

MENDOCINO LAND TRUST, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

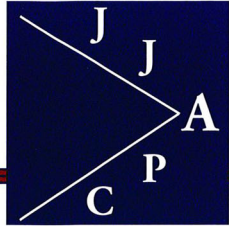


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Mendocino Land Trust, Inc.
Financial Statements
For the year ended June 30, 2025
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JJACPA, Inc.

A Professional Accounting Services Corp.

Independent Auditor's Report

Governing Board
Mendocino Land Trust, Inc.
Fort Bragg, California

Report on the Financial Statements

Opinion

We have audited the financial statements of the Mendocino Land Trust (Land Trust), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Land Trust as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

May 5, 2026

JJACPA, Inc.
JJACPA, Inc.
Fort Bragg, CA

Mendocino Land Trust, Inc.
Statement of Financial Position
June 30, 2025

ASSETS

Current Assets:

Cash and cash equivalents:	
Unrestricted	\$ 138,630
Restricted	-
Accounts receivable	124,329
Inventory	1,866
Prepaid expenses and deposits	13,385
Total current assets	<u>278,210</u>

Noncurrent Assets:

Long-term investments:	
Unrestricted	1,537,792
Restricted	5,439,921
Auto assets, net	13,517
Conservation and Trade lands	6,728,000
Total noncurrent assets	<u>13,719,230</u>
Total assets	<u>\$ 13,997,440</u>

LIABILITIES AND NET ASSETS

Liabilities:

Current Liabilities:

Accounts payable	\$ 51,597
Accrued payroll and benefits	28,055
Accrued vacation	12,867
Unearned revenue	334,193
Total current liabilities	<u>426,712</u>
Total liabilities	<u>426,712</u>

Net Assets:

Without donor restrictions:

Unrestricted	247,296
Board designated	1,536,731
Total net assets without donor restrictions	<u>1,784,027</u>

With donor restrictions:

Capital assets, conservation lands and easements	6,741,517
Purpose	5,045,184
Total net assets with restrictions	<u>11,786,701</u>
Total net assets	<u>13,570,728</u>
Total liabilities and net assets	<u>\$ 13,997,440</u>

The accompanying notes are an integral part of these financial statements.

Mendocino Land Trust, Inc.
Statement of Activities
For the year ended June 30, 2025

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 340,861	\$ -	\$ 340,861
Contribution of real property	-	55,500	55,500
Foundation grants	115,263	-	115,263
Governmental grants	572,671	-	572,671
Program service fees	77,865	-	77,865
Fundraising and special events	42,285	-	42,285
Investment income	50,961	122,481	173,442
Net realized and unrealized gain (loss) on investments	94,263	308,217	402,480
Sale of merchandise	276		
Cost of sales	(160)	116	-
Sale of trade lands	200,000		
Cost of land sales	(185,000)	15,000	-
Disposal of land held for resale (Loss)	(240,000)	-	(240,000)
Bequests	2,436	-	2,436
Other revenues and gains	6,172	-	6,172
Donor restricted gifts	-	973,633	973,633
Total support and revenue	\$1,077,893	1,459,831	2,537,724
NET ASSETS RELEASED FROM RESTRICTIONS	640,487	(640,487)	-
TOTAL SUPPORT, REVENUE AND NET POSITION RELEASED FROM RESTRICTIONS	1,718,380	819,344	2,537,724
EXPENSES			
Program and stewardship	986,265	-	986,265
Supporting services:			
Management and general	280,337	-	280,337
Fundraising	98,450	-	98,450
Total expenses	1,365,052	-	1,365,052
CHANGE IN NET ASSETS	353,328	819,344	1,172,672
NET ASSETS - Beginning of year	1,430,699	10,967,357	12,398,056
NET ASSETS - End of year	\$ 1,784,027	\$ 11,786,701	\$ 13,570,728

The accompanying notes are an integral part of these financial statements.

Mendocino Land Trust, Inc.
Statement of Cash Flows
For the year ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from contributions and bequests	\$ 1,316,930
Receipts from grants	669,884
Receipts from program service fees and other support	37,778
Receipts from sales of merchandise	116
Payments to vendors for services and supplies	(649,483)
Payments to employees for services	(705,181)
Net cash provided by operating activities	<u>670,044</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Fixed Assets: Trade Lands	(169,500)
Net cash used by non-capital financing activities	<u>(169,500)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of investments	(603,260)
Investment income received	173,442
Net cash used by investing activities	<u>(429,818)</u>
Net increase in cash	<u>70,726</u>

CASH AND INVESTMENTS:

Beginning of year	67,904
End of year	<u>\$ 138,630</u>

PRESENTATION IN STATEMENT OF NET POSITION:

Cash and cash equivalents:	
Unrestricted	\$ 138,630
Restricted	-
Total	<u>\$ 138,630</u>

The accompanying notes are an integral part of these financial statements.

(continued)

Mendocino Land Trust, Inc.
Statement of Cash Flows
For the year ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net position	\$ 1,172,672
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	6,095
Investment income	(173,442)
Net realized and unrealized gain (loss) on investments	(402,480)
Donor restricted gifts	169,500
Changes in operating assets and liabilities:	
Accounts receivable	(18,050)
Prepays and deposits	(9,585)
Inventory	1,130
Accounts payable	7,739
Accrued payroll and benefits	7,483
Accrued vacation	(2,474)
Unearned revenue	(88,544)
Net cash provided (used) by operating activities	\$ 670,044

Supplemental disclosures

Noncash transactions	
In-kind contributions	\$ 55,500
Cash paid for:	
Taxes	\$ 3,402

The accompanying notes are an integral part of these financial statements.

(concluded)

Mendocino Land Trust, Inc.
Statement of Functional Expenses
For the year ended June 30, 2025

	Program and Stewardship	Supporting Expenses Management and General	Fundraising	Total Supporting Expenses	Total Expenses
Personnel expenses:					
Payroll Expenses	\$ 423,273	\$ 213,057	\$ 73,860	\$ 286,917	\$ 710,190
Total personnel costs	423,273	213,057	73,860	286,917	710,190
Fees:					
Legal	1,187	370	63	433	1,620
Accounting	-	10,250	-	10,250	10,250
Other contract services	360,030	998	720	1,718	361,748
Payroll & IT	3,112	4,610	-	4,610	7,722
Total fees	364,329	16,228	783	17,011	381,340
Bank charges and credit card processing	27	145	2,200	2,345	2,372
Dues and memberships	7,251	-	-	-	7,251
Software subscriptions	5,974	4,134	4,786	8,920	14,894
Repairs and maintenance	276	-	-	-	276
Trash disposal (non office)	324	108	-	108	432
Event expenses	499	-	6,888	6,888	7,387
Licenses, fees and permits	5,285	-	-	-	5,285
Travel expenses	1,884	588	99	687	2,571
Conferences, conventions and meetings	947	295	50	345	1,292
Depreciation and amortization	6,095	-	-	-	6,095
Internship program				-	-
Insurance	9,541	2,976	503	3,479	13,020
Technology	1,427	445	75	520	1,947
Postage and shipping	1,822	568	96	664	2,486
Printing and publications	6,283	(399)	3,771	3,372	9,655
Staff development	2,874	897	151	1,048	3,922
Supplies	83,934	4,679	272	4,951	88,885
Volunteer and donor appreciation	112	-	2,935	2,935	3,047
Vehicle maintenance, insurance and fuel	6,038	336	336	672	6,710
Signage	23,300	33	75	108	23,408
Construction expenses program work	-	-	-	-	-
Mileage expense	3,313	825	884	1,709	5,022
Construction materials and small tools	6,946	-	-	-	6,946
Closing costs and escrow expenses	12,499	(950)	-	(950)	11,549
Rent	2,700	27,116	-	27,116	29,816
Utilities, internet and phone	382	4,152	156	4,308	4,690
Property taxes	3,193	178	31	209	3,402
Marketing & advertising	2,102	22	60	82	2,184
Other expenses	3,635	4,904	439	5,343	8,978
Total expenses	\$ 986,265	\$ 280,337	\$ 98,450	\$ 378,787	\$ 1,365,052
Percentages	72.25%	20.54%	7.21%	27.75%	100.00%

The accompanying notes are an integral part of these financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Organization

Mendocino Land Trust is a California non-profit public benefit corporation, as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Land Trust was formed in 1976 under the laws of the State of California for the purpose of protecting the scenic, natural, agricultural and open spaces of the Mendocino Coast for the benefit of the community, including future generations, by developing long-term land protection strategies, by promoting private and public funding for land conservation, by acquiring land and conservation easements, by practicing stewardship, including the restoration of conservation properties, and by developing both a sense of place and a land ethic through activities, education and outreach.

In February 2017 Mendocino Land Trust became Accredited and received national recognition from the Land Trust Alliance (LTA) joining a network of only 477 accredited land trusts across the nation that have demonstrated their commitment to professional excellence and to maintaining the public's trust in their work. In August of 2022, Mendocino Land Trust was reaccredited by LTA, since this designation requires accreditation every 5 years.

Mendocino Land Trust has an office in Fort Bragg, California and its operations are funded by support from donors, grants from various state and federal agencies, and from fee for service work.

Basis of Accounting

The financial statements of Mendocino Land Trust have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) established by the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958 Not-for Profit Entities. The Land Trust reports information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions in the following net asset categories.

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent available resources other than donor-restricted contributions. These funds may be expended at the discretion of the Board of Directors. The Board periodically designates a portion of unrestricted net assets for use on specific projects or programs. Current designations are for operating reserves, land and trail stewardship and other conservation projects.

Net Assets With Donor Restrictions

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Mendocino Land Trust, Inc.
Notes to Financial Statements, Continued
For the year ended June 30, 2025

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
Continued

Cash and Cash Equivalents

Mendocino Land Trust considers cash balances and unrestricted highly liquid investments with original or remaining maturities of three months or less at the time of purchase to be cash equivalents. The Land Trust reports money market accounts and certificates of deposits held as part of investment accounts as investments.

Accounts Receivable

Accounts receivable are recorded at net realizable value consisting of the carrying amount less an allowance for uncollectible accounts, if amounts are deemed uncollectible. The allowance is established based on factors such as historical experience, credit quality and the age of the account balances. At June 30, 2025 all amounts were deemed collectible with no allowance required.

Investments

Investments are stated at fair value. Realized and unrealized gains and losses are reflected in the statement of activities.

Property, Plant and Equipment

Mendocino Land Trust has adopted a capitalization policy requiring all assets acquired whether purchased or received by donation, with a cost or value of more than \$5,000 to be capitalized. Those below that threshold are expenses in the period received.

Purchased fixed assets are stated at cost. Donated capital assets are recorded as contributions at their estimated fair value. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets, which range from five to seven years, or over the lesser of the term of the lease or the estimated useful life of the asset for assets under capital lease.

Leasehold improvements are amortized over the lesser of the term of the lease or the estimated useful life of the improvements.

Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation or amortization are removed from the accounts. Any gain or loss on the sale or retirement is recognized in current operations.

Conservation Lands and Easements

Mendocino Land Trust records land it acquires at cost or records the land at fair value on the date of acquisition if all or part of the land is received as a donation. Values are recorded based on the following:

- Independent professional appraisals are performed for the donor or the organization; or
- Value is adopted by the acquiring public agency; or
- Where neither of the preceding sources is available, the organization may use the full cash value as established by the local tax assessor.

Mendocino Land Trust, Inc.
Notes to Financial Statements, Continued
For the year ended June 30, 2025

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
Continued

Conservation Lands and Easements, continued

Conservation easements acquired by or donated to the Mendocino Land Trust represent numerous restrictions over the use and development of land not owned by the organization. These easements provide that the land will be maintained unimpaired in its current natural, agricultural, scenic or recreational state. Since the benefits of such easements accrue to the public upon acquisition, and the easements themselves have no marketable value, easements acquired by the Mendocino Land Trust are reflected as zero value.

Donated Furniture, Equipment and Property

Donations of furniture and equipment are recorded as support at their estimated fair value at the date of receipt or unconditional promise to give. Donated property is reported at the appraised value of the property when received. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long the donated assets must be maintained, Mendocino Land Trust reports expirations of donor restrictions when the donated or acquired assets are placed in service. Mendocino Land Trust reclassifies restricted net assets to unrestricted net assets at that time.

Contributions

Contributions are recorded as revenues at fair value at the date of receipt or unconditional promise to give, and as assets or decreases of liabilities or expenses, depending on the form of the benefit received.

Donor-restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted contributions.

Contributed Services

Contributed services are recognized in the financial statements if they enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased, if not provided by donation. General volunteers do not meet these recognition criteria, but have donated significant amounts of time and performed a variety of tasks that assist Mendocino Land Trust in meeting their objectives.

Unearned revenue

The balance of the unearned revenue account represents payments that the Mendocino Land Trust received that were not fully earned by the end of the current fiscal year. The balance of the unearned revenue account at the balance sheet date is \$334,193.

Advertising

Costs incurred for advertising are charged to expenses as incurred. Total advertising costs were \$2,184 for the year ended June 30, 2025.

Donated Properties

Total donated properties were \$55,500 for the year ended June 30, 2025.

Mendocino Land Trust, Inc.
Notes to Financial Statements, Continued
For the year ended June 30, 2025

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain administrative costs have been allocated among the programs and supporting services benefited based on personnel, space, and other factors.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the relevant period. Actual results may differ from those estimates.

Significant accounting estimates reflected in the Mendocino Land Trust's financial statements include the valuation of investments, the valuation of donated land holdings and conservation easements, and functional allocation of expenses.

Income Taxes

Mendocino Land Trust is a not-for-profit organization that is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and related California code sections.

Mendocino Land Trust follows the guidance of FASB ASC 740 – Accounting for Uncertainty in Income Taxes. As of June 30, 2025, management evaluated the Land Trust's tax positions and concluded that Mendocino Land Trust maintained its tax-exempt status and had taken no uncertain tax positions that require adjustments to the financial statements.

2. LIQUIDITY AND AVAILABILITY

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

	2025	2024
Financial assets at June 30:		
Cash and cash equivalents	\$ 138,630	\$ 67,904
Accounts receivable	124,329	106,279
Prepaid expenses and Inventory	15,251	6,796
Investments	6,977,713	5,602,473
Total financial assets	<u>7,255,923</u>	<u>5,783,452</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>(5,045,184)</u>	<u>(3,871,498)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 2,210,739</u>	<u>\$ 1,911,954</u>

Although the Mendocino Land Trust does not intend to exhaust the board-designated funds of \$1,330,237, these amounts could be made available if necessary and are included in the \$2,210,739 above.

3. FAIR MARKET VALUE AND INVESTMENTS

FASB ASC 820 established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Mendocino Land Trust has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As a practical expedient, certain investments are measured at fair value on the basis of net asset value. The fair value of these investments is not included in the fair value hierarchy.

Mendocino Land Trust uses appropriate valuation techniques based on the available inputs to measure the fair value of their investments. When available, Mendocino Land Trust measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investments.

Mendocino Land Trust, Inc.
Notes to Financial Statements, Continued
For the year ended June 30, 2025

3. FAIR MARKET VALUE AND INVESTMENTS, Continued

The following schedule reports the types of investments that Mendocino Land Trust owns as well as the investment's cost and fair market value at June 30, 2025:

Description	Fair Market Value Using		
	Level 1	Level 2	Level 3
Money market funds	\$1,428,165	-	-
Mutual funds	5,549,548	-	-
	<u>\$6,977,713</u>	<u>\$-</u>	<u>\$-</u>
Presented in the Statement of Financial:			
Position – Long-term investments:			
Unrestricted	\$ 1,537,792		
Restricted	<u>5,439,921</u>		
	<u><u>\$ 6,977,713</u></u>		

4. AUTO ASSETS

The following is a summary of changes for furniture, equipment, and leasehold improvements as of June 30, 2025:

	July 1, 2024	Additions	Retirements	June 30, 2025
Depreciable assets:				
Autos	51,501	-	-	51,501
Total depreciable assets	<u>51,501</u>	<u>-</u>	<u>-</u>	<u>51,501</u>
Total accumulated depreciation	<u>(31,889)</u>	<u>(6,095)</u>	<u>-</u>	<u>(37,984)</u>
Net depreciable assets	<u>19,612</u>	<u>(6,095)</u>	<u>-</u>	<u>13,517</u>
Total capital assets	<u>\$ 19,612</u>	<u>\$ (6,095)</u>	<u>\$ -</u>	<u>\$ 13,517</u>

Depreciation expense charged to operations for the year ended June 30, 2025, is \$6,095.

5. CONSERVATION LANDS AND EASEMENTS

Mendocino Land Trust has several land holdings that require the organization to adhere to use limits and maintenance requirements. If these requirements are not met by the Mendocino Land Trust, the properties will revert either to the heirs of the donor or other land conservancy organizations. Also, certain conservation lands have been purchased using governmental funds. Such funds restrict the sale and disposition of the property under various agreements.

Mendocino Land Trust, Inc.
Notes to Financial Statements, Continued
For the year ended June 30, 2025

5. CONSERVATION LANDS, Continued

Conservation lands held as of June 30, 2025, include:

	<i>Year Acquired</i>	<i>Property</i>
1	1999	Navarro Point (55.3 acres for public access, trails and preserve)
2	2010	Hare Creek Beach (5.8 acres for public access, trails, and preserve)
3	2012	Noyo River Redwoods (426 acres of forest land managed for old growth redwoods)
4	2013	Pelican Bluffs (75 acres)
5	2014	Seaside Beach (13.6 acres)
6	2016	Ten Mile Estuary (49 acres)
7	2024	Saunders Landing (12 acres)
8	2025	Salt Creek /Keiser (15 acres)

Conservation easements held as of June 30, 2025, include:

	<i>Year Acquired</i>	<i>Property</i>
1	1992	Phillips/Corning (Oak woodlands near Hopland)
2	1998	Fetzer/Skinner (Oak woodlands and forest near Hopland)
3	1998	Fetzer/Concha y Toro (Oak woodlands and forest near Hopland)
4	2000	Salvation Army/Miller-Schell (Redwood forest near Point Arena)
5	2000	Linney/Dye (Coniferous forest near Point Arena)
6	2001	Galbreath-Johnson (Oak woodlands, Old Growth Redwood, and Fir; salmon streams)
7	2005	Ridgewood Ranch (Old Growth and second growth Redwoods)
8	2005	Hannum and Partners (Oak woodlands, grasslands, and salmon habitat)
9	2007	Ridgewood Ranch (Oak woodlands, grasslands, and salmon habitat)
10	2007	Freriks (Nature preserve and retreat near Albion)
11	2012	Maxwell ("Gleason-Prescott Preserve," Oak woodlands, grasslands, and forest)
12	2013	Dolan/Gobbi St. Vineyard (Ukiah valley agricultural conservation)
13	2013	Dolan/Dark Horse Ranch (Ukiah valley agricultural conservation)
14	2014	Big River (Estuarine, wetlands, and wildlife)
15	2014	Gordon/Potter Valley

Mendocino Land Trust, Inc.
Notes to Financial Statements, Continued
For the year ended June 30, 2025

5. CONSERVATION LANDS, Continued

Conservation easements held as of June 30, 2025, continued

16	2015	Brush Creek
17	2018	Smith Family Conservation Easement
18	2019	Lovers Lane
19	2019	Trout Creek
20	2019	Alder Creek
21	2021	R&R Ranch
22	2021	Weiss
23	2021	Rosen
24	2021	Ayres
25	2023	Eel River
26	2023	Mendocino Pygmy Forest
27	2023	Redwood Meadows
28	2023	Roundhouse Hills
29	2024	Big River Forest
30	2024	Salmon Creek Forest
31	2024	Hathaway Creek Forest
32	2025	Windy Hollow

In addition to the conservation land and easements identified above, the Mendocino Land Trust also has four Open Space Easements near Navarro Point, Little River, Gualala and Gordon Lane pygmy forest, and 129 public access easements granted between 1996 and 2025 to preserve the public's right to access the California coast.

6. VACATION LIABILITY

Mendocino Land Trust provides for vacation benefits at a rate of 10 days accrued for full-time employees having 0-2 years of tenure, 15 days accrued for employees in their third, fourth and fifth years of service, and 20 accrued for employees with more than 5 years of service. Part-time employees accrue days based upon their hours worked at a pro rata amount in accordance with the days accrued for full-time employees in accordance with the current policy. As of June 30, 2025, the vacation benefit liability is \$12,867.

7. BOARD DESIGNATED NET ASSETS

The Land Trust Board of Directors has designated portions of unrestricted net assets as an Operating Reserve fund of \$212,475 and a Stewardship Reserve Fund of \$1,324,256 that the Board may use for whatever it chooses in conjunction with the Trust's exempt purpose. The balance of the fund as of June 30, 2025, in total, is \$1,536,731.

Mendocino Land Trust, Inc.
Notes to Financial Statements, Continued
For the year ended June 30, 2025

8. GRANTS AND ACCOUNTS RECEIVABLE:

Grants and accounts receivable are recorded to the extent of qualifying grant expenditures made during the current year that are to be reimbursed after year end.

Historically, bad debts have been immaterial. The Trust uses the direct write-off method, which is not in accordance with generally accepted accounting principles.

When an amount becomes uncollectible, it is charged to expense in the year it is deemed to be uncollectible. As of June 30, 2025, management considers all grant and accounts receivable collectable.

9. RESTRICTED NET ASSETS

At June 30, 2025, the restricted net assets of the organization was as follows:

Easement Stewardship & Legal Defense Fund	\$2,252,196
Noyo River Redwoods Fund	787,072
Fee Land Stewardship & Legal Defense Funds:	
Ten Mile	69,178
Miselis	25,752
Folsom Ranch	13,736
Redwood Protection and Restoration Fund	969,161
Saunders Stewardship	928,089
Capital assets, conservation lands and easements.	6,741,517
	<u>\$11,786,701</u>

10. GOVERNMENT SUPPORT

Mendocino Land Trust received a substantial amount of its operating support from state and local governments. Any significant reduction in the level of this support could affect the Land Trust's programs and ability to maintain operations at their current level.

11. RETIREMENT BENEFITS

Mendocino Land Trust sponsors a Simple IRA retirement plan covering qualified employees as defined by their Personnel Policy. For the year ended June 30, 2025, the Land Trust contributed \$17,956 as a matching contribution of three percent of the eligible employee's compensation.

12. OPERATING LEASE COMMITMENTS

Mendocino Land Trust has entered into a lease agreement for a facility in Fort Bragg, California, which serves as both its operating headquarters and a space for program activities. The initial lease term was amended and extended through August 31, 2026.

13. CONTINGENCIES

As of June 30, 2025, Mendocino Land Trust did not have any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

Mendocino Land Trust, Inc.
Notes to Financial Statements, Continued
For the year ended June 30, 2025

14. RELATED PARTY TRANSACTIONS

MLT paid \$80 to rent a Mendocino Unified School District (MUSD) room for a potluck event. Staff member Emily Griffen is the president of the MUSD Board.

MLT leases intern housing and space for Stewardship equipment storage shed from Chris Williams, husband of the MLT board Lorrie Lagasse. The total paid for the fiscal year 2024/25 amounted to \$2,700.

15. SUBSEQUENT EVENTS

Mendocino Land Trust has evaluated subsequent events through May 5, 2026, the date on which the financial statements were available to be issued.