

# Financial Statements

The Biomimicry Institute  
(a nonprofit organization)  
Years Ended December 31, 2023 and 2022



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The BioMimicry Institute  
Missoula, Montana

### *Opinion*

We have audited the financial statements of The BioMimicry Institute, which comprise the statements of financial position as of December 31, 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of The BioMimicry Institute as of December 31, 2023, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The BioMimicry 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 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 BioMimicry Institute's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 BioMimicry 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 The BioMimicry 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.

### ***Other Matter***

The financial statements of The Biomimicry Institute for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on October 3, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Harvie CPAs P.C.*

Meridian, Idaho  
October 7, 2024

**THE BIOMIMICRY INSTITUTE**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2023**  
**With Comparative Totals as of December 31, 2022**

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	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>Assets</b>		
Cash and cash equivalents	\$ 955,799	\$ 1,914,143
Certificates of deposit	769,940	78,810
Contributions receivable	398,761	21,119
Prepaid expenses	41,534	20,141
Property and equipment, net	<u>37,254</u>	<u>84,730</u>
Total Assets	<u>\$ 2,203,288</u>	<u>\$ 2,118,943</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 76,621	\$ 36,083
Accrued wages, benefits, and payroll taxes	164,404	112,483
Refundable advances	369,885	413,493
Deferred revenue	<u>0</u>	<u>25,200</u>
Total Liabilities	610,910	587,259
<b>Net Assets</b>		
Without donor restrictions	1,410,488	1,258,691
With donor restrictions	<u>181,890</u>	<u>272,993</u>
Total Net Assets	<u>1,592,378</u>	<u>1,531,684</u>
Total Liabilities and Net Assets	<u>\$ 2,203,288</u>	<u>\$ 2,118,943</u>

See notes to financial statements.

**THE BIOMIMICRY INSTITUTE**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended December 31, 2023**  
**With Comparative Totals for the Year Ended December 31, 2022**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenues and Other Support</b>				
Contributions	\$ 2,306,554	\$ 650,000	\$ 2,956,554	\$ 2,611,113
Program service revenue	217,044		217,044	48,867
Contributed nonfinancial assets	9,281		9,281	62,522
Interest income	35,850		35,850	6,239
Special events	460		460	1,520
	2,569,189	650,000	3,219,189	2,730,261
Net assets released from restrictions	741,103	(741,103)	0	0
Total Revenue and Other Support	3,310,292	(91,103)	3,219,189	2,730,261
<b>Expenses</b>				
Program Services				
Systems change	963,350		963,350	757,422
Innovation	581,311		581,311	455,380
AskNature	501,517		501,517	466,153
Education and outreach	252,557		252,557	361,334
Total Program Services	2,298,735	0	2,298,735	2,040,289
Supporting Services				
Administrative	659,554		659,554	375,318
Fundraising	200,206		200,206	172,079
Total Supporting Services	859,760	0	859,760	547,397
Total Expenses	3,158,495	0	3,158,495	2,587,686
Change in Net Assets	151,797	(91,103)	60,694	142,575
<b>Net Assets</b>				
Beginning of Year	1,258,691	272,993	1,531,684	1,389,109
End of Year	\$ 1,410,488	\$ 181,890	\$ 1,592,378	\$ 1,531,684

See notes to financial statements.

**THE BIOMIMICRY INSTITUTE**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2023  
With Comparative Totals for the Year Ended December 31, 2022

	Program Services							2023	2022
	Systems Change	Innovation	AskNature	Education and Outreach	Total Program Services	Management and General	Fundraising	Total	Total
Salaries and related expenses	\$ 201,824	\$ 326,027	\$ 369,489	\$ 199,804	\$ 1,097,144	\$ 282,338	\$ 179,042	\$ 1,558,524	\$ 1,415,322
Professional services	500,807	77,802	39,165	25,637	643,411	157,800	2,647	803,858	739,795
Grants and other assistance	221,106	102,430			323,536			323,536	81,282
Meetings, conferences and travel	18,481	45,922	9,871	5,756	80,030	39,199	3,375	122,604	119,527
Information technology	5,247	14,708	21,129	12,858	53,942	20,509	7,296	81,747	84,914
Depreciation expense	6,185	1,093	50,560	106	57,944	3,300	79	61,323	62,864
Office expenses	6,214	7,926	6,175	4,019	24,334	11,876	4,900	41,110	41,536
Current translation loss						11,603		11,603	10,407
Other expenses	3,486	5,403	5,128	4,377	18,394	132,929	2,867	154,190	32,039
	<u>\$ 963,350</u>	<u>\$ 581,311</u>	<u>\$ 501,517</u>	<u>\$ 252,557</u>	<u>\$ 2,298,735</u>	<u>\$ 659,554</u>	<u>\$ 200,206</u>	<u>\$ 3,158,495</u>	<u>\$ 2,587,686</u>

See notes to financial statements.

**THE BIOMIMICRY INSTITUTE**  
**STATEMENTS OF CASH FLOWS**  
**For the Year Ended December 31, 2023**  
**With Comparative Totals for the Year Ended December 31, 2022**

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	<u>2023</u>	<u>2022</u>
<b>Cash Flow From Operating Activities</b>		
Change in net assets	\$ 60,694	\$ 142,575
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	61,323	62,864
Net realized and unrealized gain on investments	0	(1,061)
Changes in operating assets and liabilities:		
Contributions receivable	(377,642)	477,261
Prepaid expenses	(21,393)	(5,834)
Accounts payable	40,538	(33,011)
Accrued wages, benefits and payroll taxes	51,921	11,757
Refundable advances	(43,608)	48,300
Deferred revenue	<u>(25,200)</u>	<u>25,200</u>
Net Cash Provided by (Used in) Operating Activities	(253,367)	728,051
<b>Cash Flow From Investing Activities</b>		
Purchase of investments	(770,232)	0
Proceeds from sale of investments	79,102	232,687
Purchase of property and equipment	<u>(13,847)</u>	<u>(6,070)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(704,977)</u>	<u>226,617</u>
Net Change in Cash and Cash Equivalents	(958,344)	954,668
<b>Cash and Cash Equivalents – Beginning of Year</b>	<u>1,914,143</u>	<u>959,475</u>
<b>Cash and Cash Equivalents – End of Year</b>	<u>\$ 955,799</u>	<u>\$ 1,914,143</u>

See notes to financial statements.



# THE BIOMIMICRY INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

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### Note A – Significant Accounting Policies

#### *Nature of Organization*

The Biomimicry Institute, (the Institute) is a Montana nonprofit corporation organized in 2005. The Institute was formed to empower people to create nature-inspired solutions for a healthy planet. The Institute is governed by a board of directors.

The purpose of the Institute is to naturalize biomimicry in the culture by promoting the transfer of ideas, designs, and strategies from biology to sustainable human systems design. The Institute's goal is for biomimicry to become a natural part of the design process – for practitioners to study nature's best ideas, abstract the design principles, and emulate these designs and processes to solve problems like climate change. This is done by increasing access to high-quality biomimicry materials and services; developing the proficiency and practice of next-generation innovators; and shifting the design culture so that biomimicry is widely recognized and used as a tool to advance sustainable and restorative innovation. The following programs, operated by the Institute, represent the core functions of The BioMimicry Institute:

*AskNature* – This is the world's most accessible and comprehensive online bridge to nature's solutions for innovation professionals, students, and educators. Launched in 2008, this free service features 2,000+ articles describing how living systems have adapted to thrive amongst a myriad of conditions and challenges, and how those strategies have influenced innovation. By using the information available via AskNature to understand how natural adaptations work, innovators can mimic ideas that have thrived in balance with the Earth's complex systems. Every year, over half a million people from nearly every country on the planet visit AskNature to conduct research, teach biomimicry, and inspire innovation.

*Design Challenges and other education programs* – The Biomimicry Youth Design Challenge is a hands-on, project-based learning experience for middle and high school students that provides classroom and informal educators with an engaging framework to introduce bio-inspired design and an interdisciplinary lens on science, engineering, and environmental literacy. It gives middle and high school students a unique STEM experience and empowers them to envision solutions to social and environmental challenges resulting from climate change. The Institute also provides other free resources for anyone interested in learning about biomimicry and the nature-inspired design process, including the Biomimicry Toolbox and webinars.

## THE BIOMIMICRY INSTITUTE

### NOTES TO FINANCIAL STATEMENTS

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#### Note A – Significant Accounting Policies (Continued)

##### *Nature of Organization (Continued)*

*Innovation* – The Biomimicry Launchpad supports a community of early-stage scientists and entrepreneurs who benefit from each other as they deepen their biological knowledge and develop the skills needed to transform their ideas from concept to proven prototype and beyond. The program features a virtual 10-week customer discovery and technology validation incubator. The Ray of Hope Prize® program identifies startups with nature-inspired solutions, amplifies their stories and connects them to mentors and investors. This is a hybrid program, with participants attending a nature retreat designed to create a life-long community of environmental entrepreneurs, followed by a 10-week virtual program focused on science communication and sustainable business practices. The program culminates with a \$100,000 prize that helps companies cross a critical threshold in becoming viable businesses. In supporting the next generation of businesses to solve big challenges, the Institute brings attention to the innovative, nature-based solutions needed to build a sustainable and resilient world.

*Systems Change* – In 2022, the Institute initiated a new Systems Change program to continue building on the interest generated by the Institute’s The Nature of Fashion report (2020). This program, called Design for Transformation, looks at system level challenges to post-consumer waste with an initial focus on using textile decomposition to create new, biocompatible materials. The ultimate goal of the work is to offer thought leadership on how industrial symbiosis, or food webs, can inspire new systems that ultimately support the safe breakdown and buildup of materials. The outcomes of this work will inform a new narrative around the role of biomimicry in building a materials metabolism.

##### *Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

##### *Basis of Presentation*

The Institute reports net assets and revenues, expenses, gains and losses according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

# THE BIOMIMICRY INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

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### Note A – Significant Accounting Policies (Continued)

#### *Cash and Cash Equivalents*

The Institute considers its short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

#### *Concentration of Credit Risk*

Financial instruments that potentially subject the Institute to significant concentrations of credit risk consist of cash. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. The Institute's cash balances that are maintained in bank accounts may exceed these limits from time to time. The Institute has not experienced any losses in such accounts and management believes that it is not exposed to any significant credit risk on cash.

#### *Concentration of Revenue Risk*

The Institute receives a majority of its revenue from grant funding. For the years ended December 31, 2023 and 2022, five and three contributors accounted for 70% and 61% of total revenue, respectively. Additionally, approximately 74% and 47% of the Institute's contributions receivable is due from one source for the years ended December 31, 2023 and 2022, respectively.

#### *Contributions Receivable*

Receivables are stated at the amount management expects to collect from outstanding balances. Management has assessed all receivables for collectability and believes all are fully collectable. At December 31, 2023 and 2022, management determined that no allowance was necessary.

#### *Certificates of Deposit*

Investments in certificates of deposit with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

## THE BIOMIMICRY INSTITUTE

### NOTES TO FINANCIAL STATEMENTS

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#### Note A – Significant Accounting Policies (Continued)

##### *Fair Value*

The Institute uses fair value reporting for financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established, prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

##### *Property and Equipment*

Property and equipment is stated at cost or, if donated, at the estimated fair market value at the date of donation. Expenditures for major renewals and betterments that extend the useful lives of furniture and equipment that cost over \$1,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from five to forty years.

##### *Deferred Revenue*

The Institute receives grant funding for future services. The fees are deferred and recognized when the services are performed.

##### *Contributions and Donor Imposed Restrictions*

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increase that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, 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.

## THE BIOMIMICRY INSTITUTE

### NOTES TO FINANCIAL STATEMENTS

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#### Note A – Significant Accounting Policies (Continued)

##### *Contributions and Donor Imposed Restrictions (Continued)*

Conditional promises to give are those with a measurable performance or other barrier and a right of return, are recognized in revenue once the conditions on which they depend have been met. The Institute adopted the simultaneous release option for donor-restricted conditional contributions that are recognized and used within the same reporting period, therefore, these amounts are reported as without donor restrictions. Revenue recognized as contributions that have not been received are included in contributions receivable. Conversely, amounts received in advance of the conditions being met are included in refundable advances. At December 31, 2023 and 2022, the Institute had approximately \$369,885 and \$413,493, respectively, in refundable advances as shown on the accompanying statement of financial position.

##### *Contribution of Nonfinancial Assets*

The Institute records in-kind goods based on the fair value as described in generally accepted accounting principles. The Institute recognizes donated services if they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed.

##### *Functional Allocation of Expense*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Advertising, insurance, postage and courier, printing, professional fees, technology, and telephone expenses are allocated based on management's percentage of estimated consumption per functional category; occupancy expenses, including depreciation, maintenance, and utilities, are allocated on the basis of square footage; and salaries and wages and employee benefits are allocated on the basis of estimates of time and effort.

##### *Advertising*

The Institute expenses advertising as costs are incurred. Advertising expenses totaled \$37,300 and \$30,000 for the years ended December 31, 2023 and 2022, respectively.

## THE BIOMIMICRY INSTITUTE

### NOTES TO FINANCIAL STATEMENTS

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#### Note A – Significant Accounting Policies (Continued)

##### *Income Tax Status*

The Institute is classified as a Section 501(c)(3) of the Internal Revenue Code that is exempt from income taxes under the Federal Internal Revenue Code. Accordingly, no provision for income taxes is made in the financial statements.

##### *Uncertain Tax Positions*

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Institute may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of that position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years 2023 and 2022.

The Institute files Form 990 in the U.S. federal jurisdiction. The Institute is generally no longer subject to examination by the Internal Revenue Service for years before 2020.

##### *Use of Estimates*

The Institute uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

##### *Reclassification*

Certain reclassifications have been made to the December 31, 2022 financial statements to conform to the current year format. These reclassification had no effect on net income for the year ended December 31, 2022.

##### *Subsequent Events*

The Institute has evaluated subsequent events through October 7, 2024, which is the date the financial statements were available to be issued.

## THE BIOMIMICRY INSTITUTE

### NOTES TO FINANCIAL STATEMENTS

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#### Note A – Significant Accounting Policies (Continued)

##### *Comparative Data*

The amounts shown for the year ended December 31, 2022 in the accompanying financial statements are included to provide a basis for comparison with 2023 and present summarized totals only. Accordingly, the 2022 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Institute's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

#### Note B – Liquidity and Availability of Resources

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

Cash and cash equivalents	\$ 955,799
Investments	769,940
Contributions receivable	<u>398,761</u>
Total financial assets available within one year	2,124,500
Less amounts unavailable for general expenditures within one year, due to:	
Refundable advances	369,885
Restricted by donors with purpose restrictions	181,890
Board designated reserve	<u>564,809</u>
Total amounts unavailable for general expenditures within one year	<u>1,116,584</u>
Total financial assets available within one year after restriction	<u>\$ 1,007,916</u>

As part of the Institute's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2023, all net assets with donor restrictions are available for payment of any major expenditures incurred, except for receivables which are available when the receivable is collected and the expenditure is incurred. Board designated amounts could be drawn upon to meet immediate cash needs by vote of the board of directors.

## THE BIOMIMICRY INSTITUTE

### NOTES TO FINANCIAL STATEMENTS

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#### Note C – Certificates of Deposit

At December 31, 2023 and 2022, the Institute had certificates of deposit totaling \$769,940 and \$78,810, respectively. Those certificates were for various terms ranging between 13 months and 2 years (maturity dates through October 2024) and annual interest rates up to 4.31%. These certificates are not readily convertible into cash within ninety (90) days of purchase and are not considered to be cash equivalents. These certificates are considered Level 1 assets. Any penalties for early withdrawal would not have a material effect on the financial statements.

#### Note D – Property and Equipment

At December 31, property and equipment consisted of the following:

	<u>2023</u>	<u>2022</u>
Website	\$ 191,275	\$ 177,428
Furniture and equipment	<u>30,296</u>	<u>30,296</u>
	221,571	207,724
Less accumulated depreciation	<u>(184,317)</u>	<u>(122,994)</u>
Total property and equipment	<u>\$ 37,254</u>	<u>\$ 84,730</u>

Total depreciation expense for the years ended December 31, 2023 and 2022 was \$61,323 and \$62,864, respectively.



**THE BIOMIMICRY INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note E – Net Assets**

The detail of the Institute’s net asset categories at December 31, is as follows:

	<u>2023</u>	<u>2022</u>
Without donor restrictions:		
Invested in property and equipment	\$ 37,254	\$ 84,730
Board designated operating reserve	564,809	615,809
Undesignated surplus	<u>808,425</u>	<u>558,152</u>
Total without donor restrictions	1,410,488	1,258,691
With donor restrictions:		
Innovation	110,226	143,816
Systems change	71,664	102,884
Executive directory search and transition	0	25,000
Youth Ed	0	648
AskNature	<u>0</u>	<u>645</u>
Total with donor restrictions	<u>181,890</u>	<u>272,993</u>
Total net assets	<u>\$ 1,592,378</u>	<u>\$ 1,531,684</u>

**Note F – Contributed Nonfinancial Assets**

For the years ended December 31, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities included:

	<u>2023</u>	<u>2022</u>
Professional services	\$ 0	\$ 41,283
Subscription software	<u>9,281</u>	<u>21,239</u>
Total	<u>\$ 9,281</u>	<u>\$ 62,522</u>

The Institute recognized contributed nonfinancial assets within revenue, including professional services and subscription software. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

## **THE BIOMIMICRY INSTITUTE**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **Note F – Contributed Nonfinancial Assets (Continued)**

Contributed professional services consist of supporting services for the Institute's Systems Change Innovation program. The provided services are valued based off of the standard rates in which the service providers charge.

Contributed subscription software consists of supporting services such as advertising software and creative software. The contributed subscriptions are valued at the price that the Institute would have to pay if they were to purchase them.

#### **Note G – Retirement Plan**

The Institute has a 401(k) retirement plan (the Plan) for all eligible employees. Employees meeting the Plan's service requirements are eligible for employer matching contributions. The Institute matches 100% of employee contributions up to 4% of each participating employee's salary. Employer matching contributions are fully and immediately vested to the employees. There were employer contributions for the years ended December 31, 2023 and 2022 of \$39,819 and \$32,699, respectively.