



**TreePeople**  
**LAND TRUST**

**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**  
**(with Summarized Totals for 2023)**

## CONTENTS

|                                         |      |
|-----------------------------------------|------|
| Independent Auditors' Report .....      | 1-2  |
| Statement of Financial Position .....   | 3    |
| Statement of Activities .....           | 4    |
| Statement of Functional Expenses.....   | 5    |
| Statement of Cash Flows.....            | 6    |
| Notes to the Financial Statements ..... | 7-21 |

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Mountains Restoration Trust dba  
TreePeople Land Trust

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Mountains Restoration Trust dba TreePeople Land Trust (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of Mountains Restoration Trust dba TreePeople Land Trust (the Trust) as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 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 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.

### **Report on Summarized Comparative Information**

We have previously audited the Trust's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Long Beach, California  
September 30, 2025

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**ASSETS**

|                                         | <u>2024</u>         | <u>2023</u>         |
|-----------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                           |                     |                     |
| Cash and cash equivalents               | \$ 1,398,842        | 1,796,883           |
| Investments (Note 4)                    | 1,941,249           | 1,882,367           |
| Accounts and other receivables, net     | 190,013             | 156,874             |
| Prepaid expenses and other assets       | 19,984              | 9,980               |
| Property held for sale (Note 5)         | 1,210,080           | 1,210,080           |
| Property and equipment, net (Note 6)    | 60,084              | -                   |
| Property held for conservation (Note 7) | 45,065              | 45,064              |
| <b>TOTAL ASSETS</b>                     | <u>\$ 4,865,317</u> | <u>\$ 5,101,248</u> |

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

|                                       |                  |                |
|---------------------------------------|------------------|----------------|
| Accounts payable and accrued expenses | \$ 46,446        | \$ 127,927     |
| Grant repayment liability (Note 2)    | 437,814          | -              |
| Insurance proceeds liability (Note 8) | 273,251          | 282,590        |
| Related-party payable (Note 12)       | 350,233          | 587,092        |
|                                       | <u>1,107,744</u> | <u>997,609</u> |

**COMMITMENTS AND CONTINGENCIES (Note 9)**

**NET ASSETS**

|                                           |                     |                     |
|-------------------------------------------|---------------------|---------------------|
| Without donor restrictions                | <u>1,214,826</u>    | <u>1,706,176</u>    |
| With donor restrictions                   |                     |                     |
| Restricted for time and purpose (Note 10) | 1,443,151           | 1,297,867           |
| Restricted in perpetuity (Note 11)        | 1,099,596           | 1,099,596           |
|                                           | <u>2,542,747</u>    | <u>2,397,463</u>    |
| <b>Total net assets</b>                   | <u>3,757,573</u>    | <u>4,103,639</u>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>   | <u>\$ 4,865,317</u> | <u>\$ 5,101,248</u> |

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

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

|                                              | Without<br>Donor<br>Restrictions | With<br>Donor<br>Restrictions | Total        |                 |
|----------------------------------------------|----------------------------------|-------------------------------|--------------|-----------------|
|                                              |                                  |                               | 2024         | 2023            |
| <b>REVENUE, SUPPORT, AND OTHER INCOME</b>    |                                  |                               |              |                 |
| Contributions                                | \$ -                             | \$ 96,755                     | \$ 96,755    | \$ 261,969      |
| Government grants                            | -                                | 88,519                        | 88,519       | 65,629          |
| Program service fees                         | -                                | 543,795                       | 543,795      | 232,669         |
| Investment return, net (Note 4)              | 128,266                          | 43,434                        | 171,700      | 214,260         |
| Other income                                 | 13,606                           | -                             | 13,606       | 3,696           |
| Loss on restricted grant repayment (Note 2)  |                                  | (437,814)                     | (437,814)    | -               |
| Change in classification of land (Note 5)    | -                                | -                             | -            | (2,594,000)     |
| Net assets released from restrictions        | 189,405                          | (189,405)                     | -            | -               |
| <br>Total Revenue, Support, and Other Income | <br>331,277                      | <br>145,284                   | <br>476,561  | <br>(1,815,777) |
| <b>EXPENSES</b>                              |                                  |                               |              |                 |
| Program services                             | 771,667                          | -                             | 771,667      | 611,411         |
| Management and general                       | 50,960                           | -                             | 50,960       | 76,307          |
| Fundraising                                  | -                                | -                             | -            | 47,132          |
| <br>Total Expenses                           | <br>822,627                      | <br>-                         | <br>822,627  | <br>734,850     |
| <b>CHANGE IN NET ASSETS</b>                  | (491,350)                        | 145,284                       | (346,066)    | (2,550,627)     |
| <b>NET ASSETS, BEGINNING OF YEAR</b>         | 1,706,176                        | 2,397,463                     | 4,103,639    | 6,654,266       |
| <b>NET ASSETS, END OF YEAR</b>               | \$ 1,214,826                     | \$ 2,542,747                  | \$ 3,757,573 | \$ 4,103,639    |

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

**MOUNTAINS RESTORATION TRUST**  
**dba TREEPEOPLE LAND TRUST**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS FOR 2023)**

|                                       | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Fundraising</u> | <u>Total</u>      |                   |
|---------------------------------------|-----------------------------|-----------------------------------|--------------------|-------------------|-------------------|
|                                       |                             |                                   |                    | <u>2024</u>       | <u>2023</u>       |
| <b>PERSONNEL EXPENSES</b>             |                             |                                   |                    |                   |                   |
| Salaries                              | \$ 321,766                  | \$ 11,250                         | \$ -               | \$ 333,016        | \$ 255,520        |
| Employee benefits                     | 36,323                      | 477                               | -                  | 36,800            | 25,756            |
| Payroll taxes                         | 26,705                      | 910                               | -                  | 27,615            | 21,493            |
| Total personnel expenses              | <u>384,794</u>              | <u>12,637</u>                     | <u>-</u>           | <u>397,431</u>    | <u>302,769</u>    |
| <b>OPERATIONAL EXPENSES</b>           |                             |                                   |                    |                   |                   |
| Equipment and vehicles                | 24,746                      | 28                                | -                  | 24,774            | 8,933             |
| Insurance                             | 9,520                       | 3,690                             | -                  | 13,210            | 11,614            |
| Membership dues                       | -                           | 3,805                             | -                  | 3,805             | 5,799             |
| Occupancy                             | 36,059                      | 1,267                             | -                  | 37,326            | 28,172            |
| Office expense                        | 109,471                     | 4,153                             | -                  | 113,624           | 64,388            |
| Outside services                      | 14,935                      | 713                               | -                  | 15,648            | 33,900            |
| Professional services                 | 190,792                     | 3,123                             | -                  | 193,915           | 277,425           |
| Travel                                | 1,350                       | 526                               | -                  | 1,876             | 1,850             |
| Bad debt expense                      | -                           | 20,000                            | -                  | 20,000            | -                 |
| Depreciation and amortization         | -                           | 1,018                             | -                  | 1,018             | -                 |
| Total operational expenses            | <u>386,873</u>              | <u>38,323</u>                     | <u>-</u>           | <u>425,196</u>    | <u>432,081</u>    |
| <b>TOTAL 2024 FUNCTIONAL EXPENSES</b> | <u>\$ 771,667</u>           | <u>\$ 50,960</u>                  | <u>\$ -</u>        | <u>\$ 822,627</u> |                   |
| <b>PERCENTAGE OF EXPENSES</b>         | 95%                         | 6%                                | 0%                 | 100%              |                   |
| <b>TOTAL 2023 FUNCTIONAL EXPENSES</b> | <u>\$ 611,411</u>           | <u>\$ 76,307</u>                  | <u>\$ 47,132</u>   |                   | <u>\$ 734,850</u> |
| <b>PERCENTAGE OF EXPENSES</b>         | 84%                         | 10%                               | 6%                 |                   | 100%              |

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

**MOUNTAINS RESTORATION TRUST**  
**dba TREEPEOPLE LAND TRUST**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS FOR 2023)**

|                                                                                      | <u>2024</u>         | <u>2023</u>         |
|--------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                          |                     |                     |
| Change in net assets                                                                 | \$ (346,066)        | \$ (2,550,627)      |
| Adjustments to reconcile change in net assets to net cash from operating activities: |                     |                     |
| Depreciation and amortization                                                        | 1,018               | -                   |
| Bad debt expense and loss on grant repayment                                         | 457,814             | -                   |
| Net realized and unrealized gains on investments                                     | (67,921)            | (119,904)           |
| Change in classification of land                                                     | -                   | 2,594,000           |
| Change in operating assets and liabilities:                                          |                     |                     |
| Accounts and other receivables                                                       | (53,139)            | 32,982              |
| Prepaid expenses and other assets                                                    | (10,004)            | (982)               |
| Accounts payable and accrued expenses                                                | (81,481)            | 15,861              |
| Insurance proceeds liability                                                         | (9,339)             | -                   |
| Related-party payable                                                                | (236,859)           | 345,066             |
| Net Cash Provided By (Used In) Operating Activities                                  | <u>(345,977)</u>    | <u>316,396</u>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                          |                     |                     |
| Proceeds on sale of investments                                                      | 420,700             | 12,550              |
| Purchase of property and equipment                                                   | (61,102)            | -                   |
| Reinvested interest and dividends                                                    | (104,250)           | (94,847)            |
| Purchase of investments                                                              | (307,411)           | (323,914)           |
| Net Cash Used In Investing Activities                                                | <u>(52,063)</u>     | <u>(406,211)</u>    |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                                       | (398,040)           | (89,815)            |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                                | <u>1,796,883</u>    | <u>1,886,698</u>    |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                                      | <u>\$ 1,398,843</u> | <u>\$ 1,796,883</u> |

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

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 1 – Description of Organization**

Mountains Restoration Trust dba TreePeople Land Trust (the Trust) is a non-profit accredited land trust dedicated to preserving natural land through restoration, education, and land acquisition. Founded in 1981, the Trust collaborates with members of the public and government agencies in an ongoing effort to maintain a cooperative relationship between urbanization and native land.

During 2020, the Trust filed a Fictitious Business Name Statement with the County of Los Angeles to allow the Trust to “do business as” TreePeople Land Trust.

The Trust achieves its goal of preserving the Santa Monica Mountains’ natural resources by implementing three distinct programs as follows:

**Acquisitions:** The Trust owns 1,455.2 acres in fee title, 1,380.3 acres in conservation easements, and 5.28 acres of trail easements. The Trust has 12 acres of leased land and buildings at Headwaters Corner and acquires additional land to protect the significant ecological areas of Cold Creek, La Sierra, and other strategic habitats.

**Restoration:** The Santa Monica Mountains contain renowned ecosystems for biodiversity and are recognized as a global “biodiversity hotspot.” Mediterranean climates, found here and on only 2.25% of the world’s surface, support nearly 50,000 plant species. This climate also supports a significant number of humans, human developments, and invasive species due to its short, wet winters and long, dry summers. The Trust has a staff of field specialists and technicians working five days a week at various restoration sites across the Santa Monica Mountains to remove invasive plants and aquatic species, provide native plantings, and restore critical habitats, including oak woodlands, riparian streams, chaparral, and sage-scrub hillsides across the approximately 3,000 acres owned or managed by the Trust. The Trust also continues to work with state and national parks on collaborative projects, as well as jurisdictional agencies on mitigation for unavoidable impacts.

**Education:** The Trust’s environmental education program focuses on students from the San Fernando Valley and Los Angeles Basin, encouraging young students to explore the local wildlands adjacent to these urban areas.

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Trust prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

***Use of Estimates***

In preparing the financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimates.

***Comparative Totals***

The financial statements include certain prior-year summarized financial information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such financial information should be read in conjunction with the Trust's financial statements for the year ended December 31, 2023, from which the summarized financial information was derived.

***Classes of Net Assets***

The Trust reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

***Without Donor Restrictions*** – Net assets that are not subject to donor-imposed restrictions. The Trust's board of directors may designate net assets without donor restrictions for general operational purposes from time to time.

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

***Classes of Net Assets (Continued)***

***With Donor Restrictions*** – The Trust reports gifts of cash and other assets as donor-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 the purpose of the restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Other donor stipulations may be perpetual in nature.

***Cash and Cash Equivalents***

For purposes of the statement of cash flows, the Trust considers all highly liquid investments with maturities of three months or less when purchased to be cash and cash equivalents. The Trust places its cash and cash equivalents with high-credit, quality financial institutions. At times, such investments may be in excess of Federal Deposit Insurance Corporation insurance limit. The Trust has not incurred losses related to these investments and believes it is not exposed to any significant credit risk on cash.

***Investments***

Investments in marketable securities with readily determinable fair values and money market funds are reported at fair value. Interest and dividend income and gains and losses on investments are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulations or by law.

***Accounts and Other Receivables***

The carrying value of receivables, net of the allowance for uncollectable receivables, represents their estimated net realizable value. The allowance for uncollectable receivables is estimated based on historical collection trends, collection efforts, type of customer, the age of outstanding receivables, and existing economic conditions. At December 31, 2024, the Trust estimated an allowance for uncollectable receivables of \$20,000. At December 31, 2023, the Trust determined no allowance was necessary.

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

***Property Held for Sale***

Property held for sale is recorded at cost if purchased or at fair value at the date of donation if donated. Property classified as held for sale can be sold and the proceeds can be used towards the Trust's programs or can be contributed to other organizations.

***Property and Equipment***

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Amortization of leasehold improvements is recognized over the term of the lease agreement. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$5,000 and the estimated useful life is greater than one year.

The estimated useful lives of property and equipment are as follows:

|                                 |         |
|---------------------------------|---------|
| Computer equipment and software | 5 years |
| Transportation equipment        | 5 years |

***Property Held for Conservation***

Property held for conservation purposes includes purchased or donated properties to be sold or transferred to government agencies or other individuals and organizations for conservation purposes or maintained as a nature preserve in perpetuity. Land and conservation easements are treated as commitments and are recorded in property held for conservation at a minimal value of \$1,000 for each parcel of land and \$1 for each easement, due to deed restrictions, which affect potential sales and the principal market value.

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

***Long-Lived Assets***

The Trust reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized during the years ended December 31, 2024 and 2023.

***Grant Repayment Liability***

During the year ended December 31, 2024, the Trust was informed that unspent grant funds from the Los Angeles County Board of Supervisors would need to be repaid to the grantor. These grant funds were originally contributed during the year ended December 31, 2022, to repair the Trust's facility located at Headwaters Corner, and were classified as with donor restrictions. During the year ended December 31, 2024, unreleased funds of \$437,814 have been presented as loss on restricted grant repayment in the accompanying statement of activities. The funds were remitted to the grantor in March 2025.

***Revenue Recognition***

Contributions, including unconditional promises to give, are recorded when the promise to give is made. All contributions are available for unrestricted use unless specifically restricted by the donor. 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 are substantially met.

Revenue from certain federal, state, and county grants are conditioned upon certain performance requirements, which can include the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Trust has incurred expenditures in compliance with specific contract or grant provisions and any other conditions are met. Any difference between expenses incurred and the total funds received (not to exceed the grant maximum) is recorded as a receivable or an advance, whichever is applicable.

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

***Revenue Recognition (Continued)***

The Trust is party to conditional grants with grant terms through 2027 and additional funding of approximately \$369,000 that has not been recognized at December 31, 2024, because qualifying expenditures have not yet been incurred.

Mitigation fee revenue is recorded in accordance with the California Environmental Quality Act in coordination with government agencies, such as the California Department of Fish and Wildlife and the United States Department of Fish and Wildlife, which require that the potential impacts from development on species, habitats, and farmland be considered. A project proponent may pay an in-lieu fee to a lead agency or other designated agency to be used to acquire the required mitigation land or conservation easement. As an approved mitigation agency, the Trust receives mitigation fee revenue from project proponents. These funds may contain certain conditions or restrictions for use of funding.

***Contributed Goods and Services***

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

***Concentration of Credit Risks***

The accounts and other receivables balance outstanding at December 31, 2024, consists of government contract receivables due from county, state, and federal granting agencies. Concentration of credit risks with respect to receivables are limited, as the majority of the Trust's receivables consist of earned fees from contract programs granted by government agencies.

The Trust holds investments in the form of money market funds and common stocks of publicly held companies. Market values of such investments are routinely reviewed by the Trust's Board of Directors.

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

***Income Taxes***

The Trust is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”) as a charitable organization whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. The Trust currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded in these financial statements. The Trust is also exempt under California Revenue and Taxation Code Section 23701(d).

The Trust is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California purposes is generally three and four years, respectively.

***Functional Allocation of Expenses***

The costs of providing the Trust’s programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Trust uses full-time equivalents to allocate indirect costs.

***Fair Value Measurements***

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Assets and liabilities are measured at fair value using a three-level fair value hierarchy that ranks the quality and reliability of the information used to measure fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the report date.

Level 2 - Pricing inputs other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the report date.

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

***Fair Value Measurements (Continued)***

Level 3 - Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The fair value measurement for all assets and liabilities based on significant unobservable inputs or instruments which trade infrequently and, therefore, have little or no price transparency, are classified as level 3.

***Subsequent Events***

Management has evaluated subsequent events from the statement of financial position date through September 30, 2025, the date the financial statements were available to be issued for the year ended December 31, 2024 and determined no additional items need to be disclosed.

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 3 – Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024, comprise the following:

|                                               |                    |
|-----------------------------------------------|--------------------|
| Cash and cash equivalents                     | \$ 1,398,842       |
| Investments                                   | 1,941,249          |
| Accounts and other receivables                | <u>190,013</u>     |
|                                               | 3,530,104          |
| Funds held for insurance proceeds             | (273,251)          |
| Donor-imposed restrictions:                   |                    |
| Funds subject to purpose or time restrictions | (1,443,151)        |
| Funds restricted in perpetuity                | <u>(1,099,596)</u> |
|                                               | <u>\$ 714,106</u>  |

The Trust maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 4 – Investments**

Investments measured at fair value consist of the following:

| <u>December 31, 2024</u>     | <u>Level 1</u>      | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>        |
|------------------------------|---------------------|----------------|----------------|---------------------|
| Debt securities              | \$ 1,306,930        | \$ -           | \$ -           | \$ 1,306,930        |
| Marketable equity securities | <u>634,319</u>      | <u>-</u>       | <u>-</u>       | <u>634,319</u>      |
|                              | <u>\$ 1,941,249</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 1,941,249</u> |

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 4 – Investments (Continued)**

| <u>December 31, 2023</u>     | <u>Level 1</u>      | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>        |
|------------------------------|---------------------|----------------|----------------|---------------------|
| Debt securities              | \$ 1,185,079        | \$ -           | \$ -           | \$ 1,185,079        |
| Marketable equity securities | <u>697,288</u>      | <u>-</u>       | <u>-</u>       | <u>697,288</u>      |
|                              | <u>\$ 1,882,367</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 1,882,367</u> |

Net investment return consists of:

|                                               | <u>For the Year Ended<br/>December 31,</u> |                   |
|-----------------------------------------------|--------------------------------------------|-------------------|
|                                               | <u>2024</u>                                | <u>2023</u>       |
| Interest and dividend income from investments | \$ 104,250                                 | \$ 94,847         |
| Realized and unrealized gains on investments  | 67,921                                     | 119,904           |
| Fees                                          | <u>(471)</u>                               | <u>(491)</u>      |
|                                               | <u>\$ 171,700</u>                          | <u>\$ 214,260</u> |

**NOTE 5 – Property Held for Sale**

Property held for sale at December 31, 2024 consists of the following:

|                               | <u>Acres</u> | <u>Value</u> |
|-------------------------------|--------------|--------------|
| Land - Los Angeles County, CA | 82.83        | \$ 1,210,080 |

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 5 – Property Held for Sale (Continued)**

During 2023, certain land held for sale as of December 31, 2022 was reclassified to property held for conservation, based on obtaining certain restrictions on the land that exclude future development. As a result, the land value was reduced by \$2,594,000 to \$1,000 per parcel, based on the Trust's accounting policies.

**NOTE 6 – Property and Equipment**

Property and equipment at December 31, 2024 and 2023 consist of the following:

|                                                | <u>2024</u>      | <u>2023</u>    |
|------------------------------------------------|------------------|----------------|
| Computer equipment and software                | \$ 1,077         | \$ 1,077       |
| Transportation equipment                       | <u>62,592</u>    | <u>1,490</u>   |
|                                                | 63,669           | 2,567          |
| Less accumulated depreciation and amortization | <u>(3,585)</u>   | <u>(2,567)</u> |
| Property and equipment, net                    | \$ <u>60,084</u> | \$ <u>-</u>    |

Depreciation and amortization expense for the year ended December 31, 2024 was \$1,018. There was no depreciation and amortization expense for the year ended December 31, 2023.

**NOTE 7 – Property Held for Conservation**

At both December 31, 2024 and 2023, the Trust held 1,346.29 acres in Los Angeles County valued at \$45,000, which is restricted for use in its programs and conservation.

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 7 – Property Held for Conservation (Continued)**

Additionally, at December 31, 2024 and 2023, the Trust held the following conservation easements that are restricted for use in its programs:

|                        | <u>Acres</u>    | <u>Value</u> |
|------------------------|-----------------|--------------|
| Los Angeles County, CA | 897.90          | \$ 59        |
| Ventura County, CA     | <u>482.83</u>   | <u>6</u>     |
|                        | <u>1,380.73</u> | <u>\$ 65</u> |

**NOTE 8 – Insurance Proceeds Liability**

The Trust sustained significant damages due to a fire in 2016, destroying a building and a bridge. Insurance proceeds were received by the lessor and are required to be used to rebuild the building and bridge, as well as to cover overhead expenses directly related to repairing the fire damage. Funds used during the year ended December 31, 2024 totaled \$9,339. No funds were used during the year ended December 31, 2023. As of December 31, 2024 and 2023, insurance proceeds received, but not yet used, totaled \$273,251 and \$282,590, respectively, and are considered to be conditional for use of rebuilding after the fire.

**NOTE 9 – Commitments and Contingencies**

***Contracts***

The Trust's grants and contracts are subject to inspection and audit by the appropriate government funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, which may result from these government audits, cannot be reasonably estimated and, accordingly, the Trust has no provision for the possible disallowance of program costs on its financial statements.

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 9 – Commitments and Contingencies (Continued)**

***Obligations Under Operating Leases***

The Trust has a \$1 per year lease agreement with the City of Calabasas commencing on October 1, 2004, and terminating on September 30, 2034. As the market rate value of the leases with the City of Los Angeles and City of Calabasas are not readily available due to the unique nature of the property, no value for a donated contribution, operating lease right-of-use assets, or liabilities has been recorded.

***Litigation***

During the normal course of business, the Trust may become a party to litigation. Management believes there are no asserted or unasserted claims or contingencies that would have a significant impact on the financial statements for the Trust as of December 31, 2024.

***Other***

The Trust and the California Coastal Conservancy (the Conservancy) are working mutually to find a resolution for a disagreement regarding the repayment of a grant provided by the Conservancy in 1984. At the time of this audit, it is unclear how much the Trust may owe to the Conservancy, or if repayment is indeed warranted. If the Conservancy finds that the Trust was in violation of the grant agreement, the Conservancy would enact reversionary interest in four parcels owned by the Trust.

Each of these four parcels is deed-restricted and valued at \$1,000, therefore, the financial implications of this potential liability would be a reduction of \$4,000 to the Trust's assets.

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 10 – Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following:

|                                                | <b>December 31,</b> |                     |
|------------------------------------------------|---------------------|---------------------|
|                                                | <b>2024</b>         | <b>2023</b>         |
| Restricted for time and purpose:               |                     |                     |
| Headwaters Corner facility                     | \$ -                | \$ 476,176          |
| USACE Creekside                                | 176,321             | 176,321             |
| USACE Valley 2 (Argo Ditch)                    | 222,859             | 164,105             |
| Native Garden Kit program                      | 77,138              | 94,994              |
| Other USACE                                    | 124,898             | 77,276              |
| Non-USACE                                      | 238,151             | 55,295              |
| Restoration - Tuna Canyon Park                 | 350,871             | -                   |
| Stewardship and legal defense funds            | 252,913             | 253,700             |
|                                                | <u>1,443,151</u>    | <u>1,297,867</u>    |
| Endowment - restricted in perpetuity (Note 11) | <u>1,099,596</u>    | <u>1,099,596</u>    |
|                                                | <u>\$ 2,542,747</u> | <u>\$ 2,397,463</u> |

**NOTE 11 – Endowments**

The Trust's endowments consist of funds established by donor-restricted gifts and bequests to an endowment held in perpetuity to provide a permanent source of income to the Trust for stewardship and restoration.

The Trust has interpreted the California Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Trust classifies as donor restricted net assets: (a) the original value of the 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.

**MOUNTAINS RESTORATION TRUST  
dba TREEPEOPLE LAND TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)**

**NOTE 11 – Endowments (Continued)**

The Trust has utilized investment and spending policies for endowment assets that attempt to provide a stable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. As a result, the endowment assets are invested in a manner that is intended to produce results that, over the long term, allow it to grow at a rate exceeding expected inflation. This is consistent with the Trust's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return.

To satisfy its long-term rate-of-return objectives, the Trust relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Trust targets a diversified asset allocation that places a greater emphasis on equity-based investments, diversified between sectors, to achieve its long-term return objectives within prudent risk constraints.

The composition of the endowments at December 31, 2024, consisted of donor-restricted gifts required to be maintained in perpetuity.

During 2024, the Trust recognized earnings on the endowment of approximately \$43,000, which were appropriated and used for specific purposes. There were no other changes in endowment assets during the year ended December 31, 2024. Endowment net assets at both December 31, 2024 and 2023 totaled \$1,099,596.

**NOTE 12 – Related-Party Transactions**

The Trust is a wholly owned subsidiary of TreePeople, Inc. The Trust and TreePeople, Inc. have certain common board members, executives, and employees. During the years ended December 31, 2024 and 2023, costs allocated to the Trust for overhead expenses and management and administrative services provided by TreePeople, Inc. totaled approximately \$118,000 and \$81,000, respectively. At December 31, 2024 and 2023, amounts due to TreePeople, Inc. totaled \$350,233 and \$587,092, respectively.

The Trust receives donations from board members, who are considered related parties to the Trust. The Trust engaged Greenberg Glusker LLP for legal services, of which a board member is a partner. Fees paid for these legal services for the years ended December 31, 2024 and 2023 were approximately \$57,000 and \$137,000, respectively.