payable to Sangham Foundation including interest at 2 percent per annum. Interest payments are due quarterly. Remaining principal and interest payments are due in March 2025. Unsecured.	250,000	250,000
Carried forward	1,250,000	5,654,230

8. Notes Payable - Net - Continued

	2023	2022
Brought forward	$ 1,250,000	$ 5,654,230
Note payable to Susan Hoffman including interest at 2 percent per annum. Interest payments are due quarterly. Remaining principal and interest payments are due in March 2025. Certain covenants apply. Unsecured.	250,000	250,000
Note payable to COCRF SubCDE 75, LLC including interest at 1.2140 percent per annum. Presented net of unamortized debt issuance costs of $114,964 and $119,693 at December 31, 2023 and 2022, respectively. Interest payments are due quarterly through March 2025. Thereafter, principal and interest payments of $14,888 are due quarterly. Matures December 2047. Certain covenants apply. Secured by land and real property with a carrying value of $12,283,240.	1,067,276	1,062,547
Note payable to COCRF SubCDE 75, LLC including interest at 1.2140 percent per annum. Interest payments are due quarterly through March 2025. Thereafter, principal and interest payments of $7,779 are due quarterly. Matures December 2047. Certain covenants apply. Secured by land and real property with a carrying value of $12,283,240.	617,760	617,760
Note payable to Beneficial State Bank including interest at 4.5 percent per annum. Principal and interest payments of $16,780 are due monthly through January 2028. Thereafter, principal and interest payments of $18,612 are due monthly through December 2032. One final payment of $2,251,603 is due January 2033. Interest is variable and subject to change after the first 60 payments. Certain covenants apply.	2,937,939	-
	$ 6,122,975	$ 7,584,537

8. Notes Payable - Net - Continued

Each of the notes payable made by COCRF SubCDE 75, LLC are intended to qualify as a qualified low income community investment and The Redd Foundry, LLC is intended to qualify as a Qualified Active Low-Income Community Business (QALICB), as such terms are defined by Section 45D of the IRC of 1986, as amended and Section 1.45D-1(d)(4) of the Internal Revenue Service Regulations. Under the terms of the loan agreements, The Redd Foundry, LLC acknowledges and agrees that they will satisfy the requirements necessary to remain a QALICB.

Future principal maturities of notes payable are as follows:

Years Ending December 31,	**Amount**
2024	$ 57,497
2025	873,708
2026	145,053
2027	649,411
2028	403,944
Thereafter	4,108,326
Total	6,237,939
Less unamortized loan issuance costs	(114,964)
	$ 6,122,975

9. Lease Agreements

Ecotrust Properties, LLC leases retail and office space to others under non-cancelable operating leases that expire at various dates through July 2032. The Marble, LLC leases retail and office space under non-cancelable operating leases that expire at various dates through January 2026. The Redd Foundry, LLC leases retail and office space under non-cancelable operating leases that expire at various dates through December 2026.

Future minimum lease payments to be received under the operating leases are as follows at December 31, 2023:

Years Ending December 31,	**Amount**
2024	$ 974,681
2025	787,184
2026	469,908
2027	393,790
2028	353,461
Thereafter	921,944
Total minimum lease payments	$ 3,900,968

10. Net Assets with Donor Restrictions

Net assets with donor restrictions for the following purpose or periods at December 31:

	2023	2022
Subject to expenditure for specified purposes:		
Natural Capital Holdings, LLC	$ 100,000	$ 310,000
Programs	1,540,163	1,747,218
	1,640,163	2,057,218
Subject to the passage of time	621,692	656,142
Endowments:		
Subject to appropriation and expenditure according to endowment spending policy	2,547,027	1,753,668
Permanent endowment funds:		
Community Engagement Endowment	200,000	200,000
Indigenous Leadership Endowment	500,000	500,000
Creative Storytelling in Salmon Nation	1,000,000	1,000,000
Ecotrust income endowment	4,455,282	4,455,282
Total endowment funds	8,702,309	7,908,950
Total net assets with donor restrictions	$ 10,964,164	$ 10,622,310

Net assets released from donor restrictions as a result of the satisfaction of program and/or time restrictions include the following for the years ended December 31:

	2023	2022
Programs	$ 2,360,078	$ 2,639,632
Endowment earnings appropriated for expenditure	278,046	318,124
Total net assets released from restrictions	$ 2,638,124	$ 2,957,756

11. Retirement Plans

Ecotrust sponsors a defined contribution retirement plan (the Plan) which covers all employees who work more than 50 percent of the time and have more than six months of service. Under the terms of the Plan, Ecotrust makes a contribution equal to 3 percent of compensation for all eligible employees. Ecotrust makes an additional matching contribution equal to 50 percent of employee contributions up to a maximum of 3 percent of compensation. Additional discretionary contributions are also allowed. Contributions to the Plan were $311,942 and $285,667 for the years ended December 31, 2023 and 2022, respectively.

Ecotrust provides a nonqualified 457(b) deferred compensation plan which covers a former Ecotrust employee. Contributions to this plan are at the discretion of the Board of Directors and there were no contributions for the years ended December 31, 2023 and 2022. Restricted cash and accrued liabilities include $125,470 and $211,975 at December 31, 2023 and 2022, respectively, related to this plan.

12. Concentrations of Risk

Ecotrust maintains its cash balances primarily in one financial institution. From time to time, Ecotrust maintains balances in excess of federally insured limits at this financial institution.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible changes in the values of investment securities will occur in the near term and such changes could materially affect account balances and the amounts reported in the consolidated financial statements.

Future operations could be affected by changes in economic or other conditions in low-income community geographical areas. In addition, the primary activities of each of the NMTC program Subsidiaries are making loans to an individual QALICB under the NMTC program at the federal and state levels. Future operations could be affected by changes in economic or other conditions that would affect these Subsidiaries and the respective QALICBs to which these Subsidiaries make loans.

During the year ended December 31, 2023, two donors accounted for 39 percent of total contributions. During the year ended December 31, 2022, another donor accounted for 10 percent of total contributions.

13. Investment Member Interest

Ecotrust has formed, and is the Managing Member of Sub-CDE XXII, Sub-CDE XXIII, Sub-CDE XXIV, Sub-CDE XXV, Sub-CDE 26, Sub-CDE 27, Sub-CDE 28, Sub-CDE 29, Sub-CDE 30, Sub-CDE 31, Sub-CDE 32, Sub-CDE 33, Sub-CDE 34, Sub-CDE 35, and Sub-CDE 36 to make qualified equity investments (QEIs) in community development entities (CDEs), which have made loans to QALICBs and engage in other activities which qualify for federal NMTCs *(Note 14)*.

Pursuant to the terms of the Operating Agreements, the Managing Member and Investor Members are required to make equity contributions. Profits, losses, and tax credits are allocated in accordance with the Operating Agreements. Profits and losses from operations and all federal NMTCs in any one year shall be allocated 0.01 percent to the Managing Member and 99.99 percent to the Investor Members.

The Investment Member interest is as follows at December 31:

	2023	**2022**
Balance, beginning of year	$ 125,100,490	$ 130,666,086
Investment Member contributions:		
Twain Investment Fund 627, LLC	-	8,500,000
Chase NMTC JF Investment Fund, LLC	9,000,000	-
EHF MLK Healthcare Investment Fund, LLC	4,000,000	-
San Carlos Investment Fund, LLC	9,000,000	-
Total Investment Member contributions	22,000,000	8,500,000
Deconsolidations:		
Fry Ontario, LLC	-	(4,850,013)
COCRF Investor 42, LLC	-	(8,730,024)
COCRF Investor Fund 52, LLC	(6,596,020)	-
COCRF Investor 72, LLC	(5,820,002)	-
COCRF Investor 75, LLC	(5,820,020)	-
Total deconsolidations	(18,236,042)	(13,580,037)
Investment Member interest in income	262,447	280,486
Investment Member distributions	(753,604)	(766,045)
Balance, end of year	$ 128,373,291	$ 125,100,490

14. New Markets Tax Credits

As of December 31, 2023 and 2022, Ecotrust has received $387,000,000 in NMTCs from the United States Department of Treasury. Pursuant to the appurtenant Allocation Agreement, that authority will be sub-allocated to qualifying entities (collectively, the Suballocatees) as qualifying investments are made.

The NMTC is a 39 percent federal tax credit available over a seven year period to the investors. In order to qualify for these credits, Ecotrust must comply with various federal requirements. These requirements include, but are not limited to, investing at least 85 percent of the QEIs in qualified low-income community investments (which may include 5 percent of the QEIs received to be held as reserves).

The credits are subject to recapture if the Investee Companies fail to meet certain NMTC compliance requirements during the seven year tax credit period. Recapture of credits will occur if: 1) the Investee Companies cease to continuously be CDEs; 2) the Investee Companies cease to use substantially all of the QEIs for qualified low-income community investments (including 5 percent of the QEIs received and held as reserves); or 3) the Investee Companies redeem the QEI before the end of the applicable seven year compliance period. If any of the above events occur during the seven year tax credit period, the NMTCs must be recaptured by the Investee Companies, and the increase in tax will be borne by the members. However, Ecotrust has indemnified the Investor Members and is thus contingently liable for any potential loss they may incur should a recapture event take place.

15. Non-controlling Interest

During the years ended December 31, 2014 through 2018, The Redd, LLC issued membership equity to several investors. During the year ended December 31, 2015, The Marble, LLC issued membership equity to another investor. During the year ended December 31, 2018, The Redd Foundry, LLC issued membership equity to another investor.

The combined non-controlling interest is as follows at December 31:

	2023	2022
Balance, beginning of year	$ 8,776,320	$ 9,075,146
Distribution to member, The Redd Foundry, LLC	(15,000)	(15,000)
Non-controlling interest in income (loss):		
The Redd, LLC	736,299	44,310
The Marble, LLC	1,877,944	392,788
The Redd Foundry, LLC	(208,347)	(720,924)
Total non-controlling interest in income (loss) - net	2,405,896	(283,826)
Balance, end of year	$ 11,167,216	$ 8,776,320

16. Contract and Service Fee Revenue

Contract and service fee revenue is comprised of the following components for the years ended December 31:

	2023	2022
Contracts with customers:		
Event space rental	$ 1,673,050	$ 1,421,795
Management fees	3,926	-
Contract revenue	753,893	436,336
Total contracts with customers	2,430,869	1,858,131
Lease revenue *(Note 9)*	1,449,547	1,577,158
Other income	30,369	14,369
Total contract and service revenue	$ 3,910,785	$ 3,449,658

17. Income Taxes

Taxable entities included in the consolidated financial statements of Ecotrust are The Redd, LLC (subject to certain state and local taxes); The Marble, LLC (subject to certain state and local taxes); The Redd Foundry, LLC (subject to certain state and local taxes); Ecotrust CDE, LLC (subject to certain state and local taxes); and Sub-CDE 27, which has elected to be taxed as a corporation.

The provision for income taxes includes the following components for the years ended December 31:

	2023	**2022**
Current:		
Federal	$ 22,173	$ 22,173
State and local	35,148	24,666
	57,321	46,839
Deferred income taxes	61,434	7,768
	$ 118,755	$ 54,607

Deferred income taxes are recognized for temporary differences between amounts reported in the consolidated financial statements and amounts reported for income tax purposes. The components of Ecotrust's deferred income tax liability are as follows at December 31:

	2023	**2022**
Deferred tax assets	$ -	$ 56,988
Deferred tax liabilities	(387,762)	(383,316)
Net deferred tax liabilities	$ (387,762)	$ (326,328)

18. Fair Value Measurements

Investments carried at fair value on a recurring basis were determined as follows at December 31, 2023:

	Level 1	Level 3	Total
Equity mutual funds	$ 2,089,669	$ -	$ 2,089,669
Money market mutual funds	3,216,783	-	3,216,783
Bond mutual funds	412,780	-	412,780
Exchange traded funds	410,545	-	410,545
Investments in Ecotrust Forests entities	-	9,438,307	9,438,307
Investments held at OCF	-	6,825,303	6,825,303
Investments held in Green Canopy, LLC	-	60,832	60,832
	$ 6,129,777	$ 16,324,442	$ 22,454,219

Investments carried at fair value on a recurring basis were determined as follows at December 31, 2022:

	Level 1	Level 3	Total
Equity mutual funds	$ 1,626,020	$ -	$ 1,626,020
Money market mutual funds	3,553,860	-	3,553,860
Bond mutual funds	370,275	-	370,275
Bond mutual funds	621,583	-	621,583
Investments in Ecotrust Forests entities	-	9,067,668	9,067,668
Investments held at OCF	-	6,123,647	6,123,647
Investments held in Green Canopy, LLC	-	60,832	60,832
	$ 6,171,738	$ 15,252,147	$ 21,423,885

The fair value of assets measured on a recurring basis is the market value based on quoted market prices (when available), third-party pricing services for the same or similar investment, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

As described in *Note 5*, investments held at OCF represent Ecotrust's share of a pooled investment portfolio managed by OCF. Ecotrust's share of the pooled investment portfolio is not actively traded and significant other observable inputs are not available. However, the underlying investments of OCF are measured by management of OCF using a variety of valuation methods including Level 1, Level 2, and Level 3 inputs.

18. Fair Value Measurements - Continued

The investments in the Ecotrust Forests entities represent Ecotrust's share of investments in three funds: Ecotrust Forests, LLC; Ecotrust Forests II, LLC; and Ecotrust Forests III, LLC; which are managed by Ecotrust Forest Management, Inc. These funds are not actively traded and significant other observable inputs are not available. Ecotrust Forests, LLC provides its investors with a net asset value (NAV) that is determined by an independent valuation and consulting firm (ValSpan, Inc.) that uses timberland appraisals, audited financial statements, and other inputs to determine the NAV, which management believes approximates fair value. Valuations are performed on a quarterly basis. Ecotrust Forests II, LLC and Ecotrust Forests III, LLC are valued by management using the same methodology used by ValSpan, Inc. to determine fair value for investments in those funds. Redemption of investments in the Ecotrust Forests entities must be approved by the fund manager. The funds are not obligated to fund any redemption request to the extent the fund determines in its sole discretion that: 1) there is insufficient cash available for distribution in the ordinary course of business; or 2) any full or partial distribution by the fund in respect of such redemption request would have an adverse effect on the fund.

A summary of the changes in fair value of Level 3 assets for investments measured at fair value on a recurring basis is as follows:

	Investments in Green Canopy, LLC	Investments in Ecotrust Forests Entities	Investments held at OCF	Total
Balance, January 1, 2022	$ 60,832	$ 8,606,269	$ 7,883,070	$ 16,550,171
Proceeds	-	-	(271,774)	(271,774)
Net realized and unrealized gains (losses)	-	461,399	(1,519,769)	(1,058,370)
Interest and dividends	-	-	32,120	32,120
Balance, December 31, 2022	60,832	9,067,668	6,123,647	15,252,147
Proceeds	-	-	(280,685)	(280,685)
Net realized and unrealized gains	-	370,639	926,247	1,296,886
Interest and dividends	-	-	56,094	56,094
Balance, December 31, 2023	$ 60,832	$ 9,438,307	$ 6,825,303	$ 16,324,442

19. Endowment

Endowment net assets consist solely of donor-restricted amounts and are invested as follows at December 31:

	2023	2022
Investments held at OCF	$ 6,825,303	$ 6,123,647
Investments held at Charles Schwab	1,877,006	1,785,303
	$ 8,702,309	$ 7,908,950

Changes in endowment net assets were as follows:

	2023	2022
Balance, beginning of year	$ 7,908,950	$ 9,645,198
Investment return - net	1,071,405	(1,418,124)
Appropriation for expenditure	(278,046)	(318,124)
Balance, end of year	$ 8,702,309	$ 7,908,950

20. Contingencies

A significant portion of Ecotrust's net revenue and support are earned under grants and contracts with various funding sources. Amounts received or receivable from these contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of Ecotrust if so determined in the future. It is management's belief that no material amounts received will be required to be returned in the future that have not already been provided for.

21. Liquidity and Availability of Resources

Ecotrust's financial assets available for general expenditure within one year consist of the following at December 31, 2023:

	2023
Cash and cash equivalents	$ 5,457,857
Accounts receivable, net	803,197
Grants receivable	621,692
Current portion of notes receivable for operations	173,011
Investments	22,454,219
Total financial assets available within one year	29,509,976
Less:	
Amounts unavailable for general expenditures within one year:	
Restricted by donors as to purpose	1,640,163
Investment in Ecotrust Forests entities	9,438,307
Endowment funds	8,702,309
Total amounts unavailable for general expenditures within one year due to donor restrictions	19,780,779
Board designated funds for Indigenous Leadership	1,300,000
Total amounts unavailable	21,080,779
Total financial assets available to management for general expenditure within one year	$ 8,429,197

Ecotrust maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, to help manage with unanticipated liquidity needs, Ecotrust has two lines of credits with a maximum commitment of $1,000,000, which management can draw upon *(Note 23)*.

Ecotrust's Board designated funds for Indigenous Leadership is a component of net assets without donor restriction. Although management intends to use these funds in accordance with provisions outlined by the Board of Directors, amounts could be available for current operations, if approved by the Board.

22. Lines of Credit

Ecotrust has two $500,000 lines of credit available with Beneficial State bank, for a maximum commitment of $1,000,000. Interest is payable monthly at US Prime rate plus 0.75 percent per annum with a floor of 7.25 percent per annum (9.25 percent at December 31,2023). The lines of credit are unsecured and have certain loan covenants. The balance outstanding on the lines of credit was $-0- at December 31, 2023.

23. Subsequent Events

Management has evaluated subsequent events through September 5, 2024, the date the consolidated financial statements were available for issue.

On March 1, 2024, the Ecotrust CDE, LLC subsidiary Ecotrust Sub-CDE 37, LLC entered into a Loan and Security Agreement with Home Visitors Council, an Oregon public benefit corporation, (“HVC”), as well as other ancillary agreements that had the purpose and legal effect of providing NMTC derived financing to HVC in connection with the development of a prefabricated home manufacturing facility operated as a non-profit enterprise to help remedy the severe and growing housing shortage for low-income Oregonians.

On March 18, 2024, the Ecotrust CDE, LLC subsidiary Ecotrust Sub-CDE 38, LLC entered into a Loan Agreement between and among HF QALICB, LLC, a Delaware limited liability company, (“HF-Q”), and Punawai ‘O Pu’Uhonua Sub 10, LLC, a Hawaii limited liability company, as well as other ancillary agreements that had the purpose and legal effect of providing NMTC derived financing to HF-Q in connection with the expansion of a farming operation that will provide quality jobs and increase access to local, healthy produce for Hawaii residents in an environmentally sustainable way.

On May 10, 2024, the Ecotrust CDE, LLC subsidiary Ecotrust Sub-CDE 39, LLC entered into a Master Loan and Security Agreement between and among WCHUB QALICB, LLC, a Delaware limited liability company, (“WCHUB”), CNMC Sub-CDE 243, LLC, a Delaware limited liability company, Catalyst CDE-34, LLC, a Delaware limited liability company, and ENMP 105 LP, a Maryland limited partnership, as well as other ancillary agreements that had the purpose and legal effect of providing NMTC derived financing to WCHUB in connection with the development and operation of a one-stop community, health, and social service center serving the people of White Center.

On August 28, 2024, Ecotrust CDE, LLC and its subsidiary Sub-CDE XXII, a Delaware limited liability company, entered into a Redemption Agreement and other ancillary agreements with the Mokio Investment Fund, LLC, a Delaware limited liability Company (“Mokio”), to effectuate the transfer by assignment of all Promissory Notes held by Sub-CDE XXII to Mokio in complete redemption of Mokio’s ownership interest Sub-CDE XXII, with the result being that Sub-CDE XXII became a wholly owned subsidiary of Ecotrust CDE, LLC.

23. Subsequent Events - Continued

On August 29, 2024, the Ecotrust CDE, LLC subsidiary Ecotrust Sub-CDE 41, LLC (Sub-CDE 41) entered a loan transaction between and among Sub-CDE 41 and with NTUA New Markets VII, LLC, a limited liability company formed under the laws of the Navajo Nation ("NTUA VII"), as well as other ancillary agreements between among Sub-CDE 41, NTUA VII, NAB Sub-CDE 6, LLC, a Colorado limited liability company, and NIF Sub 9, LLC, a Delaware limited liability company that had the purpose and legal effect of providing NMTC derived financing to NTUA VII in connection with financing to equip a new wastewater treatment plant in Arizona serving the local Navajo residents.

On September 12, 2024, Ecotrust CDE, LLC and its subsidiary Sub-CDE XXII, a Delaware limited liability company, entered into a Redemption Agreement and other ancillary agreements with the COCRF Investor 108, LLC, a Delaware limited liability company ("COCRF 108"), to effectuate the transfer by assignment of all Promissory Notes held by Sub-CDE XXIV to COCRF 108 in complete redemption of COCRF 108's ownership interest Sub-CDE XXIV, with the result being that Sub-CDE XXIV became a wholly owned subsidiary of Ecotrust CDE, LLC.

On September 19, 2024, Ecotrust CDE, LLC was awarded $40,000,000 in NMTCs from the CDFI Fund to continue their work as described in *Note 14*.

ECOTRUST

CONSOLIDATING INFORMATION

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CERTIFIED PUBLIC ACCOUNTANTS
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Independent Auditors' Report on Consolidating Information

The Board of Directors
Ecotrust

We have audited the consolidated financial statements of Ecotrust and its Subsidiaries as of and for the years ended December 31, 2023 and 2022, and our report thereon dated September 5, 2024, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 through 3. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 51 through 54 is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities, and it 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 consolidating information has been subjected to the auditing procedures applied in the audits 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 consolidating information, which insofar as it relates to certain consolidated subsidiaries whose statements (prior to the effect of eliminating entries) reflect total assets of $162,777,114 as of December 31, 2023 and $125,112,994 as of December 31, 2022, and total revenues of $6,168,125 and $1,654,848, respectively, for the years then ended, is based on the reports of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Hoffman, Stewart & Schmidt, P.C.

September 5, 2024

ECOTRUST

Consolidating Schedule of Financial Position

December 31, 2023

ASSETS	Ecotrust	Variable Interest Entities	Total	Eliminations	Consolidated Total
Cash and cash equivalents	$ 5,435,846	$ 22,011	$ 5,457,857	$ -	$ 5,457,857
Accounts receivable - net	803,197	-	803,197	-	803,197
Grants receivable	621,692	-	621,692	-	621,692
Notes receivable - net	9,468,099	126,761,500	136,229,599	(11,640,000)	124,589,599
Investments	22,454,219	-	22,454,219	-	22,454,219
Investment in Variable Interest Entities	12,836	-	12,836	(12,836)	-
Prepaid expenses and other assets	376,761	95	376,856	-	376,856
Deferred charges - net	127,463	1,602,521	1,729,984	(1,595,976)	134,008
Deferred rent receivable	54,832	-	54,832	-	54,832
Restricted cash	234,429	-	234,429	-	234,429
Property and equipment - net	28,299,840	-	28,299,840	(212,322)	28,087,518
Total assets	**$ 67,889,214**	**$ 128,386,127**	**$ 196,275,341**	**$ (13,461,134)**	**$ 182,814,207**

LIABILITIES AND NET ASSETS AND INVESTMENT MEMBER AND NON-CONTROLLING INTERESTS

	Ecotrust	Variable Interest Entities	Total	Eliminations	Consolidated Total
Liabilities:					
Accounts payable	$ 212,568	$ -	$ 212,568	$ -	$ 212,568
Accrued liabilities	1,373,978	-	1,373,978	-	1,373,978
Deferred revenue	21,687	-	21,687	-	21,687
Refundable advances	1,343,953	-	1,343,953	-	1,343,953
Deferred income taxes	387,762	-	387,762	-	387,762
Notes payable - net	17,762,975	-	17,762,975	(11,640,000)	6,122,975
Total liabilities	**21,102,923**	**-**	**21,102,923**	**(11,640,000)**	**9,462,923**
Net assets and Investment Member and non-controlling interests:					
Net assets:					
Without donor restrictions	24,654,911	12,836	24,667,747	(1,821,134)	22,846,613
With donor restrictions	10,964,164	-	10,964,164	-	10,964,164
Total net assets	**35,619,075**	**12,836**	**35,631,911**	**(1,821,134)**	**33,810,777**
Investment Member interest	-	128,373,291	128,373,291	-	128,373,291
Non-controlling interest	11,167,216	-	11,167,216	-	11,167,216
Total net assets and Investment Member and non-controlling interests	**46,786,291**	**128,386,127**	**175,172,418**	**(1,821,134)**	**173,351,284**
Total liabilities and net assets and Investment Member and non-controlling interests	**$ 67,889,214**	**$ 128,386,127**	**$ 196,275,341**	**$ (13,461,134)**	**$ 182,814,207**

Notes:

Ecotrust includes the following organizations that are consolidated due to majority ownership interests or control:

Ecotrust; Ecotrust Properties, LLC; Ecotrust Properties II, LLC; Natural Capital Holdings, LLC; Ecotrust Capital Partners, LLC; The Redd Manager, LLC; The Redd, LLC; The Redd Foundry, LLC; The Marble, LLC; and Ecotrust CDE, LLC.

Variable interest entities include the following entities that are consolidated due to control:

Ecotrust Sub-CDE XXII, LLC; Ecotrust Sub-CDE XXIII, LLC; Ecotrust Sub-CDE XXIV, LLC; Ecotrust Sub-CDE XXV, LLC; Ecotrust Sub-CDE 26, LLC; Ecotrust Sub-CDE 27, LLC; Ecotrust Sub-CDE 28, LLC; Ecotrust Sub-CDE 29, LLC; Ecotrust Sub-CDE 30, LLC; Ecotrust Sub-CDE 31, LLC; Ecotrust Sub-CDE 32, LLC; Ecotrust Sub-CDE 33, LLC; Ecotrust Sub-CDE 34, LLC; Ecotrust Sub-CDE 35, LLC; and Ecotrust Sub-CDE 36, LLC.

ECOTRUST

Consolidating Schedule of Activities

Year Ended December 31, 2023

	Ecotrust	Variable Interest Entities	Total	Eliminations	Consolidated Total
Revenues, gains, and other support:					
Grants and contributions	$ 3,823,503	$ -	$ 3,823,503	$ -	$ 3,823,503
Government grants and contributions	1,516,252	-	1,516,252	-	1,516,252
Non-financial contributions	7,495	-	7,495	-	7,495
Contracts and service fees	6,813,308	50,000	6,863,308	(2,952,523)	3,910,785
Investment return	2,212,598	1,640,179	3,852,777	(141,311)	3,711,466
Net revenues, gains, and other support	**14,373,156**	**1,690,179**	**16,063,335**	**(3,093,834)**	**12,969,501**
Operating expenses:					
Salaries	5,709,436	-	5,709,436	-	5,709,436
Payroll taxes and fringe benefits	1,459,187	-	1,459,187	-	1,459,187
Total payroll costs	7,168,623	-	7,168,623	-	7,168,623
Conferences, meetings, and travel	334,590	-	334,590	-	334,590
Contracts and consultants	1,004,631	-	1,004,631	-	1,004,631
Depreciation and amortization	1,152,423	499,465	1,651,888	(495,890)	1,155,998
Technology	165,159	-	165,159	-	165,159
Grants to other organizations	518,271	-	518,271	-	518,271
Insurance	265,973	-	265,973	-	265,973
Interest	420,145	-	420,145	(141,311)	278,834
Miscellaneous	432,711	-	432,711	-	432,711
Occupancy	798,783	-	798,783	-	798,783
Professional fees	469,819	893,157	1,362,976	(860,657)	502,319
Office, supplies, and equipment	100,331	-	100,331	-	100,331
Total operating expenses	**12,831,459**	**1,392,622**	**14,224,081**	**(1,497,858)**	**12,726,223**
Increase (decrease) in net assets from operations	**1,541,697**	**297,557**	**1,839,254**	**(1,595,976)**	**243,278**
Non-operating income (expense):					
Provision for income taxes	(83,670)	(35,085)	(118,755)	-	(118,755)
Credit losses on accounts receivable	(95,258)	-	(95,258)	-	(95,258)
Credit losses on loans	(110,982)	-	(110,982)	-	(110,982)
Cancellation of debt income	3,121,140	-	3,121,140	-	3,121,140
Share in income of Variable Interest Entities	25	-	25	(25)	-
Investment Member interest in income	-	(262,447)	(262,447)	-	(262,447)
Non-controlling interest in income - net	(2,405,896)	-	(2,405,896)	-	(2,405,896)
Capital contributions	-	2,200	2,200	(2,200)	-
Capital distributions	-	(74)	(74)	74	-
Gain on deconsolidations	42	-	42	-	42
Member equity deconsolidations	-	(1,819)	(1,819)	1,819	-
Net non-operating income (expense)	**425,401**	**(297,225)**	**128,176**	**(332)**	**127,844**
Increase (decrease) in net assets	**1,967,098**	**332**	**1,967,430**	**(1,596,308)**	**371,122**
Net assets, beginning of year	33,651,977	12,504	33,664,481	(224,826)	33,439,655
Net assets, end of year	**$ 35,619,075**	**$ 12,836**	**$ 35,631,911**	**$ (1,821,134)**	**$ 33,810,777**

See notes on page 51.

ECOTRUST

Consolidating Schedule of Financial Position

December 31, 2022

ASSETS	Ecotrust	Variable Interest Entities	Total	Eliminations	Consolidated Total
Cash and cash equivalents	$ 3,638,233	$ 13,393	$ 3,651,626	$ -	$ 3,651,626
Accounts receivable - net	425,898	-	425,898	-	425,898
Grants receivable	656,142	-	656,142	-	656,142
Notes receivable - net	16,097,310	123,657,500	139,754,810	(18,236,000)	121,518,810
Investments	21,423,885	-	21,423,885	-	21,423,885
Investment in Variable Interest Entities	12,504	-	12,504	(12,504)	-
Prepaid expenses and other assets	432,489	115	432,604	-	432,604
Deferred charges - net	232,485	1,441,986	1,674,471	(1,431,866)	242,605
Deferred rent receivable	35,587	-	35,587	-	35,587
Restricted cash	448,893	-	448,893	-	448,893
Property and equipment - net	29,284,143	-	29,284,143	(212,322)	29,071,821
Total assets	**$ 72,687,569**	**$ 125,112,994**	**$ 197,800,563**	**$ (19,892,692)**	**$ 177,907,871**

LIABILITIES AND NET ASSETS AND INVESTMENT MEMBER AND NON-CONTROLLING INTERESTS

	Ecotrust	Variable Interest Entities	Total	Eliminations	Consolidated Total
Liabilities:					
Accounts payable	$ 195,470	$ -	195,470	$ -	$ 195,470
Accrued liabilities	1,259,272	-	1,259,272	-	1,259,272
Deferred revenue	1,657,665	-	1,657,665	(1,431,866)	225,799
Refundable advances	1,000,000	-	1,000,000	-	1,000,000
Deferred income taxes	326,328	-	326,328	-	326,328
Notes payable - net	25,820,537	-	25,820,537	(18,236,000)	7,584,537
Total liabilities	**30,259,272**	**-**	**30,259,272**	**(19,667,866)**	**10,591,406**
Net assets and Investment Member and non-controlling interests:					
Net assets:					
Without donor restrictions	23,029,667	12,504	23,042,171	(224,826)	22,817,345
With donor restrictions	10,622,310	-	10,622,310	-	10,622,310
Total net assets	**33,651,977**	**12,504**	**33,664,481**	**(224,826)**	**33,439,655**
Investment Member interest	-	125,100,490	125,100,490	-	125,100,490
Non-controlling interest	8,776,320	-	8,776,320	-	8,776,320
Total net assets and Investment Member and non-controlling interests	**42,428,297**	**125,112,994**	**167,541,291**	**(224,826)**	**167,316,465**
Total liabilities and net assets and Investment Member and non-controlling interests	**$ 72,687,569**	**$ 125,112,994**	**$ 197,800,563**	**$ (19,892,692)**	**$ 177,907,871**

Notes:

Ecotrust includes the following organizations that are consolidated due to majority ownership interests or control:

Ecotrust; Ecotrust Properties, LLC; Ecotrust Properties II, LLC; Natural Capital Holdings, LLC; Ecotrust Capital Partners, LLC; The Redd Manager, LLC; The Redd, LLC; The Redd Foundry, LLC; The Marble, LLC; and Ecotrust CDE, LLC.

Variable interest entities include the following entities that are consolidated due to control:

Ecotrust Sub-CDE XIX, LLC; Ecotrust Sub-CDE XX, LLC; Ecotrust Sub-CDE XXI, LLC; Ecotrust Sub-CDE XXII, LLC; Ecotrust Sub-CDE XXIII, LLC; Ecotrust Sub-CDE XXIV, LLC; Ecotrust Sub-CDE XXV, LLC; Ecotrust Sub-CDE 26, LLC; Ecotrust Sub-CDE 27, LLC; Ecotrust Sub-CDE 28, LLC; Ecotrust Sub-CDE 29, LLC; Ecotrust Sub-CDE 30, LLC; Ecotrust Sub-CDE 31, LLC; Ecotrust Sub-CDE 32, LLC; and Ecotrust Sub-CDE 34, LLC.

ECOTRUST

Consolidating Schedule of Activities

Year Ended December 31, 2022

	Ecotrust	Variable Interest Entities	Total	Eliminations	Consolidated Total
Revenues, gains, and other support:					
Grants and contributions	$ 3,346,967	$ -	$ 3,346,967	$ -	$ 3,346,967
Government grants and contributions	441,194	-	441,194	-	441,194
Non-financial contributions	6,445	-	6,445	-	6,445
Contracts and service fees	4,750,500	25,000	4,775,500	(1,325,842)	3,449,658
Investment return	(1,007,352)	1,629,849	622,497	(217,302)	405,195
Net revenues, gains, and other support	**7,537,754**	**1,654,849**	**9,192,603**	**(1,543,144)**	**7,649,459**
Operating expenses:					
Salaries	5,450,639	-	5,450,639	-	5,450,639
Payroll taxes and fringe benefits	1,225,073	-	1,225,073	-	1,225,073
Total payroll costs	6,675,712	-	6,675,712	-	6,675,712
Conferences, meetings, and travel	232,117	-	232,117	-	232,117
Contracts and consultants	902,212	-	902,212	-	902,212
Depreciation and amortization	1,175,746	485,608	1,661,354	(479,699)	1,181,655
Technology	143,942	-	143,942	-	143,942
Grants to other organizations	180,455	-	180,455	-	180,455
Insurance	283,488	-	283,488	-	283,488
Interest	341,828	-	341,828	(217,302)	124,526
Miscellaneous	305,595	-	305,595	-	305,595
Occupancy	884,958	-	884,958	-	884,958
Professional fees	479,872	853,643	1,333,515	(846,143)	487,372
Office, supplies, and equipment	142,532	-	142,532	-	142,532
Total operating expenses	**11,748,457**	**1,339,251**	**13,087,708**	**(1,543,144)**	**11,544,564**
Increase (decrease) in net assets from operations	**(4,210,703)**	**315,598**	**(3,895,105)**	**-**	**(3,895,105)**
Non-operating income (expense):					
Provision for income taxes	(19,522)	(35,085)	(54,607)	-	(54,607)
Provision for bad debts	(6,838)	-	(6,838)	-	(6,838)
Share in income of Variable Interest Entities	27	-	27	(27)	-
Investment Member interest in income	-	(280,486)	(280,486)	-	(280,486)
Non-controlling interest in loss - net	283,826	-	283,826	-	283,826
Capital contributions	-	850	850	(850)	-
Capital distributions	-	(77)	(77)	77	-
Gain on deconsolidations	37	-	37	-	37
Member equity deconsolidations	-	(1,362)	(1,362)	1,362	-
Net non-operating income (expense)	**257,530**	**(316,160)**	**(58,630)**	**562**	**(58,068)**
Increase (decrease) in net assets	**(3,953,173)**	**(562)**	**(3,953,735)**	**562**	**(3,953,173)**
Net assets, beginning of year	37,605,150	13,066	37,618,216	(225,388)	37,392,828
Net assets, end of year	**$ 33,651,977**	**$ 12,504**	**$ 33,664,481**	**$ (224,826)**	**$ 33,439,655**

See notes on page 53.