Report of Independent Auditors and
Consolidated Financial Statements

The Climate Trust and Subsidiary

December 31, 2025 and 2024

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Table of Contents

	Page
Report of Independent Auditors	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8

Report of Independent Auditors

The Board of Directors
The Climate Trust and Subsidiary

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of The Climate Trust and Subsidiary (non-profit organization and for-profit subsidiary), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, 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, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Climate Trust and Subsidiary as of December 31, 2025 and 2024, 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.

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 Climate Trust and Subsidiary 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 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 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 The Climate Trust and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

Baker Tilly US, LLP

Portland, Oregon
May 1, 2026

Consolidated Financial Statements

The Climate Trust and Subsidiary
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 7,943,899	$ 1,038,179
Restricted cash	1,289,501	981,153
Total cash and cash equivalents and restricted cash	9,233,400	2,019,332
Accounts receivable	1,453,639	1,067,907
Investments	4,041,226	8,484,347
Prepaid expenses and deposits	92,523	36,524
Prepaid offset purchases	546,912	615,052
Carbon offset inventory	3,483,971	4,146,524
Investments in pilot projects	3,622,103	6,442,150
Investments in project development	1,534,787	1,995,000
Other assets	1,633,066	1,747,832
Total assets	$ 25,641,627	$ 26,554,668
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 403,134	$ 39,000
Accrued expenses	1,409,548	959,018
Unearned offset revenue	1,305,852	913,072
Total liabilities	3,118,534	1,911,090
NET ASSETS		
Without donor restrictions	22,523,093	24,643,578
Total net assets	22,523,093	24,643,578
Total liabilities and net assets	$ 25,641,627	$ 26,554,668

See accompanying notes.

The Climate Trust and Subsidiary
Consolidated Statements of Activities
Years Ended December 31, 2025 and 2024

	2025	2024
REVENUES AND OTHER SUPPORT		
Offset project revenue	$ 7,668,458	$ 6,864,165
Offset fee revenue	781,641	899,969
Realized gain – pilot projects	2,682,533	3,531,950
Contributions and grants	5,845,540	689,295
Investment income, net of expenses	221,956	262,500
Total revenues and other support	17,200,128	12,247,879
EXPENSES		
Program services	16,006,512	9,296,795
Management and general	1,074,506	949,688
Total expenses	17,081,018	10,246,483
INCOME FROM OPERATIONS	119,110	2,001,396
OTHER INCOME AND EXPENSES		
Other non-operating income	1,713	-
Unrealized (loss) gain – pilot projects	(2,820,047)	494,167
Realized and unrealized gains on investments	578,739	693,853
Total other income and expenses	(2,239,595)	1,188,020
CHANGE IN NET ASSETS	(2,120,485)	3,189,416
NET ASSETS WITHOUT DONOR RESTRICTIONS, beginning of year	24,643,578	21,454,162
NET ASSETS WITHOUT DONOR RESTRICTIONS, end of year	$ 22,523,093	$ 24,643,578

See accompanying notes.

The Climate Trust and Subsidiary
Consolidated Statements of Functional Expenses
Years Ended December 31, 2025 and 2024

	Program Services	Management and General	2025 Total
Offset contracts	$ 8,332,107	$ -	$ 8,332,107
Incentive payments	3,847,713	-	3,847,713
Salaries	1,473,332	490,809	1,964,141
Professional services	1,120,226	198,526	1,318,752
Reforestation planting and supplies	720,755	-	720,755
Employee benefits	260,209	86,683	346,892
Office expenses	47,191	192,989	240,180
Payroll taxes	112,162	37,365	149,527
Travel	68,700	64,955	133,655
Meetings, conferences, and training	16,976	800	17,776
Occupancy	7,141	2,379	9,520
	$ 16,006,512	$ 1,074,506	$ 17,081,018

	Program Services	Management and General	2024 Total
Offset contracts	$ 6,639,047	$ -	$ 6,639,047
Salaries	1,320,847	405,075	1,725,922
Professional services	458,383	212,395	670,778
Employee benefits	265,257	81,349	346,606
Reforestation planting and supplies	278,920	-	278,920
Office expenses	79,604	156,121	235,725
Travel	90,213	47,115	137,328
Payroll taxes	89,334	27,397	116,731
Meetings, conferences, and training	35,039	17,579	52,618
Interest expense	31,488	-	31,488
Occupancy	8,663	2,657	11,320
	$ 9,296,795	$ 949,688	$ 10,246,483

See accompanying notes.

The Climate Trust and Subsidiary
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (2,120,485)	$ 3,189,416
Adjustments to reconcile change in net assets to net cash used in operating activities		
Net realized/unrealized gain on investments	(578,739)	(693,853)
Unrealized loss (gain) on investment in pilot projects	2,820,047	(494,167)
(Increase) decrease in		
Accounts receivable	(385,732)	(224,980)
Prepaid expenses and deposits	(55,999)	24,573
Prepaid offset purchases	68,140	-
Carbon offset inventory	662,553	765,800
Other assets	114,766	(613,901)
Accounts payable and accrued expenses	814,664	(440,470)
Unearned offset revenue	392,780	(4,767,175)
Net cash provided by/(used in) operating activities	1,731,995	(3,254,757)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,318,561)	(1,133,878)
Proceeds from sale of investments	6,340,421	4,092,963
Investments in project development	-	(1,995,000)
Proceeds from pilot projects	460,213	33,659
Net cash provided by investing activities	5,482,073	997,744
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of line of credit	-	(755,000)
Net cash used in financing activities	-	(755,000)
CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	7,214,068	(3,012,013)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, beginning of year	$ 2,019,332	$ 5,031,345
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, end of year	$ 9,233,400	$ 2,019,332
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ -	$ 31,488

See accompanying notes.

Note 1 – Description of Organization

Oregon Climate Trust (OCT) was originally formed in 1997. On August 4th, 2016, OCT formed a wholly owned subsidiary, Climate Trust Capital LLC to serve as the management company (the "Management Company") to administer a limited partnership carbon investment pilot fund ("Fund I"). The Management Company entered into agreements with Climate Trust Capital Fund I GP, LLC and Climate Trust Capital Fund I, LP (collectively, Climate Trust Capital, "CTC"). OCT is the sole member of the Management Company. The Management Company is the sole member of Climate Trust Capital Fund I GP, LLC. Climate Trust Capital Fund I GP, LLC is the general partner in Climate Trust Capital Fund I, LP. Fund I is structured to receive program-related investment loan proceeds from The David and Lucile Packard Foundation (See Note 2) and operates in accordance with OCT's exempt purpose. During January 2019, CTC received the remaining balance of loan proceeds and became fully invested in seven carbon investment Fund I pilot projects.

OCT's and CTC's (collectively, The Climate Trust and Subsidiary, "TCT', or the Organization) mission is to pioneer accessible carbon market solutions that benefit our climate through good land stewardship.

TCT develops resources, programs and project portfolios to reduce, eliminate, sequester, or avoid carbon dioxide equivalents emissions. TCT acts on behalf of utilities, corporations, government agencies and private entities to stimulate, support and finance the supply of greenhouse gas emission reductions based on regulatory requirements and voluntary climate change commitments.

TCT receives funds from the management of regulatory carbon offset programs, voluntary carbon offset acquisition programs and the sale of voluntary and California compliance offsets to third-party corporate buyers. As a result, TCT evaluates, implements, finances, monitors and administers contracts with third parties that produce measurable and verifiable greenhouse gas reductions or "carbon offsets". Carbon offset contracts are awarded to other entities in accordance with the mission of TCT which also receives contributions and earned revenue from both public and private entities.

The Organization's track record is based on over two decades of experience developing and managing carbon offset projects. TCT invests and engages in the early stages of project development, when owners are seeking to reduce risk and need operational expertise to ensure their carbon projects are successful. TCT's carbon offset project development expertise and support for climate mitigation policies has encouraged mission-aligned partners to enter the carbon markets.

Offset funds and definitions

Offset funds – If a power facility elects to use the monetary path for compliance, the amount of emission reduction needed to meet the CO2 Standard is factored to calculate the amount of offset funds the certificate holder must provide to a "qualified organization," TCT in this case. TCT is to use 80% of the offset funds to "contract for the implementation of offsets directly".

Obligated – Offset funds that are committed to meet a future payable for offsets via an Emission Reduction Purchase Agreement (ERPA).

Unobligated – Offset funds that the Organization is required to obligate to meet a future ERPA payable.

Deobligated – Offset funds that were committed via an ERPA, but due to ERPA under-performance or non-performance, are reallocated to an unobligated status.

Retirement – The act of declaring the receipt of Verified Emission Reductions (offsets) as retired for perpetuity predominately on a third party offset project certifying body's registry and internally on TCT's Carbon Registry so that they cannot be double counted.

Note 2 – Summary of Significant Accounting Policies

Principles of consolidation – The consolidated financial statements include the accounts of Oregon Climate Trust and Climate Trust Capital. All intercompany transactions and balances have been eliminated.

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

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 the Organization and changes therein are classified and reported as without donor restrictions or net assets with donor restrictions. Net assets without donor restrictions are those that are not subject to donor-imposed stipulations. Net assets with donor restrictions are subject to donor-imposed stipulations that will be met, either by actions of the Organization and/or the passage of time. There were no net assets with donor restrictions as of December 31, 2025 and 2024.

Income from operations before other income and expenses serves as a measure of operations. The Organization defines non-operating activities to include unrealized gains and losses on investments and pilot projects, and other minimal non-operating activities.

Cash and cash equivalents – For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents include restricted cash required to be held in separate bank accounts which totaled $1,289,501 and $981,153 at December 31, 2025 and 2024. These restricted cash accounts are pledged as security to the funder for performance of contractual obligations. Cash and cash equivalents held for long-term investment purposes are excluded from cash and cash equivalents and are included in investments.

Accounts receivable – Trade accounts receivable relate to sales of carbon offsets and are recorded at invoiced amount and do not bear interest. The Organization maintains an allowance for credit losses to reserve for potentially uncollectible receivables. The measures of expected credit losses of financial assets based on historical loss, future forecasts and other information available to management, is applied to asset groups with categorically similar risk characteristics. The allowance for credit losses is maintained at a level believed adequate by management to reflect the probable losses in accounts receivable due to customer default, insolvency, or bankruptcy. After all attempts to collect a receivable have failed, the receivable is written off against the allowance for credit losses. The Organization reported a trade accounts receivable balance of $1,453,639, $1,067,907, and $842,927 at December 31, 2025, 2024, and 2023, respectively. No allowance for credit losses was considered necessary at December 31, 2025, 2024, and 2023.

Investments – Investments are measured at fair value in the statements of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends), net of investment expenses is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Prepaid offset purchases – Prepaid offset purchases represent payments to suppliers for carbon credits to be delivered in future periods. Management has evaluated the financial stability and past performance history of such suppliers and has recorded prepaid balances from one supplier that meets its criteria.

Carbon offset inventory – Carbon offset inventory represents offsets transferred to TCT upon receipt of payment. Offsets may be utilized to provide utilities and other companies access to quality carbon credits. Offset inventory is recorded at the lower of cost or net realizable value. Cost is determined using the specific identification method.

Investments in pilot projects – Investment in pilot projects represents the 7 projects funded with loan proceeds under a Credit Agreement with The David and Lucile Packard Foundation (the Foundation). The funds were deployed to the project owners for the pre-purchase of carbon credits from forestry, livestock digester and grassland conservation projects. The investments are secured by carbon credits to be produced in future years. Management has evaluated the financial stability of the project owners and provided due diligence documentation to the Foundation prior to the disbursement of the loan funds and has determined no impairment has occurred.

The Organization has entered into a carbon finance investment agreement with each project owner that provides 100% of carbon credits produced will be transferred to the Organization until Net Revenue (as defined by the agreement) equals the investment amount. Subsequently, the Net Revenue is shared with the project owner until the agreement terminates after the 10 year crediting period expires.

The Organization estimates the net present value of the projected future cash flows over the term of the agreement using the discount rate applied when each original investment was made, which approximates the equity method. Discount rates ranged from 8.0% to 20.41% as of December 31, 2025 and 2024. During the year ended December 31, 2025, the value decreased resulting in an unrealized loss of $2,820,047. During the year ended December 31, 2024, the value increased resulting in an unrealized gain of $494,167.

Investments in project development – Represent upfront payments deployed to project owners under carbon development agreements and are valued at cost and recovered upon the future receipt of revenues from related offset sales. The Organization reported $1,534,787 and $1,995,000 as of December 31, 2025 and 2024, respectively.

Revenue recognition – In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, offset project funds received but not yet obligated are recorded as unearned offset revenue. Offset project revenue is recognized when contracted carbon offsets are acquired and retired, which is when the Organization's performance obligations have been met. Revenues associated with the purchase and sale of carbon offsets are recorded when the title passes.

Offset fee revenues are recognized as revenue as selection, contracting and management services are performed. Fixed-fee management contract revenues are recognized using the percentage of completion method of accounting. Percentage of completion is determined by estimating expected total effort percentages by year to allocate contract prices and applying such percentages to the total contractual fee revenue amount and adjusting revenue earned as services are performed. Offset fee revenues received but not yet earned are recorded as unearned offset fee revenue. Other service revenues are recognized at the time services are provided as the Organization's performance obligations are met.

There is no variable consideration on the Organization's contracts and the contracts do not include significant financing components. Payments are typically invoiced upon delivery of the contracted credits to the buyer's registry account and due two to three weeks thereafter.

Contributions and grants – Contributions and grants, including unconditional promises to give, are recognized as revenues in the period the commitment is received. Conditional promises to give are not recognized until the conditions on which they depend are met and the barrier to entitlement and right of return is considered overcome. The Organization 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 reported in the consolidated statements of activities as net assets released from restrictions. The Organization has been awarded cost-reimbursable grants as of December 31, 2025, of approximately $17,297,000 that have not been recognized at December 31, 2025, because qualifying expenditures have not yet been incurred.

Income taxes – OCT is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is made in the accompanying financial statements, as OCT has no activities subject to unrelated business income tax. OCT is not a private foundation.

OCT recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. OCT recognizes interest and penalties related to income tax matters, if any, in management and general expense.

OCT had no unrecognized tax benefits at December 31, 2025 and 2024. No interest and penalties were accrued for the years ended December 31, 2025 or 2024. OCT files an exempt organization return in the U.S. federal jurisdiction.

The CTC's are single member limited liability corporations or limited partnerships with no limited partners, all controlled by OCT and considered disregarded entities for tax purposes.

Expense allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated directly to the programs and supporting services benefited.

Use of estimates – The preparation of consolidated financial statements is in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events – Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before consolidated financial statements are available to be issued. The Organization recognizes in the consolidated financial statements, the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position, but arose after the consolidated statement of financial position date and before the consolidated financial statements are available to be issued. The Organization has evaluated subsequent events through May 1, 2026, which is the date the consolidated financial statements were available to be issued.

Note 3 – Liquidity

As of December 31, 2025 and 2024, financial assets and liquidity resources, without restrictions on limiting their use, available within one year for general expenditure, such as operating expenses, scheduled principal payments, and project development costs not financed with debt, were as follows as of December 31:

	2025	2024
Cash and cash equivalents	$ 7,943,899	$ 1,038,179
Accounts receivable	1,453,639	1,067,907
Carbon offset inventory	3,483,971	4,146,524
Investments	4,041,226	8,484,347
Total financial assets available within one year	$ 16,922,735	$ 14,736,957

The Organization's Reserve Policy requires, at a minimum, cash on hand equal to six months of operating expenses. The Organization's cash flows have seasonal variations during the year attributable to the timing of payment for and delivery of carbon offset credits. Carbon offset inventory, unobligated to a specific program, may be transacted to generate income for operating expenditures.

Note 4 – Investments

Investments are valued at their fair value in the statements of financial position. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (decline) of those investments, is shown in the statements of activities. Interest income is accrued as earned.

In order to present operating results of the Organization's ongoing endeavors, the statement of activities presents the net realized/unrealized gain (loss) on investments separate from operating activities.

Total investment return consists of the following components for the years ended:

	December 31, 2025	December 31, 2024
Operating		
Investment income	$ 256,393	$ 302,128
Investment fees	(34,437)	(39,628)
	221,956	262,500
Nonoperating		
Net realized/unrealized gain	578,739	693,853
Total investment return	$ 800,695	$ 956,353

Note 5 – Unearned Offset Revenue

The Organization has entered into several long-term purchase agreements for the supply and purchase of carbon offset credits each year. Purchase commitments under these arrangements are included in the unearned offset revenue balance of $1,308,852 and were as follows at December 31, 2025:

Year Ended December 31, 2026	$ 1,225,192
	$ 1,225,192

Note 6 – Concentration of Revenue

For 2025, offset revenues from 36 contracts represented 93% of total project related revenue. For 2024, offset revenues from 31 contracts represented 91% of total project related revenue.

Note 7 – Line of Credit and Long-Term Debt

TCT has a $1,000,000 line of credit from Pacific West Bank with interest payable monthly at the bank's prime rate less 1% (5.75% at December 31, 2025). The line matures in April 2027 and is secured by a commercial security agreement. Advances outstanding on the line was $0 at December 31, 2025 and 2024. The agreement contains specific financial covenants, such as a line of credit clean down and minimum unrestricted net assets. In April 2026, the line of credit was renewed through April 2027.

TCT has a $4,000,000 maximum margin line of credit with Charles Schwab & Co. Inc., which accrues interest at the greater of the Federal Funds Target Rate or 4.5% in the event the Federal Funds Target Rate is less than 4.5%, plus 75 basis points (3.75% at December 31, 2025). Advances outstanding under the margin were $0 and $898,410 at December 31, 2025 and 2024, and were recorded as a reduction in the Organization's cash balances in the statements of financial position. During 2025, the margin line of credit was extended through December 31, 2026.

Note 8 – Retirement Plan

TCT has a defined contribution 401(k) plan covering all eligible employees. The Organization makes contributions to the plan up to 4% of all eligible participants' compensation. Contributions to the plan for 2025 and 2024 was $75,038 and $65,641, respectively.

Note 9 – Concentrations of Credit Risk

The Organization's cash accounts are maintained in three financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 at each institution. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position. TCT's investment return, utilizing fixed income securities, is exposed to interest rate changes.

Note 10 – Commitments and Contingencies

TCT has commitments under various carbon offset and other contracts whereby additional payments or receipts are due contingent upon the companies or TCT fulfilling certain obligations. Due to the uncertain nature of these commitments, future anticipated payments and receipts are not determinable and are not reported in the accompanying consolidated financial statements.

Note 11 – Related Party Disclosure

The Oregon Carbon Dioxide Standard (the Standard) requires energy facilities to demonstrate compliance by entering into a Memorandum of Understanding with the Organization. As a matter of regular business, TCT has received funding under the Standard that involves organizations in which two Board Members are employed. TCT's conflict of interest policy requires that all Board Members disclose potential conflicts and refrain from voting on any actions that pose a possible or actual conflict of interest.

Note 12 – Fair Value Measurements

Assets and liabilities recorded at fair value in the consolidated statements of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 – Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available.

TCT used the following methods and significant assumptions to estimate fair value for its assets measured and carried at fair value in the financial statements:

Investments – Investments are comprised of U.S. equities and fixed income securities. Investments fair values are based on quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

There were no changes in the valuation methodologies or assumptions used by TCT for the years ended December 31, 2025 and 2024. Fair values of assets measured on a recurring basis were as follows:

	December 31, 2025			
	Fair Value	Level 1	Level 2	Level 3
U.S. equities	$ 1,460,366	$ 1,460,366	$ -	$ -
Fixed income securities				
Corporate bonds, mortgage pools and US treasury bonds	2,580,860	-	2,580,860	-
	$ 4,041,226	$ 1,460,366	$ 2,580,860	$ -

	December 31, 2024			
	Fair Value	Level 1	Level 2	Level 3
U.S. equities	$ 2,979,221	$ 2,979,221	$ -	$ -
Fixed income securities				
Corporate bonds, mortgage pools and US treasury bonds	5,505,126	-	5,505,126	-
	$ 8,484,347	$ 2,979,221	$ 5,505,126	$ -

Fair values for equities are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for investments in fixed income securities are provided primarily by custodians and are based on pricing models that incorporate available trade, bid and other market information.

Note 13 – Risks and Uncertainties

Federal grants and contracts – TCT's grant and contract funding is subject to various risks, including changes in government policy and potential executive orders issued by the current federal administration. These recent executive orders may result in modifications, delays, or cancellations of such grant and contract funding that could adversely impact TCT's ability to fulfill its commitments under existing grants and contracts. TCT has assessed these risks and believes that any potential impact from such executive orders is uncertain. The ultimate effect on TCT's financial position and results of operations will depend on future governmental actions and the timing of their implementation. TCT will continue to monitor developments related to these executive orders and will take appropriate actions as necessary.

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