

NORTH CASCADES INSTITUTE

FINANCIAL STATEMENTS  
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2024 AND 2023



NORTH CASCADES INSTITUTE  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
North Cascades Institute  
Sedro-Woolley, Washington

### **Opinion**

We have audited the accompanying financial statements of North Cascades Institute (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024 and 2023, 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 North Cascades Institute as of December 31, 2024 and 2023 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. 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 North Cascades Institute 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 these 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 North Cascades Institute'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 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 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, 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.

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 North Cascades Institute'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 North Cascades Institute'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.



Jacobson Jarvis & Co, PLLC  
Seattle, Washington  
May 21, 2025

NORTH CASCADES INSTITUTE  
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

<u>ASSETS</u>		<u>2024</u>	<u>2023</u>
Current Assets			
Cash	\$	446,890	\$ 184,094
Short-term investments		149,118	248,159
Accounts receivable		68,644	482,710
Contributions and grants receivable		12,712	1,910
Inventory and other		341,211	330,302
	Total Current Assets	1,018,575	1,247,175
Long-term Investments		7,538,630	6,854,688
Right of Use Asset - Operating Lease		96,722	154,755
Property and Equipment, net		580,647	654,022
		<u>\$ 9,234,574</u>	<u>\$ 8,910,640</u>
 <u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities			
Accounts payable	\$	40,634	\$ 66,755
Accrued expenses		205,997	170,963
Deferred revenue and other		59,517	75,539
Operating lease liability		59,955	57,774
	Total Current Liabilities	366,103	371,031
Operating Lease Liability, less current portion		41,156	101,111
	Total Liabilities	407,259	472,142
Net Assets			
Net assets without donor restrictions - undesignated		2,331,176	2,354,337
Net assets without donor restrictions - board designated		5,198,919	4,829,941
		7,530,095	7,184,278
Net assets with donor restrictions - purpose and time		249,453	270,539
Net assets with donor restrictions - perpetual		1,047,767	983,681
		1,297,220	1,254,220
	Total Net Assets	8,827,315	8,438,498
		<u>\$ 9,234,574</u>	<u>\$ 8,910,640</u>

See notes to financial statements.

NORTH CASCADES INSTITUTE

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024					2023				
	<u>Without Donor Restrictions</u>		<u>With Donor Restrictions</u>			<u>Without Donor Restrictions</u>		<u>With Donor Restrictions</u>		
	<u>Undesignated</u>	<u>Board Designated</u>	<u>Purpose and Time</u>	<u>Perpetual In Nature</u>	<u>Total</u>	<u>Undesignated</u>	<u>Board Designated</u>	<u>Purpose and Time</u>	<u>Perpetual In Nature</u>	<u>Total</u>
Support and Revenue										
Contracts, tuition and fees, net of scholarships and discounts of \$550,201 and \$468,911	\$ 1,269,454	\$ -	\$ -	\$ -	\$ 1,269,454	\$ 815,592	\$ -	\$ -	\$ -	\$ 815,592
Government grants	307,410	-	-	-	307,410	926,975	-	-	-	926,975
Contributions	118,789	-	600,533	64,086	783,408	162,639	-	422,305	114,341	699,285
In-kind contributions	87,480	-	-	-	87,480	87,755	-	-	-	87,755
NCELC Fund contribution	-	-	260,000	-	260,000	-	-	295,000	-	295,000
Foundation grants	383,623	-	17,713	-	401,336	248,390	-	105,610	-	354,000
Investment return	627,646	-	99,817	-	727,463	770,155	-	118,104	-	888,259
Bookstores, net of cost of goods sold of \$683,293 and \$593,846	688,587	-	-	-	688,587	551,730	-	-	-	551,730
Rental income	68,414	-	-	-	68,414	58,038	-	-	-	58,038
Other income	4,311	-	-	-	4,311	286,192	-	-	-	286,192
	3,555,714	-	978,063	64,086	4,597,863	3,907,466	-	941,019	114,341	4,962,826
Net assets released from restrictions	999,149	-	(999,149)	-	-	784,451	-	(784,451)	-	-
Transfers of board designated funds	(368,978)	368,978	-	-	-	(260,532)	260,532	-	-	-
	630,171	368,978	(999,149)	-	-	523,919	260,532	(784,451)	-	-
Total Support and Revenue	4,185,885	368,978	(21,086)	64,086	4,597,863	4,431,385	260,532	156,568	114,341	4,962,826
Expenses										
Programs	3,465,001	-	-	-	3,465,001	3,302,350	-	-	-	3,302,350
Management and general	444,552	-	-	-	444,552	422,581	-	-	-	422,581
Fundraising	299,493	-	-	-	299,493	350,410	-	-	-	350,410
Total Expenses	4,209,046	-	-	-	4,209,046	4,075,341	-	-	-	4,075,341
Change In Net Assets	(23,161)	368,978	(21,086)	64,086	388,817	356,044	260,532	156,568	114,341	887,485
Net Assets - beginning of year	2,354,337	4,829,941	270,539	983,681	8,438,498	1,998,293	4,569,409	113,971	869,340	7,551,013
Net Assets - end of year	\$ 2,331,176	\$ 5,198,919	\$ 249,453	\$ 1,047,767	\$ 8,827,315	\$ 2,354,337	\$ 4,829,941	\$ 270,539	\$ 983,681	\$ 8,438,498

NORTH CASCADES INSTITUTE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Program Services									Support Services		
	Environmental Learning Center	Mountain School	Adult and Family	Youth Leadership	Conferences	Retail	Skagit Tours	Community	Total Program	Management and General	Fund- raising	Total
Wages, taxes and benefits	\$ 374,427	\$ 768,299	\$ 388,611	\$ 323,273	\$ 177,115	\$ 342,042	\$ 110,031	\$ 2,757	\$ 2,486,555	\$ 302,889	\$ 256,239	\$ 3,045,683
Office and occupancy	41,739	108,523	47,781	9,456	20,788	23,059	6,586	737	258,669	7,289	12,513	278,471
Supplies and materials	32,632	86,830	37,288	14,211	15,256	3,301	3,519	1,869	194,906	3,428	1,847	200,181
Professional services	19,835	12,360	21,626	8,645	9,057	8,049	1,890	19	81,481	86,514	5,570	173,565
Depreciation and amortization	15,522	35,867	15,961	878	6,758	3,407	1,659	278	80,330	10,527	-	90,857
In-kind personnel, facilities and goods	14,248	36,273	19,057	1,960	7,284	-	1,562	314	80,698	3,782	-	84,480
Marketing and development	5,752	5,801	14,798	3,185	835	31,370	3,154	12	64,907	4,298	14,212	83,417
Credit card fees	59	284	9,586	895	4,690	46,754	5,501	-	67,769	171	801	68,741
Travel	8,688	7,261	4,105	4,719	1,451	8,017	844	29	35,114	12,706	4,158	51,978
Vehicles	4,627	16,060	7,059	5,657	2,979	-	11,103	128	47,613	40	1,200	48,853
Communications	11,740	8,571	4,653	3,839	1,952	3,673	1,140	38	35,606	3,391	2,953	41,950
Insurance	1,956	11,660	7,073	4,703	2,568	1,568	1,782	43	31,353	9,517	-	40,870
	531,225	1,097,789	577,598	381,421	250,733	471,240	148,771	6,224	3,465,001	444,552	299,493	4,209,046
Expenses netted with revenues:												
Scholarships and discounts	-	197,531	-	352,670	-	-	-	-	550,201	-	-	550,201
Cost of goods sold	-	-	-	-	-	683,293	-	-	683,293	-	-	683,293
Total Expenses	\$ 531,225	\$ 1,295,320	\$ 577,598	\$ 734,091	\$ 250,733	\$ 1,154,533	\$ 148,771	\$ 6,224	\$ 4,698,495	\$ 444,552	\$ 299,493	\$ 5,442,540

NORTH CASCADES INSTITUTE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program Services									Support Services		
	Environmental											
	Learning Center	Mountain School	Adult and Family	Youth Leadership	Conferences	Retail	Skagit Tours	Community	Total Program	Management and General	Fund-raising	Total
Wages, taxes and benefits	\$ 598,682	\$ 504,765	\$ 313,467	\$ 193,034	\$ 188,725	\$ 282,958	\$ 140,854	\$ 9,433	\$ 2,231,918	\$ 298,126	\$ 303,832	\$ 2,833,876
Office and occupancy	235,111	118,968	39,667	5,687	36,491	11,631	8,607	184	456,346	8,707	12,368	477,421
Supplies and materials	63,269	33,982	10,809	9,722	10,822	5,493	2,085	1,429	137,611	2,153	2,293	142,057
Professional services	20,157	10,551	17,948	5,750	3,852	7,090	7,417	292	73,057	78,960	7,098	159,115
Depreciation and amortization	44,546	19,781	6,611	585	6,138	16,413	1,088	43	95,205	10,653	954	106,812
In-kind personnel, facilities and goods	47,638	21,405	7,587	1,000	6,531	-	786	-	84,947	-	1,488	86,435
Marketing and development	2,802	2,539	11,489	1,381	6,482	7,979	1,443	27	34,142	4,134	13,090	51,366
Credit card fees	-	804	11,201	-	3,609	37,618	7,552	-	60,784	-	648	61,432
Travel	9,219	4,537	4,480	3,464	1,818	6,671	1,184	122	31,495	8,666	4,747	44,908
Vehicles	16,813	8,542	2,631	4,006	2,607	234	6,014	1,769	42,616	807	1,404	44,827
Communications	12,154	4,967	2,630	1,522	1,730	4,792	944	90	28,829	2,952	2,488	34,269
Insurance	5,106	6,104	3,246	3,810	3,240	1,270	1,354	1,270	25,400	7,423	-	32,823
	1,055,497	736,945	431,766	229,961	272,045	382,149	179,328	14,659	3,302,350	422,581	350,410	4,075,341
Expenses netted with revenues:												
Scholarships and discounts	-	247,713	2,154	219,044	-	-	-	-	468,911	-	-	468,911
Cost of goods sold	-	-	-	-	-	593,846	-	-	593,846	-	-	593,846
Total Expenses	\$ 1,055,497	\$ 984,658	\$ 433,920	\$ 449,005	\$ 272,045	\$ 975,995	\$ 179,328	\$ 14,659	\$ 4,365,107	\$ 422,581	\$ 350,410	\$ 5,138,098



NORTH CASCADES INSTITUTE

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from:		
Contracts, tuition, fees and other	\$ 2,026,455	\$ 1,710,253
Donors and grantors	2,075,310	1,776,529
Cash paid for:		
Personnel	(3,010,650)	(2,821,540)
Services and supplies	<u>(1,021,797)</u>	<u>(1,135,602)</u>
Net Cash Provided (Used) by Operating Activities	69,318	(470,360)
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(402,988)	(301,876)
Proceeds from sales of investments	545,550	547,100
Purchases of property and equipment	<u>(13,170)</u>	<u>(31,024)</u>
Net Cash Provided by Investing Activities	129,392	214,200
<b>Cash Flows from Financing Activities</b>		
Cash received for endowment	<u>64,086</u>	<u>114,341</u>
Changes in Cash and Cash Equivalents	262,796	(141,819)
Cash and Cash Equivalents - beginning of year	<u>184,094</u>	<u>325,913</u>
Cash and Cash Equivalents - end of year	<u><u>\$ 446,890</u></u>	<u><u>\$ 184,094</u></u>

## NORTH CASCADES INSTITUTE

### NOTES TO FINANCIAL STATEMENTS

#### YEARS ENDED DECEMBER 31, 2024 AND 2023

##### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – North Cascades Institute (the "Institute") is a not-for-profit organization operating in the North Cascades region of Washington State. Founded in 1986 to provide education about the natural history and culture of the Pacific Northwest, North Cascades Institute's mission is to "Inspire environmental stewardship through transformative learning experiences in nature".

**North Cascades Environmental Learning Center** (the Environmental Learning Center or the Learning Center) is a hub of discovery for all ages in one of the wildest, most biologically diverse landscapes in North America. Opened in 2005 in partnership with the National Park Service and Seattle City Light, the Learning Center is situated on Diablo Lake in North Cascades National Park and includes a natural history library, aquatic and terrestrial classrooms, dining hall, amphitheater, overnight accommodations for 92 participants and 14 staff, outdoor learning rooms and access to trails.

**Mountain School** - This program is an immersive environmental education program for 5th grade classes that has been serving regional schools since 1990. Through hands-on interdisciplinary activities, students are connected to the natural and cultural history of our region, form connections with their classmates and the environment, and sharpen their understanding of their own identities.

The 2024 Mountain School season was the first uninterrupted season since 2019. The program served 2,026 participants with a total of 6,078 Learner Days. The Institute implemented several refinements to the curriculum that addressed staff requests and allowed for the streamlining of student experiences during their stay.

**Adult and Family Education** - The Institute's suite of Family Getaways, Base Camp Learning and Lodging, Field Seminars, Online Classes and Skagit Tours continues to bring diverse audiences to the North Cascades to learn, recreate and be inspired. Activities include art and photography classes, birding and mushrooming outings, presentations on wolves and orcas, and guided hikes and boat tours on Diablo Lake. In 2024, there were 8,686 participants and 14,038 Learner Days.

Affinity Weekend was an opportunity for people from diverse backgrounds to convene together to explore, rest, reflect, and connect while staying at our campus in the North Cascades National Park. This inaugural program was also an important next step in making our programs more equitable and inclusive. We hosted 46 participants from the community groups Outdoor Asian, Latino Outdoors, and Outdoor Afro.

## NORTH CASCADES INSTITUTE

### NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

#### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Youth Leadership** - This program engages diverse local teens in multi-day backpacking and canoe-camping trips in North Cascades National Park and Mt. Baker-Snoqualmie National Forest. In addition to outdoor skill development, YLA focuses on leadership skills, team building, and climate change solutions, giving students the knowledge and tools they need to become stewards of the natural world and engage in community advocacy. Beyond backcountry trips, YLA offers additional opportunities for local high school students to engage in outdoor skill-building and climate activism projects. In 2024, the Institute offered nine backcountry trips for 67 participants and served 117 students through related programming, representing 861 total learner days.

**COMMUNITY PROGRAMS** - The Institute contributed staff, resources, and educational programming to regional community groups in the Skagit Valley in 2024.

Kulshan Creek Neighborhood Youth Program is a year-round educational program that engages young people ages 5-18 from the Mount Vernon, WA neighborhoods of Kulshan Creek, Casa de San Jose and Harrison Apartments. It offers a series of monthly field trips to explore the outdoors and encourages positive social interactions with peers, adult mentors, community members and local organizations. The Institute's contribution served 28 people for 56 learner days.

Concrete Summer Learning Adventure is a program for Concrete Elementary students run in partnership with the Concrete School District, Community Health Outreach Program at United General Hospital, Western Washington University and North Cascades National Park. Institute staff worked with an Environmental Science class on a semester-long project to learn the science of composting and aid students in designing more effective composting systems to manage food waste at Concrete High School. We served 17 students over 116 learner days.

**Conferences and Retreats** - Custom educational programs, lodging and meals at the Environmental Learning Center inspire reflection and connection to the natural world as well as to each other. The Institute welcomes conferences, events, retreats, workshops, trainings, reunions and other gatherings. The Institute hosted 14 programs with a range of goals including accessibility for underserved groups, hiking, conservation, school groups and a wedding. In 2024, there were 419 Participants and 1317 Learner Days.

**Retail Operations** - The Institute operates seven retail stores in and around North Cascades National Park and Mt. Baker-Snoqualmie National Forest. In 2024, there were new visitation and sales records as visitors from around the world came to explore and learn about the North Cascades. This partnership reaches a large and diverse audience and fosters deeper connections with nature via educational resources while also helping fund Institute and National Park Service programs.

# NORTH CASCADES INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of presentation

The Institute presents its financial statements on an accrual basis of accounting in accordance with FASB Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. Under FASB ASC 958, the Institute is required to report information regarding its financial position and activities based on the absence or existence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board has designated certain otherwise net assets without donor restrictions as a Board designated endowment and a Board designated operating reserve fund. These funds are approved by the Board to be held for specific purposes and require Board approval to designate for any other purpose.

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

#### Cash

For purposes of the statements of cash flows, the Institute considers all checking accounts and unrestricted highly liquid investments with an initial maturity of three months or less to be cash. Deposits with a single financial institution occasionally exceed federally insured limits, which subject the Institute to a concentration of deposit risk. The Institute has not experienced losses due to this concentration.

#### Accounts receivable

Accounts receivable consist of amounts due from contracts, tuition and fees earned. All balances are unsecured and expected to be collected within the next fiscal year. No allowance for uncollectible balances has been established by management based upon the Institute's historical experience in the collection of balances due.

#### Contributions and grants receivable

Contributions and grants receivable are recognized in the period the pledge is received and consist of outstanding promises to give from a variety of individuals and foundations. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are initially recorded at fair value, which is measured at the present value of their future cash flows.

# NORTH CASCADES INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

No allowance for uncollectible balances has been established by management based upon the Institute's historical experience in the collection of balances due and all balances are expected to be collected in less than a year.

#### Inventory and other

Inventory consists primarily of the costs relating to books and other retail items and is stated at the lower of cost or net realizable value. Cost is determined using average cost basis, which approximates the first-in, first-out method. Other items include prepaid expenses for medical and business insurance.

#### Investments

The Institute carries investments with readily determinable fair values at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

#### Fair value measurements

In accordance with financial accounting standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial accounting standards defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques utilized to determine fair value are consistently applied. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period. The three tiers of inputs used for fair value measurements are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

#### Property and equipment

Purchased property and equipment with a cost of over \$1,000 and a useful life greater than one year are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over a period of two to 15 years.

NORTH CASCADES INSTITUTE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Contributions and foundation grants are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. 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 statement of activities as net assets released from restriction. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. For conditional contributions and grants with donor restriction, it is the Institute's policy to recognize restricted conditional contributions in the net asset without donor restrictions class if the restrictions have been met in the same year.

Revenues from government grants are recognized when the qualified expense is incurred and are subject to audit and retroactive adjustment made by the funding agencies. The adjustments would be recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. There were no government audits or adjustments during the years ended December 31, 2024 and 2023.

The Institute recognizes revenue for sales of goods at the bookstores when products are sold at the point of sale.

Revenue from contracts and tuition is recognized when control of these services is transferred to its customers, in an amount that reflects the consideration the Institute expects to be entitled to in exchange for the services provided. Fees received for future instruction are deferred until the instruction commences.

Contracts and tuition may give rise to performance obligations for the Institute. Revenue from contracts with performance obligations is recognized when the Institute satisfies a performance obligation by transferring a promised good or service to a customer at a point in time or over time. For the Institute, these revenues consist of contracts and tuition fees. The contracts and tuition do not have a significant financing component, and the consideration amount is not variable.

For the related performance obligations, control of the promised good or service transfers to the customer at a point in time. Payment is typically due in full when the customer completes registration and revenue is recognized in the period in which the service is rendered. The Institute records tuition revenue in the period in which the related educational instruction is performed.

Donated goods

Donations of goods include materials, equipment and advertising and are recorded as revenue and corresponding expense at the estimated fair value at the date of donation.

# NORTH CASCADES INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Donated facilities

Donated facilities include support from North Cascades National Park (water and septic) and Seattle City Light (electricity), as well as campsites, and are recorded as revenue and corresponding expense at the estimated fair value at the date the facilities are utilized.

#### Donated personal services

Donated personal services are recognized as revenue and corresponding expense at the estimated fair value at the date of service when (a) the services received create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Institute. Volunteers also provide valuable services throughout the years that are not recognized as contributions in the financial statements since the recognition criteria were not met.

#### Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation of expenses was done using one of the following four methods: (a) payroll expenses are allocated according to the timesheet provided each payroll period by all employees with the exception of full-time employees who use a percentage allocation (b) split based on pre-determined percentages based on estimates of time and effort (c) when known, allocations are made to specific programs or functions, at the time the expense is incurred.

#### Use of estimates

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

#### Income taxes

The Internal Revenue Service has recognized the Institute as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation.

# NORTH CASCADES INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE B - LIQUIDITY

The Institute receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Institute manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The Institute's financial assets have seasonal variations during the year attributed to the timing of receipt of program and contribution payments. The Institute has an operating reserve that the governing board has dedicated with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need. Distress or a liquidity need could result from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash and cash equivalents	\$ 446,890	\$ 184,094
Short-term Investments	149,118	248,159
Long-term Investments	7,538,630	6,854,688
Accounts and contributions receivable	<u>81,356</u>	<u>484,620</u>
Total financial assets	8,215,994	7,771,561
Less those unavailable for general expenditures within one year:		
Restricted by donors with perpetual restrictions	(1,047,767)	(983,681)
Board designated endowment	(2,738,919)	(2,614,942)
Board reserve fund (unavailable without Board approval)	<u>(2,460,000)</u>	<u>(2,214,999)</u>
Financial assets available within one year	<u>\$1,969,308</u>	<u>\$1,957,939</u>

### NOTE C - FAIR VALUE MEASUREMENTS

The following tables summarize the valuation of the Institute's investments in the fair value hierarchy.

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 144,160	\$ -	\$ -	\$ 144,160
Bond mutual funds	2,538,964	-	-	2,538,964
Equity mutual funds	<u>4,855,506</u>	-	-	<u>4,855,506</u>
	<u>\$ 7,538,630</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$7,538,630</u>



# NORTH CASCADES INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE C - FAIR VALUE MEASUREMENTS (Continued)

December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 140,239	\$ -	\$ -	\$ 140,239
Bond mutual funds	2,314,027	-	-	2,314,027
Equity mutual funds	4,400,422	-	-	4,400,422
	<u>\$ 6,854,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,854,688</u>

Assets and liabilities, carried at fair value on a nonrecurring basis using level 2 inputs generally include donated goods, facilities and services. The Institute also uses fair value concepts to test various long-lived assets for impairment.

### NOTE D - CONDITIONAL GRANTS

In April 1991, the Institute entered into a contract with the National Park Service and the City of Seattle to develop and operate the Environmental Learning Center. This contract provides for \$500,000 in funds for maintenance of the grounds and facilities, \$600,000 for wildlife education programs at the Institute, and \$565,000 for vehicles leased from the City of Seattle. Each amount is stated in 1990 dollars, adjusted by the second half CPI-U index for the Seattle metropolitan area. Amounts are paid annually or quarterly to the Institute in accordance with the contract, contingent on the provision of payment calculations and support for expenses incurred.

For the years ended December 31, 2024 and 2023, \$114,215 and \$270,334 was received for maintenance, respectively. For the years ended December 31, 2024 and 2023, \$54,978 and \$55,518 was received for wildlife education programs, respectively. For the years ended December 31, 2024 and 2023, \$35,172 and \$35,518 was received for vehicle leases, respectively. The remainder that the Institute will receive for maintenance cannot be reasonably determined given reimbursable costs are incurred by each party and the total amount to be spent each year is determined by the three parties. At December 31, 2024, the remainder of the wildlife education award is estimated to be \$56,633 and funds are expected to be received during 2025. At December 31, 2024, the remainder of the vehicle leases award is estimated to be \$53,329 and funds are expected to be received during 2025. As the remaining amounts represent conditional promises to give, these portions of the awards will not be recognized as revenue until the grantor conditions are met.

### NOTE E - LINE OF CREDIT

The Institute maintains a line of credit with a bank with a maximum borrowing amount of \$2,000,000. The line of credit is due on demand. Initially, the interest rate was the greater of a defined adjusted LIBOR rate or 2%. In June of 2023, the LIBOR panel ceased to continue and per the agreement, the line of credit interest rate defaults to Prime Rate which was 7.5% at December 31, 2024. The line of credit is secured by all cash and investments of the Institute not subject to donor restrictions. As of December 31, 2024 and 2023, there was no balance outstanding on the line of credit.

# NORTH CASCADES INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Buildings	\$ 870,384	\$ 870,384
Equipment	518,195	530,267
Program equipment	146,053	146,053
Furniture	238,457	238,457
Vehicles	168,498	168,498
Leasehold improvements	<u>136,994</u>	<u>136,994</u>
	2,078,581	2,090,653
Less: accumulated depreciation and amortization	<u>(1,620,419)</u>	<u>(1,549,438)</u>
	458,162	541,215
Construction in progress	9,678	-
Land	<u>112,807</u>	<u>112,807</u>
	<u><u>\$ 580,647</u></u>	<u><u>\$ 654,022</u></u>

### NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are included in cash and cash equivalents, investments and receivables and are available for the following purposes at December 31:

	<u>2024</u>	<u>2023</u>
Restricted for a specified purpose or passage of time:		
Mountain school	\$ 100,000	\$ 160,000
Unappropriated endowment investment return	69,166	10,594
Youth Leadership	50,000	75,150
Environmental Learning Center	17,575	18,385
Pledges to be used over future periods	12,712	1,910
Community and neighborhood	<u>-</u>	<u>4,500</u>
	249,453	270,539
Perpetual in nature:		
Endowment	<u>1,047,767</u>	<u>983,681</u>
Total net assets with donor restrictions	<u><u>\$1,297,220</u></u>	<u><u>\$1,254,220</u></u>

### NOTE H - NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED

Net assets without donor restrictions designated by the Board for specific purposes are included in cash and cash equivalents, investments and receivables and are available for the following purposes at December 31:

NORTH CASCADES INSTITUTE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE H - NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED

(Continued)

	<u>2024</u>	<u>2023</u>
Board designated endowment	\$2,738,919	\$2,614,942
Operating reserve	<u>2,460,000</u>	<u>2,214,999</u>
	<u>\$5,198,919</u>	<u>\$4,829,941</u>

The Board of Directors has designated approximately six months of the annual budget as an operating reserve.

NOTE I - ENDOWMENT

Nature of Endowments and Applicable Laws – Net assets with perpetual donor restrictions consist of an endowment with donor restrictions in which the investment return is to be used for general operations and scholarships. Additionally, the Board of Directors designated net assets without donor restrictions to supplement the endowment. Since the Board designated amount resulted from an internal designation and is not donor-restricted, it is classified and reported within net assets without donor restrictions. The endowment funds are included in long-term investments on the statement of financial position.

The Board of Directors of the Institute has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation 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 Institute classifies as net assets with perpetual donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in net assets with perpetual donor restrictions is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Institute in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Institute, and (7) the Institute's investment policies.

Investment and Spending Policies – The Institute has adopted an investment policy for assets held in its endowment funds. The goal of the policy is to realize an after-cost real rate of return that provides a steady stream of funding for programs while maintaining or increasing the purchasing power of investments over the long-term.

# NORTH CASCADES INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

### NOTE I - ENDOWMENT (Continued)

Under the Institute's spending policy, the amount available for spending each year (the spending allocation) is equal to 4% of the average market value of investments over the trailing 36 months. In the event the spending allocation is not fully expended in any fiscal year, it remains available for spending in future years.

Funds with Deficiencies – From time to time, the fair value of assets associated with individual endowment funds may fall below the total amount of the gifts made to the endowment by the donor. As of December 31, 2024, an endowment with donor restrictions was deficient due to unfavorable market fluctuations that occurred during 2022. While some of the funds are recovered as of December 31, 2024, one is still deficient.

Endowment net assets composition by type of fund as of December 31, 2024 is as follows:

	Without Donor Restrictions	<u>With Donor Restrictions</u>		<u>Total</u>
		<u>Purpose and Time</u>	<u>Perpetual</u>	
Restricted for a specified purpose or passage of time:				
Youth Leadership Fund (Ginny Darvill)	\$ -	\$ 29,041	\$ 170,000	\$ 199,041
Saul Weisberg Catalyst Fund	-	(11,173)	203,757	192,584
Nugent Family Fund	-	1,175	113,000	114,175
Campbell - Dalton Fund	-	9,919	86,654	96,573
Darby Foundation Scholarship Fund	-	11,406	80,000	91,406
Weisberg Family Fund	-	3,136	64,021	67,157
Andrew Goodwill Murphy Memorial Fund	-	603	58,894	59,497
Mac & Linda MacGregor Fund	-	2,822	55,000	57,822
North Cascades Conservation Council Founders Fund	-	7,782	40,000	47,782
Cook - Sullivan Fund	-	4,036	31,500	35,536
Brian Scheuch Memorial Fund	-	1,089	30,305	31,394
Schweickart Family Scholarship Fund	-	816	30,000	30,816
Gary Peterson Memorial Fund	-	3,700	26,268	29,968
John Miles Scholarship Fund	-	3,342	23,811	27,153
Jean Gorton Memorial Fund	-	1,230	22,057	23,287
Bates Family Fund	-	242	12,500	12,742
Board designated endowment funds:				
Conservation Education Fund	1,803,690	-	-	1,803,690
Nugent Family Fund	577,181	-	-	577,181
Saul Weisberg Catalyst Fund	338,312	-	-	338,312
John Miles Scholarship Fund	19,736	-	-	19,736
	<u>\$ 2,738,919</u>	<u>\$ 69,166</u>	<u>\$1,047,767</u>	<u>\$3,855,852</u>

NORTH CASCADES INSTITUTE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE I - ENDOWMENT (Continued)

Endowment net assets composition by type of fund as of December 31, 2023 is as follows:

		Without Donor	With Donor Restrictions		
		Restrictions	Purpose and Time	Perpetual	Total
Restricted for a specified purpose or passage of time:					
Youth Leadership Fund (Ginny Darvill)	\$	-	\$ 18,693	\$ 170,000	\$ 188,693
Saul Weisberg Catalyst Fund		-	(21,645)	201,441	179,796
Nugent Family Fund		-	(4,938)	113,000	108,062
Campbell - Dalton Fund		-	4,159	73,639	77,798
Darby Foundation Scholarship Fund		-	6,619	80,000	86,619
Weisberg Family Fund		-	(364)	64,021	63,657
Andrew Goodwill Murphy Memorial Fund		-	(2,657)	54,788	52,131
Mac & Linda MacGregor Fund		-	(148)	55,000	54,852
North Cascades Conservation Council Founders Fund		-	5,297	40,000	45,297
Cook - Sullivan Fund		-	2,127	30,500	32,627
Brian Scheuch Memorial Fund		-	(586)	29,155	28,569
Gary Peterson Memorial Fund		-	2,123	26,268	28,391
John Miles Scholarship Fund		-	1,914	23,811	25,725
Jean Gorton Memorial Fund		-	-	22,058	22,058
Board designated endowment funds:					
Conservation Education Fund		1,713,739	-	-	1,713,739
Nugent Family Fund		548,396	-	-	548,396
John Miles Scholarship Fund		18,752	-	-	18,752
Saul Weisberg Catalyst Fund		334,055	-	-	334,055
		<u>\$ 2,614,942</u>	<u>\$ 10,594</u>	<u>\$ 983,681</u>	<u>\$3,609,217</u>

# NORTH CASCADES INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

### YEARS ENDED DECEMBER 31, 2024 AND 2023

#### NOTE I - ENDOWMENT (Continued)

Changes in endowment net assets for the years ended December 31, 2024 and 2023 are as follows:

		With Donor Restrictions		
	Without Donor	Purpose and		
	<u>Restrictions</u>	<u>Time</u>	<u>Perpetual</u>	<u>Total</u>
Endowment net assets, 12/31/2022	\$ 2,424,409	\$ (68,856)	\$ 869,340	\$3,224,893
Contributions	-	-	114,341	114,341
Investment income, net of fees	70,002	24,698	-	94,700
Net realized and unrealized losses	243,806	93,600	-	337,406
Amounts appropriated for expenditure	<u>(123,275)</u>	<u>(38,848)</u>	<u>-</u>	<u>(162,123)</u>
Endowment net assets, 12/31/2023	2,614,942	10,594	983,681	3,609,217
Contributions	-	-	64,086	64,086
Investment income, net of fees	70,094	25,381	-	95,475
Net realized and unrealized gains	181,835	74,436	-	256,271
Amounts appropriated for expenditure	<u>(127,952)</u>	<u>(41,245)</u>	<u>-</u>	<u>(169,197)</u>
Endowment net assets, 12/31/2024	\$ 2,738,919	\$ 69,166	\$1,047,767	\$3,855,852

#### NOTE J - ENVIRONMENTAL LEARNING CENTER

In April 1991, the Institute entered into a partnership (Memorandum of Agreement, FERC Settlement Agreements, Skagit River Hydroelectric Project 553) with the National Park Service (North Cascades National Park Service Complex), the City of Seattle (Seattle City Light) and North Cascades Conservation Council) to develop and operate the Environmental Learning Center. This residential education facility is located on Diablo Lake within the Ross Lake National Recreation Area.

The Environmental Learning Center is the result of the license approved in 1995 by the Federal Energy Regulatory Commission that includes environmental education as one element of mitigation for the Skagit Hydroelectric Project. Seattle City Light was required to provide mitigation for the licensing of the three Seattle City Light dams on the Skagit River. The current agreement expires in April 2025 and is currently being renegotiated.

#### NOTE K - NCELC FUND

During 2005, Seattle City Light transferred \$4,812,954 to the North Cascades Environmental Learning Center Fund (NCELC Fund or the Fund), a donor advised fund held by the Seattle Foundation (the Foundation) to be used for general operating support, including programs and maintenance at the Center over the next 20 years. The funds held in the investment pool are managed by the Foundation. The Foundation exercises variance power on the funds it holds. Therefore, the endowment asset is not recognized on the Institute's financial statements.

# NORTH CASCADES INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

### YEARS ENDED DECEMBER 31, 2024 AND 2023

#### NOTE K - NCELC FUND (Continued)

The Foundation was established in 1946 and since its formation has managed funds for many not-for-profit Institutes in the Puget Sound area. Realized and unrealized gains/losses from securities in the investment pool are allocated to the individual accounts based on the relationship of the fair value of each account to the total fair value of the pooled investment accounts, as adjusted for additions to/deductions from those accounts. The Foundation's assets are principally in trusts from which income is distributed to the participating Institutes. The Fund's Oversight Committee, composed of representatives from the Institute, the National Park Service and Seattle City Light, makes an annual recommendation to the Foundation for the distribution of funds to the Institute. The Institute received \$260,000 from the Fund during each of the years ended December 31, 2024 and 2023, respectively. The balance of the Fund as of December 31, 2024 and 2023 is \$70,716 and \$397,156, respectively.

#### NOTE L - DONATED SERVICES AND FACILITIES

Donated materials, services and facilities consist of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Other programs	\$ 150	\$ 7,208
Environmental Learning Center operations	78,825	79,227
Youth and School programs	8,505	1,320
	<u>\$ 87,480</u>	<u>\$ 87,755</u>
	<u>2024</u>	<u>2023</u>
Donated goods	\$ 150	\$ 7,208
Donated facilities and equipment usage	78,825	79,227
Donated personal services	8,505	1,320
	<u>\$ 87,480</u>	<u>\$ 87,755</u>

#### NOTE M - REVENUES AND RELATED COSTS

Certain revenues are shown in the statement of activities net of costs that directly relate to each source of revenue. The net revenues are as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Gross contracts, tuition and fees	\$1,819,655	\$1,284,503
Less: cost of scholarships and discounts	(550,201)	(468,911)
	<u>\$1,269,454</u>	<u>\$ 815,592</u>
Gross bookstores sales	\$1,371,880	\$1,145,576
Less: cost of goods sold	(683,293)	(593,846)
	<u>\$ 688,587</u>	<u>\$ 551,730</u>

## NORTH CASCADES INSTITUTE

### NOTES TO FINANCIAL STATEMENTS

#### YEARS ENDED DECEMBER 31, 2024 AND 2023

##### NOTE N - PENSION PLAN

The Institute sponsors a defined contribution 403(b) retirement plan (the Plan) for all regular employees. Eligibility begins after one year of continuous employment. Employer plan contributions are 3% of annual earnings, plus an additional 4% match of employee contributions, resulting in a maximum employer contribution of 7%. Employees hired prior to August 1, 2013 are fully vested at time of eligibility. Employees hired on or after August 1, 2013 will be 1/3 vested at the beginning of their third year of employment, 2/3 vested at the beginning of their fourth year, and 100% vested at the beginning of their fifth year of employment. Total contributions to the Plan during the years ended December 31, 2024 and 2023 were \$98,153 and \$88,770, respectively.

##### NOTE O - COOPERATIVE AGREEMENTS

The Institute operates under an annually renewable Cooperative Agreement with the National Park Service that expires on December 31, 2024. This agreement provides the basis of the Institute's operations within the North Cascades National Park (the Park). The Institute also operates six bookstores (retail/outreach) in the Park under a ten-year Cooperating Association Agreement that expires December 31, 2032. Additionally, the Institute has signed a series of participating agreements with the Mt. Baker-Snoqualmie National Forest, which provides the basis of the Institute's operations within the National Forest.

##### NOTE P - CONCENTRATIONS

At December 31, 2023, 89% of accounts receivable was due from two organizations. At December 31, 2024, 100% of accounts receivable was due from three organizations.

##### NOTE Q - COMMITMENTS

###### Operating lease

The Institute has an operating lease for office space that was entered into in August 2021. Management elected to apply the short-term lease exception under Topic 842, Leases; therefore, leases with an initial term of twelve months or less are not recorded in the statements of financial position. Operating leases are included in Right of Use (ROU) assets and operating lease liabilities in the statement of financial position. ROU assets represent a right to use an underlying asset for the lease term and operating lease liabilities represent the Institute's obligation to make lease payments arising from the lease. The discount rate represents the Institute's election of the risk-free rate. Nonlease components, such as payments required for common area maintenance, are not included in the lease liability and are expensed as incurred, which is reflected in office and occupancy in the statement of functional expenses.



# NORTH CASCADES INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

### YEARS ENDED DECEMBER 31, 2024 AND 2023

#### NOTE Q - COMMITMENTS (Continued)

The components of the lease costs for the years ended December 31 are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease costs	\$ 62,159	\$ 63,350
Supplemental cash flow information:		
Weighted-average remaining lease term	1.7 years	
Weighted-average discount rate	3.00%	

Maturities of lease liabilities are as follows for the years ending December 31:

2025	\$ 61,988
2026	41,524
	<u>103,512</u>
Less present value discount	<u>(2,401)</u>
	<u>\$ 101,111</u>

#### Equipment leases

The Institute leases certain office equipment under non-cancelable leases. As total is not material to the financial statements, management has opted not to apply lease standard ASC 842. Total office equipment leases expensed are \$5,306 and \$5,306 for the years ended December 31, 2024 and 2023, respectively. Scheduled lease payments for the years ending December 31 are as follows:

2025	\$ 5,306
2026	4,836
2027	2,694
	<u>\$ 12,836</u>

#### NOTE R - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to December 31, 2024 through May 21, 2025, which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at December 31, 2024, including the estimates inherent in the processing of financial statements.