

THE STATION FOUNDATION, INC.
AUDITED FINANCIAL STATEMENTS
December 31, 2023 and 2022



**THE STATION FOUNDATION, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Station Foundation, Inc.
Bozeman, MT

Opinion

We have audited the accompanying consolidated financial statements of The Station Foundation, Inc. (a nonprofit organization) and its affiliate, The Station Foundation Holdings, LLC, (collectively the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Foundation, as of December 31, 2023 and 2022, and the consolidated 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 the Foundation and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated 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 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.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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 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 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 Station Foundation, Inc.'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 Station Foundation, Inc.'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.



Bozeman, Montana
June 10, 2024

THE STATION FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31	
	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,283,570	\$ 4,327,255
Accounts receivable	2,669	-
Pledges receivable - current portion	327,700	60,000
Prepaid expenses	21,328	17,929
Total current assets	2,635,267	4,405,184
PROPERTY AND EQUIPMENT		
Land	615,414	615,414
Buildings and improvements	2,413,198	2,348,356
Machinery and equipment	263,649	204,389
Furniture and fixtures	443,455	418,876
Software	34,957	33,207
Total property and equipment	3,770,673	3,620,242
Less: accumulated depreciation	(805,705)	(638,075)
Property and equipment, net	2,964,968	2,982,167
OTHER ASSETS		
Pledges receivable, net of current portion and discount	10,212	-
Investments	2,134,019	478,848
Total other assets	2,144,231	478,848
Total assets	\$ 7,744,466	\$ 7,866,199

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 6,629	\$ 5,448
Accrued liabilities	85,220	75,866
Total current liabilities	91,849	81,314
NET ASSETS		
Without donor restrictions	6,192,315	6,035,131
With donor restrictions	1,460,302	1,749,754
Total net assets	7,652,617	7,784,885
Total liabilities and net assets	\$ 7,744,466	\$ 7,866,199

See notes to consolidated financial statements.

THE STATION FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions	\$ 635,993	\$ 917,452	\$ 1,553,445
In-kind contributions	83,975	-	83,975
Event revenue	862,086	-	862,086
Satisfaction of donor restrictions	<u>1,206,904</u>	<u>(1,206,904)</u>	<u>-</u>
 Total revenues, support, and satisfaction of donor restrictions	 <u>2,788,958</u>	 <u>(289,452)</u>	 <u>2,499,506</u>
EXPENSES			
Program services:			
Workshops	2,001,346	-	2,001,346
Supporting services:			
Management and general	148,153	-	148,153
Fundraising	<u>540,403</u>	<u>-</u>	<u>540,403</u>
 Total expenses	 <u>2,689,902</u>	 <u>-</u>	 <u>2,689,902</u>
OTHER INCOME (EXPENSE)			
Investment income, net	<u>58,128</u>	<u>-</u>	<u>58,128</u>
CHANGE IN NET ASSETS			
Net assets at beginning of year	<u>6,035,131</u>	<u>1,749,754</u>	<u>7,784,885</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 6,192,315</u></u>	<u><u>\$ 1,460,302</u></u>	<u><u>\$ 7,652,617</u></u>

See notes to consolidated financial statements.

THE STATION FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions	\$ 945,233	\$ 1,181,500	\$ 2,126,733
In-kind contributions	108,712	-	108,712
Event revenue	967,477	-	967,477
Satisfaction of donor restrictions	<u>1,205,973</u>	<u>(1,205,973)</u>	<u>-</u>
 Total revenues, support, and satisfaction of donor restrictions	 <u>3,227,395</u>	 <u>(24,473)</u>	 <u>3,202,922</u>
EXPENSES			
Program services:			
Workshops	1,793,147	-	1,793,147
Supporting services:			
Management and general	158,344	-	158,344
Fundraising	<u>554,982</u>	<u>-</u>	<u>554,982</u>
 Total expenses	 <u>2,506,473</u>	 <u>-</u>	 <u>2,506,473</u>
OTHER INCOME (EXPENSE)			
Investment income, net	<u>(36,231)</u>	<u>-</u>	<u>(36,231)</u>
CHANGE IN NET ASSETS			
Net assets at beginning of year	<u>5,350,440</u>	<u>1,774,227</u>	<u>7,124,667</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 6,035,131</u></u>	<u><u>\$ 1,749,754</u></u>	<u><u>\$ 7,784,885</u></u>

See notes to consolidated financial statements.

THE STATION FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2023

	Workshops - Special Operations Forces Support	Management and General	Fundraising	Total
Bank and credit card fees	\$ -	\$ 255	\$ 125	\$ 380
Depreciation	158,794	5,459	3,377	167,630
Donor recognition	-	-	8,141	8,141
Dues and subscriptions	5,708	4,686	36,624	47,018
Fundraising and special events	-	-	312,395	312,395
Information technology	21,369	97	12,148	33,614
Insurance	62,726	10,295	3,818	76,839
Miscellaneous	1,379	9,990	207	11,576
Occupancy	108,635	-	-	108,635
Personnel costs	1,086,500	82,093	145,883	1,314,476
Postage and delivery	1,372	1,936	3,512	6,820
Printing and publications	40,770	424	10,044	51,238
Professional fees	-	31,885	-	31,885
Supplies	982	433	379	1,794
Taxes and licenses	50	-	-	50
Travel	17	600	3,750	4,367
Workshop travel, lodging, and supplies	<u>513,044</u>	<u>-</u>	<u>-</u>	<u>513,044</u>
Total expenses	<u>\$ 2,001,346</u>	<u>\$ 148,153</u>	<u>\$ 540,403</u>	<u>\$ 2,689,902</u>

See notes to consolidated financial statements.

THE STATION FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2022

	Workshops - Special Operations Forces Support	Management and General	Fundraising	Total
Bank and credit card fees	\$ -	\$ 2,174	\$ 15,017	\$ 17,191
Depreciation	149,489	5,854	3,860	159,203
Donor recognition	-	-	7,504	7,504
Dues and subscriptions	5,234	4,324	22,355	31,913
Fundraising and special events	-	-	325,575	325,575
Information technology	4,152	64	10,019	14,235
Insurance	23,675	21,654	2,925	48,254
Miscellaneous	3,870	4,130	4,787	12,787
Occupancy	92,650	269	269	93,188
Personnel costs	977,984	92,388	146,673	1,217,045
Postage and delivery	1,854	264	645	2,763
Printing and publications	34,590	-	7,802	42,392
Professional fees	172	26,595	22	26,789
Supplies	718	628	3,212	4,558
Taxes and licenses	45	-	-	45
Travel	72	-	4,317	4,389
Workshop travel, lodging, and supplies	<u>498,642</u>	<u>-</u>	<u>-</u>	<u>498,642</u>
Total expenses	<u>\$ 1,793,147</u>	<u>\$ 158,344</u>	<u>\$ 554,982</u>	<u>\$ 2,506,473</u>

See notes to consolidated financial statements.

THE STATION FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from donors and grantors	\$ 2,083,392	\$ 3,202,417
Payments for salaries and related cost	(1,310,160)	(1,210,723)
Payments to vendors	(1,121,001)	(1,039,073)
	<u>(347,769)</u>	<u>952,621</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(150,431)	(266,927)
Purchases of investments	(2,000,000)	-
Sale of investments	454,515	31,504
	<u>(1,695,916)</u>	<u>(235,423)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS		
	<u>(2,043,685)</u>	<u>717,198</u>
Cash and cash equivalents at beginning of year	<u>4,327,255</u>	<u>3,610,057</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,283,570</u>	<u>\$ 4,327,255</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Change in net assets	\$ (132,268)	\$ 660,218
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	167,630	159,203
Contributed securities	(51,558)	(60,123)
Reinvested earnings on investments	(30,061)	(10,943)
Unrealized (gain) loss on investments	(28,067)	46,560
(Gain) loss on disposal of property and equipment	-	(208)
Changes in operating assets and liabilities:		
Accounts receivable	(2,669)	-
Pledges receivable	(277,912)	95,000
Grants receivable	-	74,152
Prepaid expenses	(3,399)	12,516
Accounts payable	1,181	4,336
Accrued liabilities	9,354	(28,090)
	<u>9,354</u>	<u>(28,090)</u>
Net cash flows from operating activities	<u>\$ (347,769)</u>	<u>\$ 952,621</u>

See notes to consolidated financial statements.

THE STATION FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Station Foundation, Inc. (the Foundation) is a nonprofit organization incorporated in the state of Montana, formed for the purpose of providing support to former Special Operations Forces (SOF) service members upon re-entry to civilian life. This includes providing workshops to restore family and community relationships. The Foundation is funded primarily by grants and contributions. The primary facility used in the operation of the Foundation is located in the greater Bozeman, Montana area and owned by The Station Foundation Holdings, LLC. The Station Foundation Holdings, LLC is a Montana Limited Liability Company whose sole member is The Station Foundation, Inc. The activities of The Station Foundation Holdings, LLC, have been consolidated with the operations of The Station Foundation, Inc. in the presentation of the accompanying consolidated financial statements.

Basis of Presentation

The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP), as codified by the Financial Accounting Standards Board (FASB).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the The Station Foundation, Inc. and its wholly-owned subsidiary, the Station Foundation Holdings, LLC, collectively referred to as the Foundation. All intra-entity transactions have been eliminated in the presentation of the 2023 and 2022 consolidated financial statements.

Contributions

Contributions, including unconditional promises to give and forgiveness of debt principal and interest, are recognized as support as of the date of contribution. Promises to give that are scheduled to be received after one year are shown as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the cash is received and any purpose restrictions are met. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value on the date contributed. Forgiveness of debt principal and interest is recorded at the value of the liability as of the date of forgiveness.

Contributions of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated services are recognized as support in accordance with GAAP if the services (a) create or enhance tangible assets or (b) require specialized skills, which are performed by people with those skills and would otherwise be purchased by the Foundation.

THE STATION FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable

The Foundation records unconditional promises to give (pledges receivable) that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are recorded at fair value using the discounted present value of future cash flows. In subsequent years, amortization of the discount is included in revenue in the statement of activities. The allowance for uncollectable promises to give is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Pledges receivable are written off when deemed uncollectable. As of December 31, 2023 and 2022, management deemed the balance of pledges receivable to be collectable.

Classification of Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* - Net assets that are not subject to donor-imposed stipulations. These net assets may be used at the discretion of the Foundation's management and the board of directors.
- *Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations. These donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions when the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Station Foundation, Inc. is organized as a non-profit corporation and is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation; therefore, no provision for income taxes has been made in these consolidated statements.

THE STATION FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of preparing the consolidated statements of financial position and cash flows, the Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The Foundation's cash balances are maintained in several bank depository accounts for which the Federal Deposit Insurance Corporation (FDIC) coverage is limited to \$250,000 per depositor, per insured bank. As of December 31, 2023 and 2022, the cash deposits with banks exceeded their insured limits by \$1,372,454 and \$3,952,430, respectively.

Investments

Investments consist of marketable equity and debt securities and are reported at fair value. See Note 3 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Dividends and interest are recorded when received. Net appreciation includes gains and losses on investments bought and sold as well as held during the year.

Property and Equipment

Purchased property and equipment with a cost of \$1,000 or more and an estimated useful life over two years are capitalized and recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value at date of gift. It is the intention of the Foundation to keep donated assets for the entirety of their useful lives. Property and equipment are depreciated using the straight-line method over their estimated useful lives as follows:

Building	39 years
Building and land improvements	15 years
Machinery and equipment	3 - 5 years
Furniture and fixtures	7 years

Expenditures for major renewal and betterments that extend the useful lives of property and equipment are capitalized, while expenditures for repairs and maintenance items are charged to expense as they are incurred.

Depreciation expense amounted to \$167,630 and \$159,203 for the years ended December 31, 2023 and 2022, respectively.

Advertising Costs

The Foundation expenses advertising and marketing costs as incurred.

Subsequent Events

Management has evaluated subsequent events through June 10, 2024, the date which the consolidated financial statements were available to be issued.

THE STATION FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited using an appropriate basis consistently applied. These expenses include depreciation, interest, occupancy, insurance, dues and subscriptions, and information technology. These expenses are allocated based on estimates of time and effort.

Program activities consist of the following two broad workshop types, which include lodging, meals, travel and airfare for program participants to spend dedicated time with their families at the Foundation's operating facility. All workshops include mentor and guide services provided by The Station Foundation employees who work with the program participants on various objectives, as follows:

The Homecoming Project

The Homecoming Project has five workshops: Family Foundation Workshop (FFW), RESTORE, Transition Azimuth Check (TrAC), Spouse Performance Program, and Flourishing Families. All workshops entail a 6 to 12 month process that helps service members re-integrate into their families, communities and civilian life. Pre-workshop and post-workshop protocol (interviews, resiliency surveys, online assessment tools and phone calls) ensure participants appropriately use their strengths, practice new techniques and successfully accomplish personal goals.

Interwoven Outreach Project

The Station Foundation's outreach program, Interwoven, helps reach the SOF Community in their hometown. Through virtual and in-person experiences, Interwoven blends The Station's culture and curriculum into participants' local community. There are five satellite locations staffed with two employees that work on an hourly basis. They plan, create, and facilitate single day events in their regions.

The Legacy Project

The Legacy Project includes three unique workshops for Gold Star Families: The Crossing (for adolescents), Leaders in Training (LiT), and Creative Arts Workshop. These programs help the participants transition through character, become confident leaders, create a culture of value, and create camaraderie amongst children who understand their journey.

2. PLEDGES RECEIVABLE

Pledges receivable at December 31, 2023 and 2022 are scheduled to be received as follows:

	<u>2023</u>	<u>2022</u>
In one year	\$ 327,700	\$ 60,000
One to five years	12,000	-
	<u>339,700</u>	<u>60,000</u>
Less discount to present value	(1,788)	-
Pledges receivable, net of discount	337,912	\$ 60,000
Less current portion	<u>(327,700)</u>	<u>(60,000)</u>
Pledges receivable, net of discount and current portion	<u>\$ 10,212</u>	<u>\$ -</u>

THE STATION FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

3. FAIR VALUE MEASUREMENT OF INVESTMENTS

The Foundation maintains investments with various financial institutions under the management of third parties in accordance with its investment policy.

In accordance with GAAP, the Foundation uses a fair value hierarchy that prioritizes the inputs for valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value input measurements under these standards are as follows:

- Level 1 - Quoted prices for identical assets or liabilities in active markets;
- Level 2 - Observable inputs for similar assets or liabilities in active markets, identical or similar assets in inactive markets, inputs other than quoted prices that are directly observable, and inputs derived from observable market data by correlation or other means; and
- Level 3 - Unobservable inputs for a reporting entity's own assumptions with respect to the assumptions market participants would use, other entity-specific inputs that are not derived from market data, and unobservable inputs that are developed based on the best information available in the circumstances.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 from those used in prior years.

Equities: Valued at the daily closing price as reported by the investment. Equity securities held by the Foundation are public companies registered with the U.S. Securities and Exchange Commission (SEC). The equity investments held by the Foundation are actively traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end funds registered with the SEC. These funds publish net asset values daily to transact at that price. The mutual funds held by the Foundation are actively traded.

Money market funds: Valued using pricing models maximizing the use of observable inputs for similar securities.

U.S. Treasury bills: Reported at amortized cost, which approximates fair value due to the short term nature of these investments.

U.S. Treasury notes: Valued at par value less amortized discount, which approximates fair value.

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

THE STATION FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

3. FAIR VALUE MEASUREMENT OF INVESTMENTS (Continued)

The following table presents by level, within the fair value hierarchy, the Foundation's investment assets at fair value, as of December 31, 2023 and 2022. As required by GAAP, investment assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement. The Foundation's policy for determining the timing of significant transfers between Levels 1, 2, and 3 is at the end of the reporting period.

	2023 Fair Value		2022 Fair Value	
	Level 1	Level 2	Level 1	Level 2
Equities	\$	\$	\$ 67,502	\$ -
Money market funds	423,337		228,500	
US Treasury bills	-	1,271,265	-	-
US Treasury notes	-	240,850	-	-
Exchange traded funds - equity	85,612	-	49,932	-
Exchange traded funds - debt	112,955	-	132,914	-
Total investments	\$ 621,904	\$ 1,512,115	\$ 478,848	\$ -

Investment income for the years ended December 31, 2023 and 2022 consists of the following:

	2023	2022
Interest income	\$ 30,060	\$ 10,330
Unrealized gains (losses)	28,068	(46,561)
Total investment income, net	\$ 58,128	\$ (36,231)

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2023 and 2022 are restricted for the following purposes or periods:

	2023	2022
Purpose restricted		
Cabin project	\$ 1,000,000	\$ 1,000,000
Crossing	-	49,630
Gold Star programs	1,000	-
Homecoming Project	16,252	4,605
Langmark Trail	1,850	1,850
Mental health support	-	37,845
Programs	1,500	585,977
SEAL Family Foundation	-	9,847
Out Station support	100,000	-
Total purpose restricted	1,120,602	1,689,754
Time restricted	339,700	60,000
Total net assets with donor restrictions	\$ 1,460,302	\$ 1,749,754

THE STATION FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

5. RETIREMENT PLAN

In 2021, the Foundation adopted a qualified Simple IRA plan for eligible employees. The Foundation matches employee contributions up to 3% of compensation. Simple IRA contributions for 2023 and 2022 were \$24,571 and \$24,333, respectively.

6. DONATED GOODS AND SERVICES

The Foundation receives donated services from a variety of volunteers assisting in the operation of the Foundation. The value of these services has not been recognized in the consolidated financial statements since it does not meet the criteria for recognition in accordance with GAAP.

Additionally, the Foundation receives contributed nonfinancial assets that are recognized in the financial statements in accordance with GAAP. The fair value of donated goods and services included in contributions in the financial statements for the year ended December 31, 2023, are as follows:

	<u>Workshops</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Fundraising and special events	\$ -	\$ -	\$ 76,304	\$ 76,304
Construction in progress	3,369	-	-	3,369
Workshop travel, lodging, and supplies	4,302	-	-	4,302
	<u>\$ 7,671</u>	<u>\$ -</u>	<u>\$ 76,304</u>	<u>\$ 83,975</u>

The fair value of donated goods and services included in contributions in the financial statements for the year ended December 31, 2022, are as follows:

	<u>Workshops</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Fundraising and special events	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,712</u>	<u>\$ 108,712</u>

In general, donated goods and services are reported at estimated fair value based on the retail prices to purchase similar items or comparable rates to obtain similar services.

7. CONCENTRATION OF INCOME SOURCES

During 2023, the Foundation received approximately 32% of its total support from a single donor. In 2022, the Foundation received approximately 35% of its total support from a single donor.

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8. LIQUIDITY AND AVAILABILITY

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. The Foundation 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. For the years ended December 31, 2023 and 2022, all net assets with donor restrictions were included in financial assets available to meet cash needs for general expenditures within one year.

In addition, the Foundation receives support without donor restrictions and investment income without donor restrictions. These amounts are available to meet cash needs for general expenditures.

Financial assets available for general expenditures within one year at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 2,283,570	\$ 4,327,255
Investments	2,134,019	478,848
Accounts receivable	2,669	-
Pledges receivable	<u>337,912</u>	<u>60,000</u>
Total financial assets	4,758,170	4,866,103
Less amounts not available for use within one year:		
Pledges receivable due in more than one year	(10,212)	-
Amounts held for long-term investment	<u>(2,134,019)</u>	<u>(478,848)</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 2,613,939</u>	<u>\$ 4,387,255</u>

As part of the Foundation's liquidity management, its goal is to structure its financial assets to be available to meet its general expenditures, liabilities, and other obligations as they come due. The Foundation intends to hold investments for long-term purposes. The individual investments making up the Foundation's investment portfolio could be liquidated and used to meet general expenditures if a liquidity issue were to arise.