CAPITOL LAND TRUST
(A Washington Not-for-Profit Organization)

AUDITED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025
(With summarized comparative totals as of and for the year ended December 31, 2024)

CAPITOL LAND TRUST

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DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Capitol Land Trust
Tumwater, WA

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Capitol Land Trust (the "Trust") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Trust's December 31, 2024, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 31, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Aiken & Sanders

Aiken & Sanders, Inc., PS
Certified Public Accountants
& Management Consultants

June 01, 2026

FINANCIAL STATEMENTS

CAPITOL LAND TRUST

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025
(With summarized comparative totals as of December 31, 2024)

	2025	2024
ASSETS		
Current assets:		
Cash	$ 271,476	$ 211,885
Grants receivable	336,647	101,476
Pledges receivable-current	64,500	83,500
Prepaid expenses	12,713	16,360
Total current assets	685,336	413,221
Noncurrent assets:		
Property and equipment, net	20,895,235	19,057,755
Pledges receivable-long-term (net of discount)	8,638	60,339
Investments	8,852,123	7,500,379
Maytown conservation fund	156,190	150,789
Other assets	2,649	-
Total noncurrent assets	29,914,835	26,769,262
Total assets	30,600,171	27,182,483
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities:		
Accounts payable	40,742	40,356
Accrued vacation	31,170	28,425
Payroll expenses and benefits payable	21,250	13,658
Total current liabilities	93,162	82,439
Noncurrent liabilities:		
Loan payable	280,000	350,000
Custodial funds-maytown conservation fund	156,190	150,789
Total noncurrent liabilities	436,190	500,789
Total liabilities	529,352	583,228

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

CAPITOL LAND TRUST

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025

(With summarized comparative totals as of December 31, 2024)

NET ASSETS		
Without donor restrictions	6,649,104	5,401,512
With donor restrictions	23,421,715	21,197,743
Total net assets	30,070,819	26,599,255
Total liabilities and net assets	$ 30,600,171	$ 27,182,483

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

CAPITOL LAND TRUST

STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(With summarized comparative totals for the year ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Support and Revenue				
Grants	$ 378,481	$ -	$ 378,481	$ 200,430
Contributions	94,986	3,507,267	3,602,253	3,997,379
Contribution of nonfinancial assets-land	-	200,000	200,000	405,900
Contribution of nonfinancial assets-other	21,910	-	21,910	25,140
Fundraising	-	-	-	8,810
Interest and dividend income	227,098	45,982	273,080	152,110
Miscellaneous income	2,389	-	2,389	27,557
Gain (loss) on sale of assets	(165,707)	-	(165,707)	1,107
Investment income (loss)	393,321	79,537	472,858	258,821
Land acquisition grant	375,000	-	375,000	-
Released from restrictions	1,608,814	(1,608,814)	-	-
Total support and revenue	2,936,292	2,223,972	5,160,264	5,077,254
Expenses				
Program services	1,145,268	-	1,145,268	957,079
Management and general	387,287	-	387,287	285,003
Fundraising	156,145	-	156,145	153,075
Total expenses	1,688,700	-	1,688,700	1,395,157
Change in net assets	1,247,592	2,223,972	3,471,564	3,682,097
Net assets, beginning of year	5,401,512	21,197,743	26,599,255	22,917,158
Net assets, end of year	$ 6,649,104	$ 23,421,715	$ 30,070,819	$ 26,599,255

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

CAPITOL LAND TRUST

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(With summarized comparative totals for the year ended December 31, 2024)

	Program Service	Management and General	Fundraising	Total 2025	Total 2024
Salaries and wages	$ 373,304	$ 232,645	$ 90,692	$ 696,641	$ 609,344
Employee benefits	58,341	46,811	14,646	119,798	119,764
Payroll taxes	33,599	18,495	8,318	60,412	54,874
Contracted labor	31,038	-	-	31,038	34,585
Rent expenses	3,543	773	1,322	5,638	7,376
Telephone	4,719	2,370	1,339	8,428	7,473
Insurance	17,571	5,847	3,312	26,730	17,739
Supplies	18,221	8,992	23,695	50,908	46,463
Printing and postage	10,758	383	2,622	13,763	15,997
Property taxes	22,080	-	-	22,080	24,309
Dues	5,064	6,340	2,067	13,471	23,694
Licenses and permits	4,210	102	40	4,352	280
Professional services	215,545	29,374	5,260	250,179	157,365
Land stewardship and restoration	212,161	-	-	212,161	166,850
Travel	9,196	5,782	2,557	17,535	22,345
Advertising	204	349	-	553	418
Equipment repair and maintenance	7,742	-	-	7,742	3,631
Equipment rental	8,108	-	275	8,383	11,334
Property repair and maintenance	92,705	-	-	92,705	25,219
In-kind expenses	-	21,910	-	21,910	25,140
Interest expenses	8,514	3,530	-	12,044	13,883
Bank/commission fees	25	3,584	-	3,609	4,235
Depreciation	8,620	-	-	8,620	2,839
Total expenses 2025	$ 1,145,268	$ 387,287	$ 156,145	$ 1,688,700	
Total expenses 2024	$ 957,079	$ 285,003	$ 153,075		$ 1,395,157

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

CAPITOL LAND TRUST

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With summarized comparative totals for the year ended December 31, 2024)

	2025	2024
Cash flows from operating activities		
Cash received from donors and customers	$ 3,675,343	$ 3,952,068
Cash received from grantors	518,310	155,837
Cash paid to vendors	(779,934)	(570,753)
Cash paid to employees	(866,515)	(816,518)
Net cash provided by operating activities	2,547,204	2,720,634
Cash flows from investing activities		
Cash paid for land and equipment	(2,524,671)	(14,335)
Cash received from land and equipment sales	712,825	1,107
Proceeds from investments	2,903,407	884,905
Cash paid for investments	(3,509,174)	(3,620,232)
Net cash used in investing activities	(2,417,613)	(2,748,555)
Cash flows from financing activities		
Cash received from loan	280,000	-
Repayment of loan	(350,000)	-
Net cash used in financing activities	(70,000)	-
Net increase (decrease) in cash and cash equivalents	59,591	(27,921)
Cash and cash equivalents, beginning of year	211,885	239,806
Cash and cash equivalents, end of year	$ 271,476	$ 211,885

RECONCILIATION OF NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2025	2024
Cash flows from operating activities		
Increase (decrease) in net assets	$ 3,471,564	$ 3,682,097
Adjustments to reconcile increase in net assets to net cash provided by/(used in) operating activities:		
Depreciation	8,620	2,839
Loss (gain) on sale of assets	165,707	(1,107)
Inkind property donations	(200,000)	(405,900)
Net change in investment values	(745,938)	(410,931)
Change in operating assets and liabilities		
Grants receivable	(235,171)	(44,593)
Pledges receivable	70,701	(81,678)
Prepaid expense	3,647	(7,307)
Other assets	(2,649)	-
Accounts payable	386	19,750
Accrued vacation	2,745	(3,930)
Payroll expenses and benefits payable	7,592	(28,606)
Net cash provided by operating activities	$ 2,547,204	$ 2,720,634

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Organization, purpose, and principal program*

The mission of Capitol Land Trust (the "Trust") is to conserve and forever care for the lands and waters of the South Puget Sound and Chehalis Basin watersheds.

The Trust receives a substantial amount of its annual support in the form of government grants. In the event one or more of the government programs from which the grants are received were to end or experience significant budget cuts, the Trust could experience a significant loss of support.

B. *Basis of accounting*

The Trust's policy is to prepare its financial statements on the accrual basis of accounting. Revenue is recognized when earned, and expenditures are recognized when incurred. If an expenditure results in an asset having an estimated useful life which extends substantially beyond the year of acquisition, the expenditure is capitalized and depreciated or amortized over the estimated useful life of the asset.

C. *Financial statement presentation*

The Trust follows accounting prescribed by the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958 Not-for-Profit Entities. Under ASC 958, the Trust is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions, and without donor restrictions.

With Donor Restrictions: Net assets that result from contributions whose use by the Trust is restricted by donor-imposed stipulations that may expire with the passage of time or can be fulfilled or otherwise removed by actions of the Trust.

Without Donor Restrictions: Net assets that are not restricted by donor stipulation.

Gifts of goods and equipment are reported as without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of land are reported as donor restricted if the Trust intends to protect the land in perpetuity. Gifts of land, which the donor stipulates may be sold, are reported as without donor restriction.

D. *Estimates*

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

E. *Land, buildings, and equipment*

Land, buildings, and equipment are recorded at cost. Property and equipment donated to the Trust are capitalized at their estimated fair market value. It is the Trust's policy to expense the acquisition cost of equipment in the year of purchase for items with a unit cost of less than $5,000. Depreciation is provided using the straight-line method. A five-year life is used for both purchased and donated equipment. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of equipment are sold or are otherwise disposed of, the appropriate cost and related accumulated depreciation amounts are removed from the accounts and any gain or loss is included in income.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

F. Functional allocation of expenses

The Trust records its expenses by function. Program expenses represent expenses incurred to fulfill the Trust's exempt purposes. Management and general expenses support that exempt purpose while fundraising expenses are incurred to raise resources to carry out program activities. Expenses are recorded, when appropriate, to the function receiving direct benefit. When expenses benefit more than one function, an allocation is made based on relative benefits provided to each function.

G. Cash and cash equivalents

For purposes of the Statement of Cash Flows, the Trust considers cash, checking, and money market accounts to be cash and cash equivalents.

H. Advertising

The Trust's policy is to expense advertising costs as they are incurred.

NOTE 2 - CASH AND CASH EQUIVALENTS

As of December 31, 2025, and 2024, the carrying amount of the Trust's cash deposits were $271,476 and $211,885 the bank balances were $107,827 and $229,171, respectively. The difference between the bank balance and carrying amount represents outstanding checks, deposit in transit, and petty cash.

Cash balance held at banks are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000 per banking institution. As of December 31, 2025, and 2024, the Trust did not have balances in excess of FDIC coverage.

NOTE 3 - RECOGNITION OF CONTRIBUTION REVENUE

Contributions are recognized when received or when a donor makes an unconditional promise to give to the Trust. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give (pledges receivable) are recognized as revenues in the period the pledge is received. Long-term pledges (collection expected in greater than one year) are discounted to the net present value of future cash flows. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Trust, although it expects to receive current support to fund operations for 2026 and later years, has $959,520 and $560,755 of financial assets available within one year of the statement of financial position dates as of December 31, 2025, and 2024, respectively, to meet cash needs for general operating expenditures of the Trust.

NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS - CONT'D

Financial assets available within one year consist of the following:

	2025	2024
Cash	$ 271,476	$ 211,885
Grants receivable	336,647	101,476
Pledges receivable-current	64,500	83,500
Investments	8,852,123	7,500,379
Less: Donor restricted to purpose	(4,109,244)	(2,864,344)
Less: Board designations	(4,455,982)	(4,472,141)
Financial assets available to meet cash needs within one year	$ 959,520	$ 560,755

NOTE 5 - ECONOMIC DEPENDENCY

For 2025 and 2024, the funding used to acquire land was primarily provided by the State of Washington Recreation and Conservation Office, State of Washington Department of Ecology, and the Thurston County Resource Stewardship office, and private donations.

NOTE 6 - CONTINGENCIES

Amounts received or receivable from federal and state government agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Trust if so determined in the future. It is management's belief that no material amounts received or receivable will be required to be returned in the future.

NOTE 7 - PROPERTY AND EQUIPMENT

As of December 31, 2025, and 2024, property and equipment include the following:

	2025	2024
Land under conservancy	$ 20,302,977	$ 19,043,904
Equipment	26,239	26,239
Public access preserve improvement	587,027	-
	20,916,243	19,070,143
Less: Accumulated depreciation	(21,008)	(12,388)
Property and equipment, net	$ 20,895,235	$ 19,057,755

Depreciation expense for the year ended December 31, 2025, and 2024, were $8,620 and $2,839, respectively.

NOTE 8 - NET ASSETS COMPOSITION

	2025	2024
Without donor restrictions:		
Board designated stewardship fund	$ 3,005,285	$ 2,584,710
Board designated quasi-endowment fund	24,848	21,357
Board designated operating reserve	223,432	223,432
Board designated restoration fund	80,388	6,388
Board designated community outreach	42,878	58,916
Board designated DEIJ	19,942	21,892
Board designated conservation	158,130	-
Board designated strategic goals	67,267	155,293
Board designated public access fund	833,812	786,188
Board designated general fund	-	580,358
Board designated bayshore architect	-	33,607
Undesignated	2,193,122	929,371
Total	$ 6,649,104	$ 5,401,512
With donor restrictions:		
Donor restricted stewardship fund	$ 467,712	$ 482,138
Endowment	39,240	33,521
Other restricted purpose donations	3,602,292	2,348,686
Conserved land	19,312,471	18,333,398
Total	$ 23,421,715	$ 21,197,743

NOTE 9 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The investments in mutual funds and money market funds are accounted for at fair value. As of December 31, 2025, the investments had a cost basis of $7,908,317 and a fair value of $8,852,123. As of December 31, 2024, the investments had a cost basis of $5,997,497 and a fair value of $7,500,379. Investment income on the statement of activities and changes in net assets is the following:

	2025	2024
Realized/unrealized gains and losses	$ 472,858	$ 258,821
Total	$ 472,858	$ 258,821

The Trust adopted Accounting Standards Codification ("ASC") 820, Fair Value Measurement, which establishes a framework for measuring fair value.

That framework provides a fair value hierarchy that prioritizes the inputs to 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 Measurements) and the lowest priority to unobservable inputs (Level 3 Measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

NOTE 9 - INVESTMENTS AND FAIR VALUE MEASUREMENTS - CONT'D

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Trust has the ability to access.

Level 2: Inputs to valuation methodology include: Quoted prices for similar assets or liabilities in active markets. Quoted prices for identical or similar assets or liabilities in inactive markets. Inputs other than quoted prices that are observable for the asset or liability. Inputs that are principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement 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 as of December 31, 2025.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the Trust at year end.

Common Stock: Market value on public exchanges.

Certificates of Deposit: Valued at original investment plus received and accrued interest

Money Market Funds: The investments are reported at face value plus accrued interest.

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 Trust 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 following table sets forth by level, within the fair value hierarchy, the Trust's assets at fair value as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ -	$ 6,321,590	$ -	$ 6,321,590
Common stock	-	-	-	-
Money market funds	-	2,530,533	-	2,530,533
Total assets at fair value	$ -	$ 8,852,123	$ -	$ 8,852,123

NOTE 9 - INVESTMENTS AND FAIR VALUE MEASUREMENTS - CONT'D

The following table sets forth by level, within the fair value hierarchy, the Trust's assets at fair value as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ -	$ 5,531,107	$ -	$ 5,531,107
Common Stock	5,058	-	-	5,058
Money market funds	-	1,964,214	-	1,964,214
Total assets at fair value	$ 5,058	$ 7,495,321	$ -	$ 7,500,379

NOTE 10 - GRANTS RECEIVABLE

Grants receivable are recorded to the extent of qualifying grant expenditures made during the current year that are to be reimbursed after year end.

Historically, bad debts have been immaterial. The Trust uses the direct write-off method, which is not in accordance with generally accepted accounting principles. When an amount becomes uncollectible, it is charged to expense in the year it is deemed to be uncollectible. During 2025 and 2024, there were no bad debts. As of December 31, 2025, and 2024, management estimated that all accounts receivable were collectible. The Trust considers all receivables over 90 days as past due. No interest is charged on past due receivables. As of December 31, 2025, no receivable amounts were past due.

NOTE 11 - CONTRIBUTION OF NONFINANCIAL ASSETS

The Trust received donated in-kind use of space during 2025, and 2024, valued at $21,910 and $25,140, respectively. The donations are recorded as in-kind revenue and expense in the financial statements. The Trust also received a donated conservation land during 2025 valued at $200,000 which is recorded as in-kind revenue and conservation land asset in the financial statements and in 2024 received a conservation land valued at $405,900, which are recorded as in-kind revenue and conservation land assets in the financial statements.

NOTE 12 - INCOME TAX AND UNCERTAIN TAX POSITIONS

The Trust is a tax exempt non-profit organization under the Internal Revenue Code Section 501(c)(3) and is not classified as a private foundation. Accordingly, the financial statements do not include any provision for income taxes.

The Trust files income tax returns in the U.S. federal jurisdiction. The Trust is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2022.

Currently, there are no examinations or pending examinations with the Internal Revenue Service (IRS)

The Trust adopted the provisions of FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, on January 1, 2009. As of December 31, 2025, there are no uncertain tax positions that would have a material effect on the financial statements.

NOTE 13 – PLEDGES RECEIVABLE

The Trust received, in 2025 and 2024, multiple unconditional promises to give. The promises are recorded as pledge receivables and contribution revenue for 2025 and 2024. Pledges to be collected in greater than one year from the statement of financial position date are discounted to present value using a discount rate of 5%. Total discount applied to long-term pledges is $1,362 and $6,661 for 2025 and 2024, respectively. Gross pledges to be collected in 2026, and 2027 are $64,500 and $10,000, respectively.

NOTE 14 - MAYTOWN CONSERVATION FUND

The Trust, during 2011, entered into an agreement with the Black Hills Audubon Society (BHAS) to act as fund administrator for a mitigation fund called the Maytown Conservation Fund (Fund). The Fund was created as a result of a settlement agreement with a private company.

The Trust agreed to act as custodian of the fund and to process invoices submitted by BHAS as qualifying expenditures are made. The Trust, per the agreement, has sole discretion to determine that expenditures submitted for payment are for activities that are consistent with the settlement agreement and an annual work plan submitted by BHAS.

The fund is presented as noncurrent asset and liability in the statement of financial position.

NOTE 15 - LOAN PAYABLE

The Trust entered into a loan agreement and signed a promissory note for $280,000 on January 10, 2025 with The Community Foundation of North Central Washington. The loan bears interest at 1% per annum on the outstanding principal balance. The agreement requires payment of accrued interest on January 10, 2026 and January 10, 2027, with the entire principal balance and all remaining accrued interest due on January 10, 2028.

During the year, the Trust fully repaid the prior loan of $350,000 dated November 7, 2023, including all accrued interest, in accordance with the loan terms.

NOTE 16 - SUBSEQUENT EVENTS

No events have occurred through June 01, 2026, which is the date the financial statements were available to be issued based on the Trust facts and circumstances, for events requiring recording or disclosure in the financial statements for the year ended December 31, 2025.