
Ecotrust

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023

and

Consolidating Information

with

Independent Auditors' Reports

ECOTRUST

Table of Contents

	Page
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statement of Activities - 2024	5
Consolidated Statement of Activities - 2023	6
Consolidated Statement of Functional Expenses - 2024	7
Consolidated Statement of Functional Expenses - 2023	8
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	11
Consolidating Information	
Independent Auditors' Report on Consolidating Information	49
Consolidating Schedule of Financial Position - 2024	50
Consolidating Schedule of Activities - 2024	51
Consolidating Schedule of Financial Position - 2023	52
Consolidating Schedule of Activities - 2023	53

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, 2024 and 2023, 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, 2024 and 2023, 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 \$184,401,232 as of December 31, 2024 and \$162,777,114 as of December 31, 2023, and total revenues of \$3,138,850 and \$6,168,125, 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*.

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 collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the 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 June 13, 2025, 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
June 13, 2025

ECOTRUST

Consolidated Statements of Financial Position

December 31,	2024	2023
ASSETS		
Cash and cash equivalents	\$ 3,606,104	\$ 5,457,857
Accounts receivable	295,925	303,569
Grants receivable	1,163,924	1,121,320
Notes receivable	147,353,000	124,589,599
Investments	23,389,120	22,454,219
Prepaid expenses and other assets	403,016	376,856
Deferred charges - net	187,238	134,008
Deferred rent receivable	44,428	54,832
Restricted cash	50,202	234,429
Property and equipment - net	28,496,589	28,087,518
Total assets	\$ 204,989,546	\$ 182,814,207
LIABILITIES AND NET ASSETS AND INVESTMENT MEMBER AND NON-CONTROLLING INTERESTS		
Liabilities:		
Accounts payable	\$ 355,602	\$ 212,568
Accrued liabilities	1,502,899	1,373,978
Deferred revenue	19,509	21,687
Refundable advances	606,128	1,343,953
Deferred income taxes	385,020	387,762
Notes payable - net	6,026,148	6,122,975
Total liabilities	8,895,306	9,462,923
Net assets and Investment Member and non-controlling interests:		
Net assets:		
Without donor restrictions:		
Undesignated	21,423,031	21,546,613
Board designated for Indigenous Leadership	1,300,000	1,300,000
Total without donor restrictions	22,723,031	22,846,613
With donor restrictions	11,698,272	10,964,164
Total net assets	34,421,303	33,810,777
Investment Member interest	151,953,623	128,373,291
Non-controlling interest	9,719,314	11,167,216
Total net assets and Investment Member and non-controlling interests	196,094,240	173,351,284
Total liabilities and net assets and Investment Member and non-controlling interests	\$ 204,989,546	\$ 182,814,207

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

ECOTRUST

Consolidated Statement of Activities

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Grants and contributions	\$ 1,633,465	\$ 1,960,110	\$ 3,593,575
Government grants and contributions	2,631,283	-	2,631,283
Non-financial contributions	10,982	-	10,982
Contracts and service fees	4,034,513	-	4,034,513
Investment return	3,086,464	733,032	3,819,496
Net assets released from restrictions	1,959,034	(1,959,034)	-
Net revenues, gains, and other support	13,355,741	734,108	14,089,849
Operating expenses:			
Program services:			
Food Systems	1,020,985	-	1,020,985
Forests and Ecosystem Services	1,148,614	-	1,148,614
Indigenous Leadership	740,496	-	740,496
Knowledge Systems	2,247,674	-	2,247,674
Ecotrust Investments	3,268,617	-	3,268,617
Events	1,652,794	-	1,652,794
Total program services	10,079,180	-	10,079,180
Supporting services:			
Management and general	2,606,181	-	2,606,181
Communications	403,691	-	403,691
Development	663,913	-	663,913
Total supporting services	3,673,785	-	3,673,785
Total operating expenses	13,752,965	-	13,752,965
Change in net assets from operations	(397,224)	734,108	336,884
Non-operating income (expense)			
Provision for income taxes	(90,941)	-	(90,941)
Credit losses on accounts receivable	(4,884)	-	(4,884)
Investment Member interest in income	(297,439)	-	(297,439)
Non-controlling interest in income - net	666,906	-	666,906
Net non-operating income	273,642	-	273,642
Change in net assets	(123,582)	734,108	610,526
Net assets, beginning of year	22,846,613	10,964,164	33,810,777
Net assets, end of year	\$ 22,723,031	\$ 11,698,272	\$ 34,421,303

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	\$ 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	3,910,785	-	3,910,785
Investment return	2,640,061	1,071,405	3,711,466
Net assets released from restrictions	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
Change in net assets from operations	(98,576)	341,854	243,278
Non-operating income (expense)			
Provision for income taxes	(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	(262,447)	-	(262,447)
Non-controlling interest in income - net	(2,405,896)	-	(2,405,896)
Gain on deconsolidations	42	-	42
Net non-operating income	127,844	-	127,844
Change 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 Functional Expenses

Year Ended December 31, 2024

	Program Services						Supporting Services					Total
	Food Systems	Forests and Ecosystem Services	Indigenous Leadership	Knowledge Systems	Ecotrust Investments	Events	Total Program Services	Management and General	Communications	Development	Total Supporting Services	
Salaries	\$ 605,002	\$ 766,883	\$168,294	\$ 1,166,026	\$ 768,626	\$ 580,956	\$ 4,055,787	\$ 1,088,883	\$ 284,288	\$ 487,537	\$ 1,860,708	\$ 5,916,495
Payroll taxes and fringe benefits	151,322	192,204	42,252	288,897	176,338	153,041	1,004,054	252,019	68,550	124,702	445,271	1,449,325
Total payroll costs	756,324	959,087	210,546	1,454,923	944,964	733,997	5,059,841	1,340,902	352,838	612,239	2,305,979	7,365,820
Conferences, meetings, and travel	45,211	80,133	78,649	131,009	33,450	1,910	370,362	59,825	3,337	6,326	69,488	439,850
Contracts and consultants	44,975	31,315	75,137	306,417	242,981	43,159	743,984	342,873	24,229	18,000	385,102	1,129,086
Depreciation and amortization	-	-	-	6,644	1,081,448	-	1,088,092	14,071	-	-	14,071	1,102,163
Technology	36	3,063	26	19,437	-	20,573	43,135	147,156	895	4,331	152,382	195,517
Grants to others	152,428	54,686	316,348	277,060	5,650	-	806,172	-	18,372	1,000	19,372	825,544
Insurance	-	-	-	-	152,438	(2,600)	149,838	124,191	-	-	124,191	274,029
Interest	-	-	-	-	185,090	-	185,090	9,503	-	-	9,503	194,593
Miscellaneous	895	3,887	4,396	16,055	399,898	44,942	470,073	37,232	3,924	15,940	57,096	527,169
Occupancy	65	657	104	5,638	(178,600)	806,112	633,976	234,816	8	-	234,824	868,800
Professional fees	-	-	3,184	-	397,120	-	400,304	208,411	-	-	208,411	608,715
Office, supplies and equipment	21,051	15,786	52,106	30,491	4,178	4,701	128,313	87,201	88	6,077	93,366	221,679
Total expenses	\$ 1,020,985	\$ 1,148,614	\$ 740,496	\$ 2,247,674	\$ 3,268,617	\$ 1,652,794	\$ 10,079,180	\$ 2,606,181	\$ 403,691	\$ 663,913	\$ 3,673,785	\$ 13,752,965

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				Total
	Food Systems	Forests and Ecosystem Services	Indigenous Leadership	Knowledge Systems	Ecotrust Investments	Events	Total Program Services	Management and General	Communications	Development	Total Supporting Services	
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 Statements of Cash Flows

Years Ended December 31,	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 610,526	\$ 371,122
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Cancellation of debt income	-	(3,121,140)
Deferred income taxes (credits)	(2,742)	61,434
Credit losses on accounts receivable	4,884	95,258
Credit losses on loans	-	110,982
Investment Member interest in income	297,439	262,447
Non-controlling interest in income (loss)	(666,906)	2,405,896
Gain on deconsolidations	-	(42)
Depreciation and amortization	1,102,163	1,155,998
Change in debt issuance costs	4,730	100,499
Net realized and unrealized gains on investments	(1,745,939)	(1,960,158)
Changes in:		
Accounts receivable	2,760	27,071
Grants receivable	(42,604)	(465,178)
Prepaid expenses and other assets	(26,160)	55,748
Deferred charges	(147,066)	(3,058)
Deferred rent receivable	10,404	(19,245)
Accounts payable	143,034	17,098
Accrued liabilities	128,921	114,706
Deferred revenue	(2,178)	(204,112)
Refundable advances	(737,825)	343,953
Net cash used by operating activities	(1,066,559)	(650,721)
Cash flows from investing activities:		
Proceeds from sale of investments	970,079	929,824
Purchases of investments	(159,041)	-
Purchases of property and equipment	(1,417,398)	(60,040)
Payments received on notes receivable	31,599	1,376,367
Notes receivable issued	(41,710,000)	(21,340,000)
Net cash used by investing activities	(42,284,761)	(19,093,849)
Carried forward	(43,351,320)	(19,744,570)

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

ECOTRUST

Consolidated Statements of Cash Flows - Continued

Years Ended December 31,	2024	2023
Brought forward	\$ (43,351,320)	\$ (19,744,570)
Cash flows from financing activities:		
Issuance of note payable	-	3,000,000
Payments on notes payable	(101,557)	(2,895,059)
Cash reduction due to deconsolidations	(31,113)	-
Distributions to non-controlling interest members	(780,996)	(15,000)
Investment Member contributions	43,000,000	22,000,000
Investment Member distributions	(770,994)	(753,604)
Net cash provided by financing activities	41,315,340	21,336,337
Net increase (decrease) in cash, cash equivalents, and restricted cash	(2,035,980)	1,591,767
Cash, cash equivalents, and restricted cash, beginning of year	5,692,286	4,100,519
Cash, cash equivalents, and restricted cash, end of year	\$ 3,656,306	\$ 5,692,286
As presented in the accompanying consolidated statement of financial position:		
Cash and cash equivalents	\$ 3,606,104	\$ 5,457,857
Restricted cash	50,202	234,429
Total cash, cash equivalents, and restricted cash	\$ 3,656,306	\$ 5,692,286
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 163,099	\$ 177,952
Cash paid during the year for income taxes	65,185	43,565
Supplemental disclosures of noncash activity:		
Notes receivable removed due to deconsolidations	\$ 18,915,000	\$ 18,236,000
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.

ECOTRUST

Notes to 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. We work alongside partners from California to Alaska to inspire fresh thinking that creates economic opportunity, social equity, and environmental well-being.

Our approach focuses on impact at the intersections of equity, the economy, and the environment. Together, we uplift Indigenous leadership to respond to contemporary lands and water management challenges, connect schools with local food producers, provide technical support for community-centered businesses, and more.

Historically, 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. We welcome you to join us in the pursuit of radical, practical change.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

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 XXIII, LLC (Sub-CDE XXIII); 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); Ecotrust Sub-CDE 36, LLC (Sub-CDE 36); Ecotrust Sub-CDE 37, LLC (Sub-CDE 37); Ecotrust Sub-CDE 38, LLC (Sub-CDE 38); Ecotrust Sub-CDE 39, LLC (Sub-CDE 39); Ecotrust Sub-CDE 40, LLC (Sub-CDE 40); and Ecotrust Sub-CDE 41, LLC (Sub-CDE 41).

The consolidating statements as of and for the year ended December 31, 2023, also included the accounts of Subsidiaries Ecotrust Sub-CDE XXII, LLC (Sub-CDE XXII) and Ecotrust Sub-CDE XXIV, LLC (Sub-CDE XXIV).

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

Principles of Deconsolidation - During the year ended December 31, 2024, the new markets tax credit (NMTC) compliance period ended for the projects associated with Sub-CDE XXII and Sub-CDE XXIV.

During the year ended December 31, 2023, the new markets tax credit (NMTC) compliance period ended for the projects associated with Sub-CDE XIX, LLC (Sub-CDE XIX), Sub-CDE XX, LLC (Sub-CDE XX), and Sub-CDE XXI, LLC (Sub-CDE XXI).

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 XXII and Sub-CDE XXIV were deconsolidated in 2024 and Sub-CDE XIX, Sub-CDE XX, and Sub-CDE XXI were deconsolidated in 2023.

During the years ended December 31, 2024 and 2023, gains on deconsolidation of \$-0- and \$42, 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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

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, 2024 and 2023, management believes the accounts receivable are fully collectible and as such, the allowance for credit losses is \$-0-.

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, 2024 and 2023, management believes the notes receivable are fully collectible and as such, the allowance for credit losses on loans is \$-0-.

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, 2024 and 2023.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

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. These 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 \$477,153 and \$529,567 as of December 31, 2024 and 2023, respectively. Amortization expense for 2024 and 2023 was \$93,836 and \$111,655, respectively.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

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 at December 31, 2024 and 2023. At December 31, 2023, the balance also included 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 2024 and 2023 was \$1,008,327 and \$1,044,343, 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 - 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. 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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

2. Summary of Significant Accounting Policies - Continued Revenue Recognition - 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 \$9,570,000 and \$11,470,000 that have not been recognized at December 31, 2024 and 2023, respectively, because qualifying expenditures have not yet been incurred or the applicable barrier had not been met.

Grants receivable at December 31, 2024 consists of \$1,013,924 due within one year and \$150,000 due between one to five years. Grants receivable at December 31, 2023 were due within one year.

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*). Additionally, tax credit placement fees, which are recognized upon successful closing of the NMTC deal, are included in contract revenue.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

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 2024 or 2023.

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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

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 XXIII, 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, Sub-CDE 36, Sub-CDE 37, Sub-CDE 38, Sub-CDE 39, Sub-CDE 40, and Sub-CDE 41 as of December 31, 2024. 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 XXIII, 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, Sub-CDE 36, Sub-CDE 37, Sub-CDE 38, Sub-CDE 39, Sub-CDE 40, and Sub-CDE 41 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, 2024 and 2023. 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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

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.

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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

3. Program and Supporting Services

Program Services

Food Systems - Ecotrust's food systems programming is building 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. We collaborate with communities across geographies and identities, investing in the leadership, resilience, and impact of those driving change in their communities.

Forests and Ecosystem Services - Ecotrust's forests and ecosystem services programming 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 with data to support including with information each Tribe's self-determination, to provide high quality habitat for Native fish and wildlife management, 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, rivers, oceans 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 peoples through scholarships and fellowships, and provide a platform for Native peoples to share their stories and ideas. We also share our knowledge in forests and ecosystems, fisheries and marine planning, salmon and watershed restoration, and food systems to restore and strengthen Tribes. 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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

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 catalyzes investments and capital 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, broadly shared intergenerational wealth, and community well-being.

Events - 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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

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 work inspires audiences, and supports strategic program initiatives and organizational goals with expertise in a variety of traditional and new media. Throughout this work, Communications shares meaningful stories, disseminates research, amplifies partner voices, and shifts narratives to catalyze change.

Development - Ecotrust's development activities include creating opportunities for funding partners 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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

4. Notes Receivable

Notes receivable include the following at December 31:

	2024	2023
Notes receivable dated May 2023, 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.	\$ 109,527	\$ 105,579
Note receivable dated April 2017, from MLT Holdings, Inc removed as part of deconsolidation.	-	4,597,600
Note receivable dated April 2017, from MLT Holdings, Inc removed as part of deconsolidation.	-	2,192,400
Note receivable dated August 2017, from Wildcat Whiskey, LLC removed as part of deconsolidation.	-	8,210,000
Note receivable dated August 2017, from Wildcat Whiskey, LLC removed as part of deconsolidation.	-	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
Carried forward	9,173,367	28,084,419

ECOTRUST

Notes to Consolidated Financial Statements - Continued

4. Notes Receivable - Continued

	2024	2023
Brought forward	\$ 9,173,367	\$ 28,084,419
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.	<u>1,464,210</u>	<u>1,464,210</u>
Carried forward	30,958,117	49,869,169

ECOTRUST

Notes to Consolidated Financial Statements - Continued

4. Notes Receivable - Continued

	2024	2023
Brought forward	\$ 30,958,117	\$ 49,869,169
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.	<u>2,848,000</u>	<u>2,848,000</u>
Carried forward	47,883,117	66,794,169

ECOTRUST

Notes to Consolidated Financial Statements - Continued

4. Notes Receivable - Continued

	2024	2023
Brought forward	\$ 47,883,117	\$ 66,794,169
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 \$4,140 are due monthly. Matures February 2031. Unsecured.	263,133	298,680
Carried forward	61,071,500	80,018,099

ECOTRUST

Notes to Consolidated Financial Statements - Continued

4. Notes Receivable - Continued

	2024	2023
Brought forward	\$ 61,071,500	\$ 80,018,099
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.	<u>5,947,450</u>	<u>5,947,450</u>
Carried forward	82,005,450	100,952,049

ECOTRUST

Notes to Consolidated Financial Statements - Continued

4. Notes Receivable - Continued

	2024	2023
Brought forward	\$ 82,005,450	\$ 100,952,049
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 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	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	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	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.	<u>1,124,667</u>	<u>1,124,667</u>
Carried forward	96,913,000	115,859,599

ECOTRUST

Notes to Consolidated Financial Statements - Continued

4. Notes Receivable - Continued

	2024	2023
Brought forward	\$ 96,913,000	\$ 115,859,599
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	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	2,608,200
Note receivable dated March 2024, from Home Visitors Council. Interest only payments at 1.360462 percent per annum and paid quarterly through March 2031. Thereafter, principal and interest payments of \$82,857 are due quarterly. Matures February 2054. Secured by deed of trust on property.	6,536,000	-
Note receivable dated March 2024, from Home Visitors Council. Interest only payments at 1.360462 percent per annum and paid quarterly through March 2031. Thereafter, principal and interest payments of \$32,757 are due quarterly. Matures February 2054. Secured by deed of trust on property.	2,679,000	-
Note receivable dated March 2024, from HF QALICB LLC. Interest only payments at 1.006 percent per annum and paid quarterly through June 2031. Thereafter, principal and interest payments of \$45,306 are due quarterly. Matures December 2047. Secured by deed of trust on property.	2,752,000	-
Note receivable dated March 2024, from HF QALICB LLC. Interest only payments at 1.006 percent per annum and paid quarterly through June 2031. Thereafter, principal and interest payments of \$17,912 are due quarterly. Matures December 2047. Secured by deed of trust on property.	1,128,000	-
Carried forward	118,738,000	124,589,599

ECOTRUST

Notes to Consolidated Financial Statements - Continued

4. Notes Receivable - Continued

	2024	2023
Brought forward	\$ 118,738,000	\$ 124,589,599
Note receivable dated May 2024, from WCHUB QALICB. Interest only payments at 1.000 percent per annum and paid quarterly through December 2031. Thereafter, principal and interest payments of \$19,024 are due quarterly. Matures December 2063. Secured by deed of trust on property.	3,784,000	-
Note receivable dated May 2024, from WCHUB QALICB. Interest only payments at 1.000 percent per annum and paid quarterly through December 2031. Thereafter, principal and interest payments of \$7,798 are due quarterly. Matures December 2063. Secured by deed of trust on property.	1,551,000	-
Note receivable dated December 2024, from SCAFPC QALICB, Inc. Interest only payments at 1.3767 percent per annum and paid quarterly through February 2032. Thereafter, principal and interest payments of \$102,032 are due quarterly. Matures December 2054. Secured by deed of trust on property.	5,642,897	-
Note receivable dated December 2024, from SCAFPC QALICB, Inc. Interest only payments at 1.3767 percent per annum and paid quarterly through February 2032. Thereafter, principal and interest payments of \$40,916 are due quarterly. Matures December 2054. Secured by deed of trust on property.	2,217,595	-
Note receivable dated December 2024, from SCAFPC QALICB, Inc. Interest only payments at 1.3767 percent per annum and paid quarterly through February 2032. Thereafter, principal and interest payments of \$11,517 are due quarterly. Matures December 2054. Secured by deed of trust on property.	624,203	-
Note receivable dated December 2024, from SCAFPC QALICB, Inc. Interest only payments at 1.3767 percent per annum and paid quarterly through February 2032. Thereafter, principal and interest payments of \$4,526 are due quarterly. Matures December 2054. Secured by deed of trust on property.	245,305	-
Carried forward	132,803,000	124,589,599

ECOTRUST

Notes to Consolidated Financial Statements - Continued

4. Notes Receivable - Continued

	2024	2023
Brought forward	\$ 132,803,000	\$ 124,589,599
Note receivable dated August 2024, from NTUA New Markets VII, LLC. Interest only payments at 1.188 percent per annum and paid quarterly through December 2031. Thereafter, principal and interest payments of \$128,527 are due quarterly. Matures December 2054. Secured by deed of trust on property.	10,333,334	-
Note receivable dated August 2024, from NTUA New Markets VII, LLC. Interest only payments at 1.188 percent per annum and paid quarterly through December 2031. Thereafter, principal and interest payments of \$52,448 are due quarterly. Matures December 2054. Secured by deed of trust on property.	4,216,666	-
	<u>\$ 147,353,000</u>	<u>\$ 124,589,599</u>

ECOTRUST

Notes to Consolidated Financial Statements - Continued

5. Investments

Investments consist of the following at December 31:

	2024	2023
Investments carried at fair value:		
Bond and equity mutual funds	\$ 2,629,347	\$ 2,502,449
Money market mutual funds	2,506,529	3,216,783
Exchange traded funds	475,708	410,545
Investments in Ecotrust Forests entities	10,526,349	9,438,307
Investments held at OCF	7,190,355	6,825,303
Investments held in Green Canopy, LLC	60,832	60,832
	<u>\$ 23,389,120</u>	<u>\$ 22,454,219</u>
Investments carried at fair value	<u>\$ 23,389,120</u>	<u>\$ 22,454,219</u>

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

	2024	2023
Interest and dividends from investments	\$ 298,306	\$ 88,574
Interest from notes receivable	1,775,251	1,662,734
Net realized and unrealized gains	1,745,939	1,960,158
	<u>\$ 3,819,496</u>	<u>\$ 3,711,466</u>

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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

6. Property and Equipment - Net

Property and equipment consists of the following at December 31:

	2024	2023
Land	\$ 5,897,561	\$ 5,897,561
Buildings	34,074,123	32,740,106
Furniture and equipment	1,348,627	1,265,246
Donated artwork	42,500	42,500
	<u>41,362,811</u>	<u>39,945,413</u>
Less accumulated depreciation	<u>(12,866,222)</u>	<u>(11,857,895)</u>
	<u>\$ 28,496,589</u>	<u>\$ 28,087,518</u>

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:

	2024	2023
Balance, beginning of year	\$ 21,687	\$ 225,799
Revenue recognized	<u>(2,178)</u>	<u>(204,112)</u>
Balance, end of year	<u>\$ 19,509</u>	<u>\$ 21,687</u>

8. 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 (8.25 percent at December 31, 2023). The lines of credit are unsecured, have certain loan covenants, and mature in November 2026. The balance outstanding on the lines of credit was \$-0- at December 31, 2024 and 2023.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

9. Notes Payable - Net

Notes payable include the following at December 31:

	2024	2023
Note payable to Land Trust Alliance 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 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
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.	<u>250,000</u>	<u>250,000</u>
Carried forward	1,500,000	1,500,000

ECOTRUST

Notes to Consolidated Financial Statements - Continued

9. Notes Payable - Net - Continued

	2024	2023
Brought forward	\$ 1,500,000	\$ 1,500,000
Note payable to COCRF SubCDE 75, LLC including interest at 1.2140 percent per annum. Presented net of unamortized debt issuance costs of \$110,234 and \$114,964 at December 31, 2024 and 2023, 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 \$11,996,306	1,072,006	1,067,276
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 \$11,996,306	617,760	617,760
Note payable to Beneficial State Bank (BSB) 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.	2,836,382	2,937,939
	<u>\$ 6,026,148</u>	<u>\$ 6,122,975</u>

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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

9. Notes Payable - Net - Continued

For the year ended December 31, 2024, the Marble, LLC failed the debt service coverage ratio for the BSB note payable due to the results of the NMTC unwind transactions in 2023. Management anticipates the Marble, LLC will comply with the ratio in future years.

Future principal maturities of notes payable are as follows:

Years Ending December 31,	Amount
2025	\$ 873,708
2026	145,053
2027	649,411
2028	403,944
2029	158,658
Thereafter	<u>3,905,608</u>
Total	6,136,382
Less unamortized loan issuance costs	<u>(110,234)</u>
	<u><u>\$ 6,026,148</u></u>

10. Lease Agreements

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

Future minimum lease payments to be received under the operating leases are as follows at December 31, 2024:

Years Ending December 31,	Amount
2025	\$ 708,964
2026	455,844
2027	442,286
2028	352,770
2029	290,389
Thereafter	<u>655,459</u>
Total minimum lease payments	<u><u>\$ 2,905,712</u></u>

ECOTRUST

Notes to Consolidated Financial Statements - Continued

11. Net Assets with Donor Restrictions

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

	2024	2023
Subject to expenditure for specified purposes:		
Natural Capital Holdings, LLC	\$ -	\$ 100,000
Programs	<u>1,945,715</u>	<u>1,540,163</u>
	1,945,715	1,640,163
Subject to the passage of time	714,555	621,692
Endowments:		
Subject to appropriation and expenditure according to endowment spending policy	2,882,720	2,547,027
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	<u>4,455,282</u>	<u>4,455,282</u>
Total endowment funds	<u>9,038,002</u>	<u>8,702,309</u>
Total net assets with donor restrictions	<u>\$ 11,698,272</u>	<u>\$ 10,964,164</u>

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:

	2024	2023
Programs	\$ 1,561,696	\$ 2,360,078
Endowment earnings appropriated for expenditure	<u>397,338</u>	<u>278,046</u>
Total net assets released from restrictions	<u>\$ 1,959,034</u>	<u>\$ 2,638,124</u>

ECOTRUST

Notes to Consolidated Financial Statements - Continued

12. 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 \$283,571 and \$300,744 for the years ended December 31, 2024 and 2023, 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, 2024 and 2023. Restricted cash and accrued liabilities include \$-0- and \$125,470 at December 31, 2024 and 2023, respectively, related to this plan.

13. 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, 2024, two donors accounted for 35 percent of total contributions. During the year ended December 31, 2023, two donors accounted for 39 percent of total contributions.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

14. Investment Member Interest

Ecotrust has formed, and is the Managing Member of Sub-CDE XXIII, 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, Sub-CDE 36, Sub-CDE 37, Sub-CDE 38, Sub-CDE 39, Sub-CDE 40, and Sub-CDE 41 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 15*).

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:

	2024	2023
Balance, beginning of year	\$ 128,373,291	\$ 125,100,490
Investment Member contributions:		
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
COCRF Investor 274, LLC	9,500,000	-
COCRF Investor 279, LLC	4,000,000	-
Chase NMTC WCCDA Investment Fund, LLC	5,500,000	-
DV-SCAT Sawmill QEI, LLC	9,000,000	-
DV-Wastewater QEI, LLC	15,000,000	-
Total Investment Member contributions	43,000,000	22,000,000
Deconsolidations:		
COCRF Investor Fund 52, LLC	-	(6,596,020)
COCRF Investor 72, LLC	-	(5,820,002)
COCRF Investor 75, LLC	-	(5,820,020)
Mokio Investment Fund, LLC	(6,804,515)	-
COCRF Investor 108, LLC	(12,141,598)	-
Total deconsolidations	(18,946,113)	(18,236,042)
Investment Member interest in income	297,439	262,447
Investment Member distributions	(770,994)	(753,604)
Balance, end of year	<u>\$ 151,953,623</u>	<u>\$ 128,373,291</u>

ECOTRUST

Notes to Consolidated Financial Statements - Continued

15. New Markets Tax Credits

As of December 31, 2024, Ecotrust has received \$427,000,000 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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

16. 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:

	2024	2023
Balance, beginning of year	\$ 11,167,216	\$ 8,776,320
Distribution to member, The Redd, LLC	(654,434)	-
Distribution to member, The Marble, LLC	(126,562)	-
Distribution to member, The Redd Foundry, LLC	-	(15,000)
Total distribution to member	(780,996)	(15,000)
Non-controlling interest in income (loss):		
The Redd, LLC	(300,182)	736,299
The Marble, LLC	(112,252)	1,877,944
The Redd Foundry, LLC	(254,472)	(208,347)
Total non-controlling interest in income (loss) - net	(666,906)	2,405,896
Balance, end of year	<u>\$ 9,719,314</u>	<u>\$ 11,167,216</u>

17. Contract and Service Fee Revenue

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

	2024	2023
Contracts with customers:		
Event space rental	\$ 1,447,537	\$ 1,673,050
Contract revenue	<u>1,135,037</u>	<u>757,819</u>
Total contracts with customers	2,582,574	2,430,869
Lease revenue (<i>Note 10</i>)	1,174,500	1,449,547
Other income	<u>277,439</u>	<u>30,369</u>
Total contract and service revenue	<u>\$ 4,034,513</u>	<u>\$ 3,910,785</u>

ECOTRUST

Notes to Consolidated Financial Statements - Continued

18. 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:

	2024	2023
Current:		
Federal	\$ 22,173	\$ 22,173
State and local	<u>71,510</u>	<u>35,148</u>
	93,683	57,321
Deferred income taxes (credits)	<u>(2,742)</u>	<u>61,434</u>
	<u>\$ 90,941</u>	<u>\$ 118,755</u>

Deferred income taxes are recognized for temporary differences between amounts reported in the consolidated financial statements and amounts reported for income tax purposes.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

19. Fair Value Measurements

Investments carried at fair value on a recurring basis were determined as follows at December 31, 2024:

	Level 1	Level 3	Total
Bond and equity mutual funds	\$ 2,629,347	\$ -	\$ 2,629,347
Money market mutual funds	2,506,529	-	2,506,529
Exchange traded funds	475,708	-	475,708
Investments in Ecotrust Forest entities	-	10,526,349	10,526,349
Investments held at OCF	-	7,190,355	7,190,355
Investments held in Green Canopy, LLC	-	60,832	60,832
	<u>\$ 5,611,584</u>	<u>\$ 17,777,536</u>	<u>\$ 23,389,120</u>

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

	Level 1	Level 3	Total
Bond and equity mutual funds	\$ 2,502,449	\$ -	\$ 2,502,449
Money market mutual funds	3,216,783	-	3,216,783
Exchange traded funds	410,545	-	410,545
Investments in Ecotrust Forest 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
	<u>\$ 6,129,777</u>	<u>\$ 16,324,442</u>	<u>\$ 22,454,219</u>

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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

19. 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, 2023	\$ 60,832	\$ 9,067,668	\$ 6,123,647	\$ 15,252,147
Dispositions	-	-	(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
Purchases (donation)	-	159,041	-	159,041
Dispositions	-	-	(281,675)	(281,675)
Net realized and unrealized gains	-	929,001	592,787	1,521,788
Interest and dividends	-	-	53,940	53,940
Balance, December 31, 2024	<u>\$ 60,832</u>	<u>\$ 10,526,349</u>	<u>\$ 7,190,355</u>	<u>\$ 17,777,536</u>

ECOTRUST

Notes to Consolidated Financial Statements - Continued

20. Endowment

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

	2024	2023
Investments held at OCF	\$ 7,190,354	\$ 6,825,303
Investments held at Charles Schwab	<u>1,847,648</u>	<u>1,877,006</u>
	<u>\$ 9,038,002</u>	<u>\$ 8,702,309</u>

Changes in endowment net assets were as follows:

	2024	2023
Balance, beginning of year	\$ 8,702,309	\$ 7,908,950
Investment return - net	733,032	1,071,405
Appropriation for expenditure	<u>(397,339)</u>	<u>(278,046)</u>
Balance, end of year	<u>\$ 9,038,002</u>	<u>\$ 8,702,309</u>

21. 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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

22. Liquidity and Availability of Resources

Ecotrust's financial assets available for general expenditure within one year consist of the following at December 31, 2024:

	2024
Cash and cash equivalents	\$ 3,606,104
Accounts receivable, net	295,925
Grants receivable	1,013,924
Current portion of notes receivable for operations	146,423
Investments	<u>23,389,120</u>
Total financial assets available within one year	28,451,496
Less:	
Amounts unavailable for general expenditures within one year:	
Restricted by donors as to purpose	1,945,715
Investment in Ecotrust Forests entities	10,526,349
Endowment funds	<u>9,038,002</u>
Total amounts unavailable for general expenditures within one year due to donor restrictions	21,510,066
Board designated funds for Indigenous Leadership	<u>1,300,000</u>
Total amounts unavailable	<u>22,810,066</u>
Total financial assets available to management for general expenditure within one year	<u><u>\$ 5,641,430</u></u>

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 credit with a maximum commitment of \$1,000,000, which management can draw upon (*Note 8*).

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.

ECOTRUST

Notes to Consolidated Financial Statements - Continued

22. Subsequent Events

Management has evaluated subsequent events through June 13, 2025, the date the consolidated financial statements were available for issue.

On April 7, 2025, the Ecotrust CDE, LLC subsidiary Ecotrust Sub-CDE 42, LLC (Sub-CDE 42) entered a loan transaction between and among Sub-CDE 42, Craft3 Investment XV, LLC, and VFWC Healthcare Facilities Development III, a Washington nonprofit corporation as borrower, as well as other ancillary agreements between that have the purpose and legal effect of providing NMTC derived financing to Yakima Valley Farm Workers Clinic, a Washington nonprofit public benefit corporation to construct a new healthcare facility in Astoria, OR.

On April 13, 2025, Ecotrust received notification from Sustainable Northwest that the Partnership for Climate Smart Commodities conditional grant had been terminated by USDA Natural Resource Conservation Service (USDA NRCS). This subgrant to Ecotrust was approximately \$4,200,000, of which approximately \$1,200,000 had been spent to date. The USDA NRCS terminated almost all Partnership for Climate Smart Commodities grants and is allowing some partnerships to re-budget and re-apply for the funds under the Advancing Markets for Producers initiative (AMP). AMP uses the same congressional appropriations, and the re-budgeting process is to ensure that the partnership, led by Sustainable Northwest, has grant deliverables in line with administration goals. The stated AMP goal is that at least 65 percent of the total \$25,000,000 primary partnership re-budget must be allocated as direct payments to producers. Not all partnerships were invited to re-apply under the AMP initiative. The re-application will happen by June 19, 2025.

On May 16, 2025, the Ecotrust CDE, LLC subsidiary Ecotrust Sub-CDE 43, LLC (Sub-CDE 43) entered a loan transaction between and among Sub-CDE 43 and United Healthcare Centers of the San Joaquin Valley, (UHC) a California nonprofit corporation as borrower, as well as other ancillary agreements between that have the purpose and legal effect of providing NMTC derived financing to UHC for working capital in connection with clinics that UHC operates in Huron CA, Corcoran CA, Parlier CA, and Fresno CA.

ECOTRUST
CONSOLIDATING INFORMATION

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, 2024 and 2023, and our report thereon dated June 13, 2025, 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 50 through 53 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 \$184,401,232 as of December 31, 2024 and \$162,777,114 as of December 31, 2023, and total revenues of \$3,138,850 and \$6,168,125, 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.

June 13, 2025

ECOTRUST

Consolidating Schedule of Financial Position

December 31, 2024

ASSETS	Ecotrust	Variable Interest Entities	Total	Eliminations	Consolidated Total
Cash and cash equivalents	\$ 3,571,413	\$ 34,691	\$ 3,606,104	\$ -	\$ 3,606,104
Accounts receivable	295,838	29,184	325,022	(29,097)	295,925
Grants receivable	1,163,924	-	1,163,924	-	1,163,924
Notes receivable	9,436,500	149,556,500	158,993,000	(11,640,000)	147,353,000
Investments	23,389,120	-	23,389,120	-	23,389,120
Investment in Variable Interest Entities	15,196	-	15,196	(15,196)	-
Prepaid expenses and other assets	402,921	95	403,016	-	403,016
Deferred charges - net	184,266	2,359,596	2,543,862	(2,356,624)	187,238
Deferred rent receivable	44,428	-	44,428	-	44,428
Restricted cash	50,202	-	50,202	-	50,202
Property and equipment - net	28,708,908	-	28,708,908	(212,319)	28,496,589
Total assets	\$ 67,262,716	\$ 151,980,066	\$ 219,242,782	\$ (14,253,236)	\$ 204,989,546
LIABILITIES AND NET ASSETS AND INVESTMENT MEMBER AND NON-CONTROLLING INTERESTS					
Liabilities:					
Accounts payable	\$ 355,602	\$ -	\$ 355,602	\$ -	\$ 355,602
Accrued liabilities	1,520,746	11,250	1,531,996	(29,097)	1,502,899
Deferred revenue	19,509	-	19,509	-	19,509
Refundable advances	606,128	-	606,128	-	606,128
Deferred income taxes	385,020	-	385,020	-	385,020
Notes payable - net	17,666,148	-	17,666,148	(11,640,000)	6,026,148
Total liabilities	20,553,153	11,250	20,564,403	(11,669,097)	8,895,306
Net assets and Investment Member and non-controlling interests:					
Net assets:					
Without donor restrictions	25,291,977	15,193	25,307,170	(2,584,139)	22,723,031
With donor restrictions	11,698,272	-	11,698,272	-	11,698,272
Total net assets	36,990,249	15,193	37,005,442	(2,584,139)	34,421,303
Investment Member interest	-	151,953,623	151,953,623	-	151,953,623
Non-controlling interest	9,719,314	-	9,719,314	-	9,719,314
Total net assets and Investment Member and non-controlling interests	46,709,563	151,968,816	198,678,379	(2,584,139)	196,094,240
Total liabilities and net assets and Investment Member and non-controlling interests	\$ 67,262,716	\$ 151,980,066	\$ 219,242,782	\$ (14,253,236)	\$ 204,989,546

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 XXIII, 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; Ecotrust Sub-CDE 36, LLC; Ecotrust Sub-CDE 37, LLC; Ecotrust Sub-CDE 38, LLC; Ecotrust Sub-CDE 39, LLC; Ecotrust Sub-CDE 40, LLC; and Ecotrust Sub-CDE 41.

ECOTRUST

Consolidating Schedule of Activities

Year Ended December 31, 2024

	Ecotrust	Variable Interest Entities	Total	Eliminations	Consolidated Total
Revenues, gains, and other support:					
Grants and contributions	\$ 3,593,575	\$ -	\$ 3,593,575	\$ -	\$ 3,593,575
Government grants and contributions	2,631,283	-	2,631,283	-	2,631,283
Non-financial contributions	10,982	-	10,982	-	10,982
Contracts and service fees	6,177,892	75,000	6,252,892	(2,218,379)	4,034,513
Investment return	2,207,689	1,753,117	3,960,806	(141,310)	3,819,496
Net revenues, gains, and other support	14,621,421	1,828,117	16,449,538	(2,359,689)	14,089,849
Operating expenses:					
Salaries	5,916,495	-	5,916,495	-	5,916,495
Payroll taxes and fringe benefits	1,449,325	-	1,449,325	-	1,449,325
Total payroll costs	7,365,820	-	7,365,820	-	7,365,820
Conferences, meetings, and travel	439,850	-	439,850	-	439,850
Contracts and consultants	1,129,086	-	1,129,086	-	1,129,086
Depreciation and amortization	1,098,590	532,925	1,631,515	(529,352)	1,102,163
Technology	195,517	-	195,517	-	195,517
Grants to other organizations	825,544	-	825,544	-	825,544
Insurance	274,029	-	274,029	-	274,029
Interest	335,903	-	335,903	(141,310)	194,593
Miscellaneous	527,169	-	527,169	-	527,169
Occupancy	868,800	-	868,800	-	868,800
Professional fees	574,513	962,581	1,537,094	(928,379)	608,715
Office, supplies, and equipment	221,679	-	221,679	-	221,679
Total operating expenses	13,856,500	1,495,506	15,352,006	(1,599,041)	13,752,965
Change in net assets from operations	764,921	332,611	1,097,532	(760,648)	336,884
Non-operating income (expense):					
Provision for income taxes	(55,856)	(35,085)	(90,941)	-	(90,941)
Credit losses on accounts receivable	(4,884)	-	(4,884)	-	(4,884)
Share in income of					
Variable Interest Entities	87	-	87	(87)	-
Investment Member interest in income	-	(297,439)	(297,439)	-	(297,439)
Non-controlling interest in income - net	666,906	-	666,906	-	666,906
Capital contributions	-	4,300	4,300	(4,300)	-
Capital distributions	-	(77)	(77)	77	-
Member equity deconsolidations	-	(1,953)	(1,953)	1,953	-
Net non-operating income (expense)	606,253	(330,254)	275,999	(2,357)	273,642
Change in net assets	1,371,174	2,357	1,373,531	(763,005)	610,526
Net assets, beginning of year	35,619,075	12,836	35,631,911	(1,821,134)	33,810,777
Net assets, end of year	\$ 36,990,249	\$ 15,193	\$ 37,005,442	\$ (2,584,139)	\$ 34,421,303

See notes on page 50.

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	303,569	-	303,569	-	303,569
Grants receivable	1,121,320	-	1,121,320	-	1,121,320
Notes receivable	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					
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
Change 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
Change 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 52.