




Give Kids The World, Inc.

Independent Auditor's Report and Financial Statements

June 30, 2025 and 2024



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Independent Auditor's Report

Board of Directors
Give Kids The World, Inc.
Kissimmee, Florida

Opinion

We have audited the financial statements of Give Kids The World, Inc. (a Florida not-for-profit corporation) (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statement 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 Organization as of June 30, 2025, and the results of its activities 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 ("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 Organization 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.

Prior Year Audited by Other Auditors

The 2024 financial statements, before they were revised for the matter discussed in Note 1, were audited by other auditors, and their report thereon, dated October 31, 2024, expressed an unmodified opinion. Our opinion is not modified with respect to this matter.

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 Organization'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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.

Forvis Mazars, LLP

Orlando, Florida
December 15, 2025

Give Kids The World, Inc.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 7,492,263	\$ 5,082,747
Investments	81,189,689	75,759,789
Accounts receivable, net	1,276,028	1,555,172
Unconditional promises to give, net	1,735,047	1,997,927
Inventory	5,900,335	4,148,179
Other assets	1,369,961	1,264,795
Property and equipment, net	37,755,160	40,359,718
Total Assets	\$ 136,718,483	\$ 130,168,327
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,826,959	\$ 1,544,120
Other liabilities	930,960	829,530
Total Liabilities	2,757,919	2,373,650
Net Assets		
Without donor restrictions		
Undesignated	6,921,413	4,382,848
Net investment in property and equipment	37,755,160	40,359,718
Designated	84,885,747	78,303,218
Total without Donor Restrictions	129,562,320	123,045,784
With Donor Restrictions	4,398,244	4,748,893
Total Net Assets	133,960,564	127,794,677
Total Liabilities and Net Assets	\$ 136,718,483	\$ 130,168,327

Give Kids The World, Inc.
Statements of Activities
Years Ended June 30, 2025 and 2024

	2025	2024
Public Support and Revenue		
Unrestricted contributions - non-cash	\$ 46,855,407	\$ 42,086,740
Unrestricted contributions - cash	19,100,666	18,799,026
Special events revenue, net of costs of direct benefits to donors of \$464,638 and \$467,246, respectively	999,277	1,008,874
Interest and dividend income	1,862,396	1,762,760
Net investment gains (losses)	6,548,636	7,276,649
Other revenue, net	669,938	760,220
Total Public Support and Revenue	76,036,320	71,694,269
Expenses		
Program activities	65,992,066	68,522,552
Supporting activities		
Management and general	2,882,691	2,334,357
Fundraising	3,154,166	3,085,183
Total Supporting Activities	6,036,857	5,419,540
Total Expenses	72,028,923	73,942,092
Gain on Proceeds from Insurance Settlement	-	6,671
Net Assets Released from Restrictions	2,509,139	3,264,783
Change in Net Assets without Donor Restrictions	6,516,536	1,023,631
Net Assets with Donor Restrictions		
Contributions with donor restrictions - non-cash	138,934	563,713
Contributions with donor restrictions - cash	2,019,556	2,769,794
Net assets released from restrictions	(2,509,139)	(3,264,783)
Change in Net Assets with Donor Restrictions	(350,649)	68,724
Change in Net Assets	6,165,887	1,092,355
Net Assets, Beginning of Year	127,794,677	126,702,322
Net Assets, End of Year	\$ 133,960,564	\$ 127,794,677

Give Kids The World, Inc.
Statements of Functional Expenses
Year Ended June 30, 2025

	Program Activities	Supporting Activities	Fundraising	Total
Family services	\$ 45,078,025	\$ -	\$ -	\$ 45,078,025
Salaries and benefits	8,766,859	1,888,108	1,620,623	12,275,590
Family, participant and program relations	2,981,475	55,124	7,109	3,043,708
Restaurant food and beverage	1,290,671	-	-	1,290,671
Telephone and utilities	1,180,346	17,434	20,169	1,217,949
Repairs and maintenance	968,565	105,581	-	1,074,146
Advertising and promotion	353,540	-	541,319	894,859
Insurance	854,775	18,097	21,229	894,101
Payroll taxes	539,444	144,799	114,470	798,713
Computer software and hardware	90,964	111,198	188,010	390,172
Professional fees	-	360,972	-	360,972
Materials and supplies	104,418	-	188,811	293,229
Taxes, licenses, and fees	-	22,495	215,553	238,048
Housekeeping, contracts, and supplies	121,204	-	-	121,204
Meetings and travel	10,876	3,653	84,228	98,757
Printing and stationary	58,121	20,647	5,742	84,510
Office supplies and postage	22,583	26,427	25,986	74,996
Equipment, office, and storage rental	48,727	3,953	-	52,680
Dues and subscriptions	-	17,314	25,789	43,103
Education and training	11,827	11,236	4,369	27,432
Other	1,660	3,212	-	4,872
Total Expenses before Depreciation	62,484,080	2,810,250	3,063,407	68,357,737
Depreciation	3,507,986	72,441	90,759	3,671,186
Total Expenses	\$ 65,992,066	\$ 2,882,691	\$ 3,154,166	\$ 72,028,923

Give Kids The World, Inc.
Statements of Functional Expenses
Year Ended June 30, 2024

	Program Activities	Supporting Activities	Fundraising	Total
Family services	\$ 45,775,913	\$ -	\$ -	\$ 45,775,913
Salaries and benefits	9,929,143	1,607,537	1,251,187	12,787,867
Repairs and maintenance	1,075,289	1,505	-	1,076,794
Telephone and utilities	1,227,864	19,942	20,962	1,268,768
Family, participant and program relations	3,047,374	82,389	3,216	3,132,979
Restaurant food and beverage	1,736,873	-	-	1,736,873
Insurance	735,584	15,340	17,737	768,661
Payroll taxes	590,411	136,626	87,170	814,207
Computer software and hardware	117,266	110,252	218,682	446,200
Materials and supplies	100,378	-	198,736	299,114
Advertising and promotion	51,210	-	724,696	775,906
Taxes, licenses, and fees	-	23,979	253,987	277,966
Housekeeping, contracts, and supplies	208,889	-	-	208,889
Office supplies and postage	48,470	42,732	39,464	130,666
Professional fees	-	157,995	-	157,995
Meetings and travel	45,410	8,621	137,793	191,824
Printing and stationary	59,830	10,399	4,450	74,679
Equipment, office, and storage rental	40,300	10,008	-	50,308
Dues and subscriptions	-	15,625	20,520	36,145
Education and training	46,393	6,168	11,289	63,850
Other	2,688	9,179	-	11,867
Total Expenses before Depreciation	64,839,285	2,258,297	2,989,889	70,087,471
Depreciation	3,683,267	76,060	95,294	3,854,621
Total Expenses	\$ 68,522,552	\$ 2,334,357	\$ 3,085,183	\$ 73,942,092

Give Kids The World, Inc.
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Operating Activities		
Cash received from contributions	\$ 19,385,175	\$ 18,777,706
Cash received from other sources	1,669,215	1,769,094
Interest and dividend income received	1,862,396	1,762,760
Cash paid for operating activities and costs	(20,280,521)	(21,615,191)
Net Cash Provided by Operating Activities	2,636,265	694,369
Investing Activities		
Purchases of investments	(28,591,137)	(29,286,676)
Purchases of property and equipment	(927,694)	(2,016,955)
Net Cash Used in Investing Activities	(226,749)	(3,559,120)
Net Change in Cash and Cash Equivalents	2,409,516	(2,864,751)
Cash and Cash Equivalents, Beginning of Year	5,082,747	7,947,498
Cash and Cash Equivalents, End of Year	\$ 7,492,263	\$ 5,082,747
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities		
Change in net assets	\$ 6,165,887	\$ 1,092,355
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net (gain) loss on investments	(5,959,349)	(7,399,208)
In-kind donations of stock	(171,496)	(161,673)
In-kind donations to property and equipment	(138,934)	(563,712)
Depreciation	3,671,186	3,854,621
Change in accounts receivable, net	279,144	389,778
Change in unconditional promises to give, net	262,880	(330,562)
Change in inventory	(1,752,156)	3,811,950
Change in accounts payable and accrued expenses	282,839	117,231
Net change in other operating assets and other liabilities	(3,736)	(116,411)
Net Cash Provided by Operating Activities	\$ 2,636,265	\$ 694,369

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Give Kids The World, Inc. (the "Organization") was founded in 1986 as a Florida not-for-profit corporation. The Organization provides children between the ages of 3 and 18 who have a critical illness and their families a cost-free opportunity to experience various world-famous Central Florida attractions. The Organization provides the families with lodging on its 89-acre property located in Kissimmee, Florida. In addition to providing accommodations, the Organization also provides meals to the families and operates Give Kids The World Village (the "Village"), the Organization's own resort, which includes swimming pools, miniature golf, a carousel ride, nightly entertainment, and much more.

In order to effectively accomplish its mission, the Organization works with local and national companies, community service organizations, and individuals to procure attraction tickets, transportation services, small gifts, food service, and volunteer time to carry out many of its activities.

The Organization's website address is www.gktw.org.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers investments purchased or donated with original maturities of three months or less from the date of purchase to be cash equivalents.

At June 30, 2025, the Organization's cash accounts exceeded federally insured limits by approximately \$6,492,000.

Unconditional Promises to Give

Unconditional promises to give are recognized as revenue and assets in the period in which the related promise is made. Unconditional promises to give are stated, net of an allowance for doubtful accounts and net of present value discounts. The Organization estimates the allowance for doubtful accounts based on an analysis of specific accounts, taking into consideration the age of the past due account and assessment of ability to pay. Accounts are written off upon management's determination that the amounts are uncollectible.

Inventories

Inventories primarily consist of gifts, theme park tickets, and retail merchandise. Inventory is stated at the lower of cost or market using the first-in, first-out inventory cost-flow assumption.

Investments

Investments primarily consist of equity securities, mutual funds, marketable debt, and certificates of deposit, which are stated at estimated fair value. Realized gains and losses are calculated based on proceeds received, less carrying value at the beginning of the reporting period. The cost of securities sold is based on the specific-identification method. Changes in unrealized gains and losses represent the change in the market value of investment holdings during the period.

Property and Equipment

The Organization capitalizes purchases of property and equipment which have a cost greater than \$2,000 and estimated useful lives of more than one year. Acquisitions of property and equipment are carried at cost or, if donated, at the estimated fair value at the date of donation. Repairs and maintenance are expensed as incurred. Depreciation is primarily computed on a straight-line basis over the estimated useful lives of the assets generally as follows:

Land improvements	15 years
Buildings and improvements	25 years
Furniture and equipment	5-10 years
Computer equipment	3 years

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<u>Nature of the Gift</u>	<u>Value Recognized</u>
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds barrier is met	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

Give Kids The World, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

Income Taxes

The Organization is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to Florida law. The Organization is further classified as a public charity and not a private foundation for federal tax purposes. Income taxes, if any, on unrelated business income are immaterial and are recognized as expenses when paid. The Organization has not taken any material uncertain tax positions for which the associated tax benefits may not be recognized under GAAP.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on the time and effort and other methods.

Revisions

Certain immaterial revisions have been made to the 2024 financial statements to conform with fair value level classification in Note 12 as well as term endowment classification in Note 9. These revisions had no effect on the previously reported change in net assets.

Basis of Accounting

These financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions as net assets without donor restrictions and net assets with donor restrictions.

Note 2. Unconditional Promises to Give

Unconditional promises to give consist of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Gross unconditional promises to give	\$ 1,836,984	\$ 2,171,605
Present value discount (approximately 0.5%-4%, per annum)	<u>(101,937)</u>	<u>(173,678)</u>
Unconditional promises to give, net	<u>\$ 1,735,047</u>	<u>\$ 1,997,927</u>

Give Kids The World, Inc.
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Unconditional promises to give are due as follows:

	<u>2025</u>	<u>2024</u>
Less than one year	\$ 968,371	\$ 734,322
One to five years	<u>868,613</u>	<u>1,437,283</u>
Gross unconditional promises to give	<u>\$ 1,836,984</u>	<u>\$ 2,171,605</u>

Unconditional promises to give were primarily restricted for future capital projects or passage of time.

Note 3. Accounts Receivable

Accounts receivable consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Amounts due from wish granting organizations	\$ 1,300,542	\$ 1,401,102
Employee retention credit (see Note 13)	-	1,448
Fundraising and other	486	177,622
Allowance for uncollectible	<u>(25,000)</u>	<u>(25,000)</u>
Total accounts receivable, net	<u>\$ 1,276,028</u>	<u>\$ 1,555,172</u>

Note 4. Inventory

Inventory consists of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Toys, gifts, and family supplies	\$ 3,340,629	\$ 2,392,110
Attraction tickets	2,511,356	1,708,928
Retail merchandise and other	<u>48,350</u>	<u>47,141</u>
Total inventory	<u>\$ 5,900,335</u>	<u>\$ 4,148,179</u>

Note 5. Property and Equipment

Property and equipment consists of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 5,123,922	\$ 5,123,922
Land improvements	13,806,984	13,675,623
Buildings and improvements	63,705,235	61,524,268
Furniture and equipment	14,328,865	13,925,606
Computer equipment	1,254,872	1,254,872
Construction in progress	<u>480,148</u>	<u>2,133,665</u>
Total property and equipment	98,700,026	97,637,956
Accumulated depreciation and amortization	<u>(60,944,866)</u>	<u>(57,278,238)</u>
Net property and equipment	<u><u>\$ 37,755,160</u></u>	<u><u>\$ 40,359,718</u></u>

Depreciation amounted to \$3,671,186 and \$3,854,621 for the years ended June 30, 2025 and 2024, respectively. Construction in progress primarily consists of building improvements.

Note 6. Retirement Plans

The Organization maintains a defined contribution retirement plan (the "Plan") covering all eligible employees. Employees may make elective deferral contributions to the Plan. In addition, the Organization makes matching contributions to the Plan based on specific deferrals of participating employees, as defined by the Plan document. The Organization may also make an annual discretionary contribution to the Plan. During the years ended June 30, 2025 and 2024, the Organization contributed approximately \$220,000 and \$203,000, respectively, to the Plan.

The Organization also maintains an employee deferred compensation plans open to certain key employees under Internal Revenue Code Section 457b (the "457 Plan"). The 457 Plan provides, among other things, for voluntary contributions to be made by eligible participants. These funds remain the property of the Organization and, accordingly, these funds are included in these financial statements, along with a related liability to the employee participants. At June 30, 2025 and 2024, these funds were approximately \$601,000 and \$483,000, respectively and have been included in other assets and other liabilities. Effective May 31, 2025 the 457 Plan was terminated by the Organization and all funds are expected to be disbursed from the 457 Plan by June 30, 2026.

Note 7. Contributions - Non-Cash

Non-cash contributions consist of the following for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Theme park attraction tickets, parking, and photos	\$ 42,819,055	\$ 39,040,759
Toys and family gifts	2,468,938	1,600,809
Fundraising related support	77,208	202,878
Character visits	138,166	103,357
Food and beverage	502,977	489,530
Other program in-kind gifts	527,377	582,703
Capital improvements for expansion and operations	138,934	563,713
Family supplies	<u>425,455</u>	<u>233,856</u>
Total non-cash contributions	<u>\$ 47,098,110</u>	<u>\$ 42,817,605</u>

The Organization receives donations from several Central Florida theme parks, which consist of admission tickets, onsite parking, character visits, and family photograph packages utilized by families while visiting the theme parks. These items are provided cost-free to families during their stay at the Village. Fair values for tickets, parking passes, and photos are determined using published pricing by the theme parks on the date of receipt.

The Organization also receives donations of toys and family gifts, food and beverages, family supplies, and other similar donations from individuals and corporate partners. Toys and gifts are distributed to families during daily gift giving programs. Food and beverage, supply, and other donations are utilized to provide accommodation services during family visits. Estimated fair values are determined based on selling prices for similar items.

Fundraising related support consists of items donated from corporate partners and individuals utilized for auctions and other activities at fundraising events held throughout the year. Estimated fair values are determined based on selling prices for similar items.

In 2025, capital improvement non-cash donations consist of flooring, fixtures, and installation for a splash pad, controller and touchpads for Mayor Clayton's Wonderlab, and various furniture. In 2024, capital improvement non-cash donations consist of lighting, lighting design and equipment for Mayor Clayton's Wonderlab, landscaping lights, and an 8-passenger shuttle. Estimated fair values are determined based on selling prices for similar items.

Non-cash contributions are recognized as revenue on the date the gifts are received and are recognized as expenses when the related gifts are distributed to families. Non-cash contributions did not have any donor-imposed restrictions. During the years ended June 30, 2025 and 2024 the Organization recognized non-cash contributions of \$47,098,110 and \$42,817,605, respectively, of which \$46,994,341 and \$42,650,453 is included in "contributions - non-cash" (including amounts with and without donor restrictions) and \$103,769 and \$167,152 is included in "special events revenue" in the accompanying statements of activities.

In addition, volunteers provide labor and other services for various Organization activities. Such contributed services, which do not meet the criteria for recognition in conformity with GAAP, are not included in the accompanying financial statements. The contributed services have been estimated by management to be approximately 243,000 and 283,000 hours, and are valued at approximately \$8,454,000 and \$9,478,000 for the years ended June 30, 2025 and 2024, respectively.

Note 8. Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes or periods:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose		
The Village – food services	\$ 624,234	\$ 802,782
Other program activities	445,322	449,778
Future capital expansion	<u>699,000</u>	<u>705,218</u>
	<u>1,768,556</u>	<u>1,957,778</u>
Subject to the passage of time		
Term endowment	894,641	793,188
Promises to give that are not restricted by donors but which are unavailable for expenditure until due	<u>1,735,047</u>	<u>1,997,927</u>
	<u>2,629,688</u>	<u>2,791,115</u>
	<u><u>\$ 4,398,244</u></u>	<u><u>\$ 4,748,893</u></u>

Net Assets Without Donor Restrictions

Net assets without donor restrictions at June 30 have been designated for the following purposes:

	<u>2025</u>	<u>2024</u>
Undesignated	\$ 6,921,413	\$ 4,382,848
Designated by the Board for endowment	84,885,747	78,303,218
Invested in property and equipment, net of related debt	<u>37,755,160</u>	<u>40,359,718</u>
Net assets without donor restrictions	<u><u>\$ 129,562,320</u></u>	<u><u>\$ 123,045,784</u></u>

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2025</u>	<u>2024</u>
Expiration of time restrictions	\$ 625,998	\$ 616,650
Satisfaction or purpose restrictions		
The Village – food services	1,081,344	1,091,027
Other Program Activities	325,469	409,107
Future Capital Expansion	<u>476,328</u>	<u>1,147,999</u>
	<u><u>\$ 2,509,139</u></u>	<u><u>\$ 3,264,783</u></u>

Note 9. Endowment

The Organization's endowment consists of approximately 264 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by GAAP, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The composition of net assets by type of endowment fund at June 30, 2025 and 2024 was:

	2025		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 84,885,747	\$ -	\$ 84,885,747
Term endowment	<u>-</u>	<u>894,641</u>	<u>894,641</u>
Total endowment funds	<u>\$ 84,885,747</u>	<u>\$ 894,641</u>	<u>\$ 85,780,388</u>
	2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 78,303,218	\$ -	\$ 78,303,218
Term endowment	<u>-</u>	<u>793,188</u>	<u>793,188</u>
Total endowment funds	<u>\$ 78,303,218</u>	<u>\$ 793,188</u>	<u>\$ 79,096,406</u>

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Change in endowment net assets for the years ended June 30, 2025 and 2024 were:

	2025		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 78,303,218	\$ 793,188	\$ 79,096,406
Investment return, net	8,525,321	102,558	8,627,879
Contributions	171,496	-	171,496
Appropriation of endowment assets for expenditures	(2,000,000)	-	(2,000,000)
Other changes			
Investment fees	<u>(114,288)</u>	<u>(1,105)</u>	<u>(115,393)</u>
Endowment net assets, end of year	<u>\$ 84,885,747</u>	<u>\$ 894,641</u>	<u>\$ 85,780,388</u>
	2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 70,102,440	\$ -	\$ 70,102,440
Investment return, net	9,160,963	-	9,160,963
Contributions	161,370	-	161,370
Appropriation of endowment assets for expenditures	(1,000,000)	-	(1,000,000)
Other changes			
Receipt of term endowment	-	793,188	793,188
Investment fees	<u>(121,555)</u>	<u>-</u>	<u>(121,555)</u>
Endowment net assets, end of year	<u>\$ 78,303,218</u>	<u>\$ 793,188</u>	<u>\$ 79,096,406</u>

Investment and Spending Policies

The Organization has adopted an investment policy for Board-designated endowment assets that attempts to provide a predictable stream of funding, while seeking to maintain the purchasing power of the assets and to preserve the invested capital. The spending policy provides flexibility, and the Organization seeks the advice of the Board of Directors when determining amounts to be spent.

Note 10. Liquidity

Financial assets available to meet cash needs for general expenditures within one year are as follows at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 7,492,263	\$ 5,082,747
Investments	81,189,689	75,759,789
Donor-restricted cash	(1,907,018)	(1,870,862)
Donor-restricted investments	<u>(894,641)</u>	<u>(793,188)</u>
	<u>\$ 85,880,293</u>	<u>\$ 78,178,486</u>

As part of a cash and liquidity management policy, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Additionally, cash in excess of daily needs is invested in both short- and long-term investment instruments. To help manage unanticipated liquidity needs, the Organization's investment portfolio consists of investments readily convertible to cash.

Note 11. Related-Party Transactions

From time to time, the Organization engages in transactions with individuals who have family relationships with Board members or management, or with companies in which Board members or management have ownership interests. Independent members of the Organization's Board of Directors approved the transactions after considering the terms of comparable services. During the years ended June 30, 2025 and 2024, the Organization paid approximately \$95,000 and \$94,000 for marketing services, respectively. During the years ended June 30, 2025 and 2024, the Organization paid approximately \$31,000 and \$29,000 for legal services to such parties, respectively.

Note 12. Investments and Fair Value

Investments consist of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Mutual funds - equity	\$ 32,256,613	\$ 30,064,496
Common stock and other	30,406,148	24,181,617
Mutual funds - fixed income	5,504,310	5,460,527
Debt securities	11,916,073	13,815,890
Certificates of deposit	<u>1,106,545</u>	<u>2,237,259</u>
Total investments	<u>\$ 81,189,689</u>	<u>\$ 75,759,789</u>

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Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025 and 2024:

June 30, 2025				
Fair Value Measurements Using				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Mutual funds - equity	\$ 32,256,613	\$ 31,886,711	\$ 369,902	\$ -
Common stock and other	30,406,148	30,406,148	-	-
Mutual funds - fixed income	5,504,310	5,504,310	-	-
Debt securities - other	6,751,812	6,742,438	9,374	-
Debt securities - treasury and municipal	5,164,261	5,164,261	-	-
Certificates of deposit	1,106,545	-	1,106,545	-
Investments at fair value	<u>\$ 81,189,689</u>	<u>\$ 79,703,868</u>	<u>\$ 1,485,821</u>	<u>\$ -</u>

June 30, 2024				
Fair Value Measurements Using				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Mutual funds - equity	\$ 30,064,496	\$ 30,064,496	\$ -	\$ -
Common stock and other	24,181,617	24,181,617	-	-
Mutual funds - fixed income	5,460,527	5,460,527	-	-
Debt securities - other	5,853,324	5,838,663	14,661	-
Debt securities - treasury and municipal	7,962,566	7,962,566	-	-
Certificates of deposit	2,237,259	-	2,237,259	-
Investments at fair value	<u>\$ 75,759,789</u>	<u>\$ 73,507,869</u>	<u>\$ 2,251,920</u>	<u>\$ -</u>

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2025.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

Note 13. Employee Retention Credit

The Employee Retention Credit ("ERC") was enacted by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act in March 2020 as an incentive to employers to keep their labor force intact during the COVID-19 pandemic. The Consolidated Appropriations Act of 2020 ("CAA"), enacted December 27, 2020 and the American Rescue Plan Act enacted March 11, 2021 made a number of changes to the ERC including providing eligible employers with an ERC equal to 70% of the qualified wages paid to employees after December 31, 2020 to September 2021. The CAA also repealed the prohibition for claiming an ERC for PPP borrowers. The Organization has elected to account for the ERC under Accounting Standards Codification Subtopic 958-605 and treat the ERC as a conditional grant. The Organization determined that it met the qualifications for the ERC and applied for credits. At June 30, 2025 and 2024, approximately \$0 and \$1,000, respectively, of ERC claims had not been received and is reflected as a component of accounts receivable (see Note 3). During the year ended June 30, 2024, the Organization received a notice from the Internal Revenue Service ("IRS") regarding credits claimed in the amount of approximately \$338,000. The Organization has provided documentation to support the claim and believes it will be successful in resolving the notice from the IRS.

Laws and regulations concerning government programs, including the ERC established by the CARES Act and other legislation, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Organization.

Note 14. Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions

More than 90% of the Organization's non-cash contribution revenue came from a small group of donors. The Organization hopes and expects to gratefully continue its relationship with these significant donors.

Approximately 77% of the reservations for families visiting the Village come from a single wish granting organization. The Organization continues to build upon and strengthen the relationship with this partner organization.

Investments

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

General Litigation

The Organization is subject to potential litigation arising in the ordinary course of business. Management believes potential claims outstanding as of June 30, 2025 would be covered by insurance and would not have a material adverse impact on its financial position or results of activities.

Note 15. Subsequent Events

Subsequent events have been evaluated through December 15, 2025, which is the date the financial statements were available to be issued.