Believe in Me

Financial Statements and Independent Auditors' Report

December 31, 2023 and 2022

ACCOUNTANTS | ADVISORS

Believe in Me
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Believe in Me
Spokane, Washington

Opinion

We have audited the accompanying financial statements of Believe in Me (the Foundation) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 the Foundation as of December 31, 2023 and 2022, and the changes in its net assets and its 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation, 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; this includes 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 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, including omissions, 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.

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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 Foundation'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 Foundation'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 audits.

DZA PLLC

Spokane Valley, Washington
October 16, 2024

Believe in Me
Statements of Financial Position
December 31, 2023 and 2022

ASSETS		**2023**		**2022**
Current assets				
Cash and cash equivalents	**$**	**175,940**	$	512,981
Investments		**4,598,815**		4,759,500
Receivables		**10,000**		-
Prepaid expenses		**75,645**		103,075
Total current assets		**4,860,400**		5,375,556
Noncurrent assets				
Alternative investments		**1,150,919**		1,150,919
Property and equipment, net		**1,175,316**		1,175,374
Operating lease right-of-use assets		**88,899**		144,536
Total noncurrent assets		**2,415,134**		2,470,829
Total assets	**$**	**7,275,534**	$	7,846,385
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	**$**	**17,445**	$	15,709
Accrued compensation and related liabilities		**18,877**		15,242
Payable to Morning Star Boys' Ranch		**-**		5,000
Payable to charities		**137,000**		300,000
Deferred revenue		**-**		2,000
Current maturities of operating lease liability		**57,323**		54,860
Total current liabilities		**230,645**		392,811
Noncurrent liabilities				
Operating lease liability, noncurrent		**34,478**		91,801
Net assets without donor restrictions		**7,010,411**		7,361,773
Total liabilities and net assets	**$**	**7,275,534**	$	7,846,385

See accompanying notes to financial statements.

Believe in Me
Statements of Activities
Years Ended December 31, 2023 and 2022

		2023		2022
Revenues, gains, and other support				
Contributions of cash and other financial assets	**$**	**100,731**	$	10,711
Contributions of nonfinancial assets		**4,108**		107,785
Special event revenue, net of expenses of $433,858 and $468,574 (including $172,462 and $216,280 of nonfinancial assets)		**(145,306)**		(14,499)
Other income		**830**		-
Farm income		**60,146**		110,652
Investment return		**801,656**		(1,115,841)
Alternative investment return		**-**		(225,000)
Total revenues, gains, and other support		**822,165**		(1,126,192)
Expenses				
Program services		**376,612**		575,121
Management and general		**504,791**		508,976
Fundraising		**292,124**		205,988
Total expenses		**1,173,527**		1,290,085
Change in net assets without donor restrictions		**(351,362)**		(2,416,277)
Net assets without donor restrictions, beginning of year		**7,361,773**		9,778,050
Net assets without donor restrictions, end of year	**$**	**7,010,411**	$	7,361,773

See accompanying notes to financial statements.

Believe in Me
Statements of Functional Expenses
Years Ended December 31, 2023 and 2022

	2023			
	Program Services	**Management and General**	**Fundraising**	**Total**
Contribution to charities and individuals	$ 211,566	$ -	$ -	**$ 211,566**
Salaries	128,127	131,535	131,274	**390,936**
Payroll taxes and employee benefits	16,342	16,776	16,743	**49,861**
Purchased services	122	143,453	37,920	**181,495**
Supplies	-	21,717	-	**21,717**
Utilities	1,411	3,380	1,141	**5,932**
Occupancy	13,234	50,419	10,808	**74,461**
Insurance	5,189	12,101	-	**17,290**
Depreciation	621	13,896	1,335	**15,852**
Advertising	-	9,816	6,589	**16,405**
Other expense	-	99,345	11,524	**110,869**
In-kind expenses	-	2,353	1,755	**4,108**
Sports event	-	-	73,035	**73,035**
Total expenses	**$ 376,612**	**$ 504,791**	**$ 292,124**	**$ 1,173,527**

	2022			
	Program Services	**Management and General**	**Fundraising**	**Total**
Contribution to charities and individuals	$ 444,606	$ -	$ -	**$ 444,606**
Salaries	88,933	159,080	73,723	**321,736**
Payroll taxes and employee benefits	10,156	18,165	8,420	**36,741**
Purchased services	3,655	57,473	24,851	**85,979**
Supplies	-	13,488	-	**13,488**
Utilities	1,078	6,342	834	**8,254**
Occupancy	23,028	36,767	9,647	**69,442**
Insurance	2,778	14,014	-	**16,792**
Depreciation	525	12,791	405	**13,721**
Advertising	-	19,712	-	**19,712**
Interest	-	12,907	-	**12,907**
Other expense	-	84,244	19,521	**103,765**
In-kind expenses	362	73,993	33,430	**107,785**
Sports event	-	-	35,157	**35,157**
Total expenses	**$ 575,121**	**$ 508,976**	**$ 205,988**	**$ 1,290,085**

See accompanying notes to financial statements.

Believe in Me
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Change in Cash and Cash Equivalents		
Cash flows from operating activities		
Cash received from contributions	**$ 100,731**	$ 10,711
Cash received from investments	**264,693**	93,982
Cash received from special events	**114,090**	239,795
Cash received from other sources	**50,976**	116,087
Cash paid for employee salaries and benefits	**(437,162)**	(356,591)
Cash paid to suppliers and others	**(732,657)**	(706,736)
Cash distributed to charities and individuals	**(379,566)**	(987,334)
Net cash from operating activities	**(1,018,895)**	(1,590,086)
Cash flows from investing activities		
Purchase of property and equipment	**(15,794)**	(2,940)
Purchase of investments	**(276,935)**	(2,364,842)
Purchase of alternative investments	**-**	(25,000)
Proceeds from sale of investments	**974,583**	3,881,812
Net cash from investing activities	**681,854**	1,489,030
Cash flows from financing activities		
Proceeds from lines of credit	-	550,000
Principal payments on lines of credit	-	(550,000)
Net cash from financing activities	-	-
Net change in cash and cash equivalents	**(337,041)**	(101,056)
Cash and cash equivalents, beginning of year	**512,981**	614,037
Cash and cash equivalents, end of year	**$ 175,940**	$ 512,981

See accompanying notes to financial statements.

Believe in Me
Statements of Cash Flows (Continued)
Years Ended December 31, 2023 and 2022

	2023	2022
Reconciliation of Change in Net Assets Without Donor Restrictions to Net Cash from Operating Activities		
Change in net assets without donor restrictions	**$ (351,362)**	$ (2,416,277)
Adjustments to reconcile change in net assets without donor restrictions to net cash from operating activities		
Depreciation	**15,852**	13,721
(Loss) gain on investments	**(536,963)**	1,434,823
Change in:		
Investments	**27,430**	(76,901)
Prepaid expenses	**(10,000)**	5,435
Operating lease right-of-use assets	**55,637**	54,830
Accounts payable	**1,736**	(14,170)
Payable to Morning Star Boys' Ranch	**(5,000)**	(842,728)
Payable to charities	**(163,000)**	300,000
Accrued compensation and related liabilities	**3,635**	1,886
Deferred revenue	**(2,000)**	2,000
Operating lease liability	**(54,860)**	(52,705)
Net cash from operating activities	**$ (1,018,895)**	$ (1,590,086)

Noncash activities – During the year ended December 31, 2022, the Foundation recognized operating lease liabilities of $199,366 and related operating lease right-of-use assets upon adoption of Financial Accounting Standards Board Accounting Standards Update 2016-02, *Leases* (Topic 842).

See accompanying notes to financial statements.

Believe in Me
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

1. Organization and Summary of Significant Accounting Policies:

a. Organization

Believe in Me (the Foundation) is a nonprofit charitable organization incorporated under the laws of the state of Washington. The Foundation's purpose is to provide major financial support to youth programs that provide all the ingredients necessary to help youth grow toward healthy, happy, and successful citizenship.

The Foundation's mission is to help every kid develop the self-confidence they need to succeed by funding children's charities that provide disadvantaged kids with a safe place to call home, a family that loves them, a feeling of community, and opportunities to learn, build self-esteem, and have fun.

b. Summary of Significant Accounting Policies

Financial statement presentation – The financial statements of the Foundation are presented on the accrual basis of accounting. The Foundation reports information regarding its financial position and activities according to two classes of net assets: with and without donor restrictions.

Use of 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 that affect the reported amounts of assets, liabilities, revenue, and expenses. Actual results could differ from those estimates.

Cash and cash equivalents – For purposes of reporting cash flows, the Foundation considers demand deposits, money market funds, and liquid investments, if any, purchased with an original maturity of 90 days or less to be cash equivalents.

Investments – Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. Alternative investments which do not have a readily determinable fair value are stated at cost in the statements of financial position.

Allocation of interest, dividends, and gains/losses are based upon pools established according to net asset values.

Receivables – Receivables are recorded net of uncollectible accounts based on experience and any unusual circumstances that may affect the ability of donors to meet their obligations. Receivables were evaluated based on the above criteria and are believed to be fully collectible. Therefore, no allowance for uncollectible accounts is considered necessary.

Prepaid expenses – Prepaid expenses are expenses paid during the year relating to expenses incurred in future periods. Prepaid expenses are amortized over the expected benefit period of the related expense.

Compensated absences – The Foundations' employees earn paid time off at varying rates, depending on years of service. Earned but unused vacation will be carried over if under the maximum carryover rate determined by the employee's years of service. Accrued vacation under that maximum is paid out upon termination. The Foundation has a current liability for compensated absences of approximately $17,000 and $14,000 as of December 31, 2023 and 2022, respectively.

1. **Organization and Summary of Significant Accounting Policies (continued):**

   b. **Summary of Significant Accounting Policies (continued)**

Net assets with donor restrictions and net assets without donor restrictions – Net assets with donor restrictions are those whose use by the Foundation has been restricted by donors to a specific time period or purpose. Donor restricted contributions received during the reporting year for which the restrictions have been met during the same year are reported as net assets without donor restrictions.

Farm income – Farm income is recognized when the harvest is sold or when federal assistance payments are earned.

Special event revenue – Special event revenues are recognized as revenue when the fundraising event is conducted.

Contributions and grants – Contributions and grants received are recorded as with donor restriction or without donor restriction depending upon the existence or nature of any donor restrictions. Contributions that are restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. The Foundation had no contributions with donor restrictions.

Gifts of long-lived assets such as land, buildings, or equipment are reported as contributions without donor restrictions unless the donor has restricted the contributed asset for a specific purpose. Gifts of long-lived assets with explicit restrictions regarding their use and contributions of cash that must be used to acquire capital assets are reported as contributions with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Contributed services – Contributed services are recognized only if the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Foundation in performing its program services throughout the year, but these services do not meet the criteria for recognition as contributed services. Volunteer hours were 21 and -0- hours, valued at approximately $500 and $-0- for the years ended December 31, 2023 and 2022, respectively.

Allocation of supporting service and functional expenses – The cost of providing the various programs and other activities has been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy costs, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

1. Organization and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Credit risk – The Foundation maintains its cash and cash equivalents balance with local banks and brokerage deposit accounts. Accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. The bank deposits exceeded federal insured limits at various times during the year. The Foundation has not experienced any losses on such accounts and management does not believe it is exposed to any significant credit risk with respect to cash and cash equivalents.

Income tax status – The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except for income, if any, from activities unrelated to the Foundation's exempt purpose. The Foundation evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the outcome was considered probable and reasonably estimable. As of December 31, 2023 and 2022, the Foundation had no uncertain tax positions requiring accrual.

Subsequent events – Subsequent events were evaluated through October 16, 2024, which is the date the financial statements were available to be issued.

2. Liquidity and Availability of Financial Assets:

The Foundation's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	2023	2022
Cash and cash equivalents	**$ 175,940**	$ 512,981
Investments	**4,598,815**	4,759,500
Receivables	**10,000**	-
Financial assets available to meet cash needs for general expenditures within one year	**$ 4,784,755**	$ 5,272,481

As a part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Foundation also could draw upon $1,550,000 of available lines of credit, as further discussed in Note 8.

3. Investments:

Investments consisted of the following:

		2023		2022
Cash and cash equivalents	**$**	**203,468**	$	369,938
Fixed income funds				
Mutual funds		**-**		5,601
Taxable US		**567,546**		647,606
Taxable high yield		**-**		114,853
Taxable inflation protected securities		**-**		24,159
Taxable foreign sovereign		**47,369**		11,620
Other fixed income		**85,677**		81,650
Total fixed income funds		**700,592**		885,489
Equities				
Real estate securities		**64,764**		77,757
Commodities		**23,485**		48,751
Other equity		**-**		10,372
US equities		**2,557,327**		2,423,548
Developed foreign		**883,089**		782,465
Emerging foreign		**114,004**		141,538
Other equity		**52,086**		19,642
Total equities		**3,694,755**		3,504,073
Total investments	**$**	**4,598,815**	$	4,759,500

4. Fair Value Measurements:

The three levels of the fair value hierarchy are defined as follows:

- ***Level 1*** – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

- ***Level 2*** – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

- ***Level 3*** – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

4. Fair Value Measurements (continued):

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

Investments are stated at fair value, which is determined by using market quotations and other information available at the valuation date.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with the other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables disclose, by level within the fair value hierarchy, the Foundation's assets and liabilities measured and reported on the statements of financial position, at fair value on a recurring basis:

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments at fair value	$ 3,809,974	$ 788,841	$ -	**$ 4,598,815**

	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments at fair value	$ 3,753,104	$ 1,006,396	$ -	**$ 4,759,500**

5. Alternative Investments:

Alternative investments do not have a readily determinable fair value and are stated at cost. The fair value of a cost-method investment is not estimated if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value and the Foundation does not estimate the fair value of financial instruments because it is not practicable to estimate fair value.

Alternative investments were evaluated to identify events or changes in circumstances that may have a significant adverse effect on the cost. Management does not believe it is exposed to any significant risk with respect to alternative investments, however actual results could differ.

The following table sets forth a summary of changes in the value of the Foundation's alternative investments:

	2023	2022
Balance, beginning of year	**$ 1,150,919**	$ 1,350,919
Purchase of alternative investments at cost	**-**	25,000
Disposal of alternative investments at cost	**-**	(225,000)
Balance, end of year	**$ 1,150,919**	$ 1,150,919

6. Property and Equipment:

The Foundation's property and equipment are reported at historical cost. Donated property and equipment are reported at their estimated fair value at the time of their donation. Property and equipment are capitalized when their acquisition cost or fair value at the date of donation is greater than $1,000. The capitalization threshold increased to $5,000 in 2024. All property and equipment are depreciated using the straight-line method of depreciation over useful lives, as follows:

Furniture and equipment	5 to 7 years
Leasehold improvements	7 to 15 years

A summary of property and equipment follows:

	2023	2022
Property and equipment being depreciated and amortized		
Land	**$ 1,110,510**	$ 1,110,510
Furniture and equipment	**90,678**	74,884
Leasehold improvements	**26,682**	26,682
	1,227,870	1,212,076
Less accumulated depreciation and amortization	**(52,554)**	(36,702)
Property and equipment, net	**$ 1,175,316**	$ 1,175,374

7. Leases:

The determination of whether an arrangement is a lease is made at the lease's inception. Under Accounting Standards Codification (ASC) 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Right of use (ROU) assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Foundation uses the rate implicit in the lease when it is readily determinable. Since the Foundation's lease does not provide an implicit rate, to determine the present value of lease payments, management uses the Foundation's risk-free rate at lease commencement, according to the Foundation's policy. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives.

The Foundation has an operating lease for office space. The Foundation also has certain leases for storage with terms less than 12 months. Leases with an initial term of 12 months or less are not recorded on the statements of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

The Foundation has certain leases that include one or more options to renew, with renewal terms that can extend the lease term from 5 to 15 years. Only lease options that the Foundation believes are reasonably certain to be exercised are included in the measurement of the lease assets and liabilities.

The Foundation's lease agreements include variable payments ranging from \$4,664 to \$4,948 per month, at the lease commencement and are included in the measurement of the lease asset and liabilities. ROU assets are amortized/depreciated over the term of the lease unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used.

The Foundation's lease agreements do not contain any material residual value guarantees or restrictive covenants.

The following summarizes the line items in the statements of activities which include the components of lease expense for the years ended December 31:

	2023	2022
Operating:		
Operating leases, included in occupancy	**$ 62,215**	$ 57,005
Short-term leases, included in occupancy	**3,632**	1,890
Net lease cost	**$ 65,847**	$ 58,895

7. Leases (continued):

The weighted average remaining lease term is 1.58 years and the weighted average discount rate for the operating lease is 1.37 percent as of December 31, 2023.

Schedule of minimum future lease payments from operating lease obligations are as follows:

Years Ending December 31,		
2024	$	58,224
2025		34,636
Total lease payments		92,860
Less: portion representing interest		(1,059)
Present value of operating lease liability	**$**	**91,801**

8. Lines of Credit:

In July 2019, the Foundation opened a five-year line of credit with US Bank (the Bank) in the amount of $1,500,000. The line of credit has an interest rate equal to the prime rate announced by the Bank, minus 1 percent (6.5 percent at December 31, 2023), and is collateralized by investments. The line of credit was subsequently renewed until September 2029. The Foundation also has a line of credit with its Washington Trust and US Bank credit cards. The open lines of credit totaled $50,000 and draws on these lines of credit were approximately $-0- and $8,000 (included in accounts payable) each year for December 31, 2023 and 2022.

9. Contributed Nonfinancial Assets:

Contributed nonfinancial assets recognized within the statements of activities are as follows:

		2023		2022
Professional services	**$**	**1,027**	$	64,529
Software		**3,081**		43,256
Special events		**172,462**		216,280
Total contributed nonfinancial assets	**$**	**176,570**	$	324,065

The Foundation recognized contributed nonfinancial assets within revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributed professional services are those of various professionals providing advertising, information technology and security, software engineering, and grant writing services. Contributed services are valued and reported based on the average value of volunteer time in Washington state and estimated at their fair value at date of receipt.

9. Contributed Nonfinancial Assets (continued):

Contributed software consist of various software subscriptions and licenses utilized by the Foundation in administration and event management.

Contributed nonfinancial assets for special events consist of auction items and professional services estimated at their fair value at date of receipt.

10. Retirement Plan:

The Foundation offers its employees a 403(b) retirement plan (the Plan). The Plan, available to all employees who meet the eligibility requirements, permits them to defer a portion of their salary until future years.

Participation in the Plan is optional. An employee becomes eligible after 90 days of service. The Plan allows the Foundation to make a discretionary matching contribution up to 3 percent of the employee's salary. The Foundation contributed approximately $4,000 and $1,000 to the Plan on behalf of its employees during the years ended December 31, 2023 and 2022, respectively.

All amounts of compensation deferred and matching contributions under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of employee plan participants. Consistent with this, the Foundation has no rights to these assets and, therefore, plan assets and liabilities are not reported on the Foundation's financial statements.

11. Commitments:

The Foundation entered into a five-year agreement with Seattle Hockey Partners LLC for four seats for 22 hockey games each season commencing February 17, 2021. Future minimum payments under the seat agreement consists of the following:

Years Ending December 31,		
2024	$	77,850
2025		81,742
	$	**159,592**

In December 2023, the Foundation entered into a renewable energy lease agreement with Great Bend Wind LLC for wind rights. The agreement includes a seven-year development period followed by a 30-year period. The Foundation also has two successive options to extend the term of the lease for ten years each.