

Financial Statements
June 30, 2025 and 2024

Children's Home Foundation

Children's Home Foundation

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June 30, 2025 and 2024

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Independent Auditor's Report

The Board of Directors
Children's Home Foundation
Sioux Falls, South Dakota

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Children's Home Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Children's Home Foundation as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 Foundation's ability to continue as a going concern for 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 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 Foundation'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 Foundation'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.



Sioux Falls, South Dakota
October 28, 2025

Children's Home Foundation
 Statements of Financial Position
 June 30, 2025 and 2024

	2025	2024
Assets		
Cash, cash equivalents, and restricted cash		
Undesignated cash and cash equivalents	\$ 636,811	\$ 636,334
Designated cash	3,635	4,270
Restricted cash	<u>1,641,352</u>	<u>665,771</u>
	<u>2,281,798</u>	<u>1,306,375</u>
Interest receivable	130,308	166,469
Contributions receivable	6,736,128	1,514,114
Prepaid expenses	60,374	41,583
Investments	162,135,330	152,809,743
Beneficial interest in trusts	2,215,577	2,101,699
Beneficial interest in assets held by community foundations	4,243,219	3,948,694
Cash surrender value of life insurance	1,226,025	1,187,751
Equipment, net	<u>27,170</u>	<u>15,927</u>
	<u><u>\$ 179,055,929</u></u>	<u><u>\$ 163,092,355</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 43,386	\$ 9,407
Accrued expenses	148,006	91,947
Annuity obligations	6,117	12,643
Due to Children's Home Society	<u>5,464,782</u>	<u>5,185,083</u>
Total liabilities	<u>5,662,291</u>	<u>5,299,080</u>
Net Assets		
Without donor restrictions		
Undesignated	(2,845,978)	158,742
Board designated	<u>30,725,179</u>	<u>28,349,305</u>
With donor restrictions	<u>27,879,201</u>	<u>28,508,047</u>
	<u>145,514,437</u>	<u>129,285,228</u>
Total net assets	<u>173,393,638</u>	<u>157,793,275</u>
	<u><u>\$ 179,055,929</u></u>	<u><u>\$ 163,092,355</u></u>

Children's Home Foundation
 Statements of Activities
 Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support and Gains			
Contributions and bequests	\$ 2,395,014	\$ 8,323,345	\$ 10,718,359
Investment return, net	3,884,473	15,313,900	19,198,373
Distributions from and change in value of beneficial interests in assets held by others	4,060	289,950	294,010
In-kind contributions	471,850	480,384	952,234
Increase in cash surrender value of life insurance	38,274	-	38,274
Change in value of annuity obligations	4,030	-	4,030
Change in value of trusts	-	113,878	113,878
Net asset released from restriction pursuant to endowment spending-rate distribution formula	5,024,857	(5,024,857)	-
Net assets released from restrictions - other	3,412,744	(3,412,744)	-
Total revenue, support and gains	<u>15,235,302</u>	<u>16,083,856</u>	<u>31,319,158</u>
Expenses			
Program services expense	12,922,655	-	12,922,655
Supporting services expense			
Fundraising and development	2,856,676	-	2,856,676
General and administrative	282,180	-	282,180
Total expenses	<u>16,061,511</u>	<u>-</u>	<u>16,061,511</u>
Change in Net Assets Before Transfers	<u>(826,209)</u>	<u>16,083,856</u>	<u>15,257,647</u>
Transfer from Children's Home Society	<u>197,363</u>	<u>145,353</u>	<u>342,716</u>
Change in Net Assets	<u>(628,846)</u>	<u>16,229,209</u>	<u>15,600,363</u>
Net Assets, Beginning of Year	<u>28,508,047</u>	<u>129,285,228</u>	<u>157,793,275</u>
Net Assets, End of Year	<u>\$ 27,879,201</u>	<u>\$ 145,514,437</u>	<u>\$ 173,393,638</u>

Children's Home Foundation
 Statements of Activities
 Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support and Gains			
Contributions and bequests	\$ 2,091,584	\$ 2,581,510	\$ 4,673,094
Investment return, net	3,536,280	12,996,673	16,532,953
Distributions from and change in value of beneficial interests in assets held by others	3,219	287,268	290,487
In-kind contributions	1,318,358	442,790	1,761,148
Increase in cash surrender value of life insurance	37,169	-	37,169
Change in value of annuity obligations	(1,837)	-	(1,837)
Change in value of trusts	-	103,618	103,618
Net asset released from restriction pursuant to endowment spending-rate distribution formula	4,625,033	(4,625,033)	-
Net assets released from restrictions - other	7,415,655	(7,415,655)	-
Total revenue, support and gains	<u>19,025,461</u>	<u>4,371,171</u>	<u>23,396,632</u>
Expenses			
Program services expense	13,685,533	-	13,685,533
Supporting services expense			
Fundraising and development	3,341,418	-	3,341,418
General and administrative	209,783	-	209,783
Total expenses	<u>17,236,734</u>	<u>-</u>	<u>17,236,734</u>
Change in Net Assets Before Transfers	<u>1,788,727</u>	<u>4,371,171</u>	<u>6,159,898</u>
Transfer from Children's Home Society	<u>163,388</u>	<u>172,032</u>	<u>335,420</u>
Change in Net Assets	<u>1,952,115</u>	<u>4,543,203</u>	<u>6,495,318</u>
Net Assets, Beginning of Year	<u>26,555,932</u>	<u>124,742,025</u>	<u>151,297,957</u>
Net Assets, End of Year	<u>\$ 28,508,047</u>	<u>\$ 129,285,228</u>	<u>\$ 157,793,275</u>

Children's Home Foundation
Statements of Functional Expenses
Year Ended June 30, 2025

	<u>Program Expenses</u>	<u>Fundraising and Development</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ -	\$ 1,281,226	\$ 149,155	\$ 1,430,381
Payroll taxes and benefits	- -	344,345	40,765	385,110
Employment costs	- -	1,453	- -	1,453
Training and conferences	- -	13,886	- -	13,886
Professional services and fees	- -	297,825	46,152	343,977
Insurance	- -	54,330	- -	54,330
Travel	- -	26,260	- -	26,260
Occupancy	- -	82,697	- -	82,697
Goods and supplies	- -	641,979	- -	641,979
Printing and publications	- -	81,358	- -	81,358
Equipment maintenance	- -	12,726	45,858	58,584
Contributions to Children's Home				
Society	12,909,299	- -	- -	12,909,299
Loss on uncollectable contributions receivable	- -	3,217	- -	3,217
Depreciation	- -	8,994	- -	8,994
Other	<u>13,356</u>	<u>6,380</u>	<u>250</u>	<u>19,986</u>
	<u><u>\$ 12,922,655</u></u>	<u><u>\$ 2,856,676</u></u>	<u><u>\$ 282,180</u></u>	<u><u>\$ 16,061,511</u></u>

Children's Home Foundation
 Statements of Functional Expenses
 Year Ended June 30, 2024

	Program Expenses	Fundraising and Development	General and Administrative	Total
Salaries	\$ -	\$ 1,139,816	\$ 107,718	\$ 1,247,534
Payroll taxes and benefits	- -	287,175	34,415	321,590
Employment costs	- -	2,034	- -	2,034
Training and conferences	- -	524	- -	524
Professional services and fees	- -	191,559	31,541	223,100
Insurance	- -	44,183	- -	44,183
Travel	- -	39,303	- -	39,303
Occupancy	- -	51,276	- -	51,276
Goods and supplies	- -	1,446,591	- -	1,446,591
Printing and publications	- -	72,392	- -	72,392
Equipment maintenance	- -	22,144	27,848	49,992
Contributions to Children's Home				
Society	13,658,229	- -	- -	13,658,229
Loss on uncollectable contributions receivable	- -	33,111	- -	33,111
Depreciation	- -	4,929	- -	4,929
Other	<u>27,304</u>	<u>6,381</u>	<u>8,261</u>	<u>41,946</u>
	<u><u>\$ 13,685,533</u></u>	<u><u>\$ 3,341,418</u></u>	<u><u>\$ 209,783</u></u>	<u><u>\$ 17,236,734</u></u>

Children's Home Foundation
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Operating Activities		
Change in net assets	\$ 15,600,363	\$ 6,495,318
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation	8,994	4,929
Realized and unrealized gain on investments	(15,123,066)	(13,167,790)
Noncash donation of securities	(73,988)	(50,514)
Change in value of beneficial interest		
in assets held by community foundations	(294,010)	(290,487)
Fair value adjustment of contributions and bequests receivable	773,822	(17,310)
Contributions restricted to endowment including noncash gifts	(95,161)	(493,578)
Contributions restricted to building project	(7,034,942)	(249,020)
Increase in cash surrender value of life insurance	(38,274)	(37,168)
Change in beneficial interest in trusts	(113,878)	(103,618)
Change in assets and liabilities		
Interest receivable	36,161	1,869
Contributions receivable	407,314	(12,691)
Prepaid expenses	(18,791)	(10,267)
Accounts payable	33,979	1,353
Accrued expenses	56,059	16,500
Annuity obligations	(6,526)	207
Due to Children's Home Society	<u>279,699</u>	<u>382,916</u>
Net Cash used for Operating Activities	<u>(5,602,245)</u>	<u>(7,529,351)</u>
Investing Activities		
Proceeds from sale and maturities of investments	68,840,591	54,498,003
Purchase of investments	(62,969,639)	(48,644,261)
Purchase of property and equipment	<u>(20,237)</u>	<u>(10,896)</u>
Net Cash from Investing Activities	<u>5,850,715</u>	<u>5,842,846</u>
Financing Activities		
Proceeds from contributions restricted for endowment	100,161	531,715
Proceeds from contributions restricted for investment in land, buildings and equipment	<u>626,792</u>	<u>448,431</u>
Net Cash from Financing Activities	<u>726,953</u>	<u>980,146</u>
Net Change in Cash, Cash Equivalents and Restricted Cash	975,423	(706,359)
Beginning Cash, Cash Equivalents and Restricted Cash	<u>1,306,375</u>	<u>2,012,734</u>
Ending Cash, Cash Equivalents and Restricted Cash	<u>\$ 2,281,798</u>	<u>\$ 1,306,375</u>

Note 1 - Nature of Organization and Significant Accounting Policies

Nature of Organization

The Children's Home Foundation (Foundation) was established by the Children's Home Society of South Dakota (Society). The Foundation's by-laws provide that funds raised, except for funds required for the operation of the Foundation, be distributed to or held for the benefit of the Society or other organizations whose primary functions relate to the care of children. If the Foundation were ever to be dissolved, the net assets are to be transferred to the Society. The Foundation's articles of incorporation provide that the Foundation's board of directors are appointed by the Society. Therefore, the Foundation is controlled by the Society.

Cash, Cash Equivalents and Restricted Cash

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital expenditures, permanent endowment, or other long-term purposes of the Foundation are excluded from this definition.

Contributions Receivable

The Foundation initially records unconditional contributions and bequests and subsequently carries them at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

The Foundation and Society are considered financially interrelated organizations because the Foundation exists to raise, hold, and invest assets for the Society. Accordingly, assets received from donors (including contributions receivable) by the Foundation for the benefit of the Society are recognized as contributions received by the Foundation. Assets transferred from the Society to the Foundation are presented as a separate line item in the statements of activities, unless the Society has specified itself as the beneficiary of the assets and the Society expects repayment of the transferred assets, in which case a liability would be recognized by the Foundation.

Equipment

Equipment additions over \$1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over an estimated useful life of five years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying value of equipment is reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2025 and 2024.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment management and custodial fees.

Beneficial Interest in Trusts

The Foundation has been named as an irrevocable beneficiary of a perpetual trust held and administered by an independent trustee. Perpetual trusts provide for the distribution of the net income of the trusts to the Foundation; however, the Foundation will never receive the assets of the trusts. At the date the Foundation receives notice of a beneficial interest, a contribution with donor restrictions is recorded in the statements of activities, and a beneficial interest in perpetual trust is recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interest in the trust is reported at the fair value of the trusts' assets in the statements of financial position, with trust distributions and changes in fair value recognized in the statements of activities. At June 30, 2025 and 2024 the trust was \$385,935 and \$366,224, respectively.

The Foundation has also been named as an irrevocable beneficiary of a charitable remainder trust held and administered by an independent trustee. Under this trust agreement, the Foundation receives an annual distribution from the trust for a period of twenty years. At the end of the twenty-year period, the Foundation will receive a proportionate share of the trust's remaining value. At the date the Foundation received notice of the beneficial interest, a contribution with donor restrictions was recorded in the statements of activities, and a beneficial interest in trust was recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interest in the trust is reported at the fair value of the trust's assets in the statements of financial position, with trust distributions and changes in fair value recognized in the statements of activities. At June 30, 2025 and 2024 the trust was \$1,829,642 and \$1,735,475, respectively.

Beneficial Interest in Assets Held by Community Foundations

Interest in community foundations represents funds transferred to community foundations by the Foundation where the Foundation has specified the Foundation or the Society as beneficiary. The Foundation granted variance power to the community foundations which allows the community foundations to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the community foundations' Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Fund is held and invested by the community foundations for the benefit of the Foundation and is reported at fair value in the statements of financial position, with trust distributions and changes in fair value recognized in the statements of activities.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for certain board-designated reserves (Note 8) and a board-designated endowment (Note 13).

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Foundation reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. There were no conditional promises to give as of June 30, 2025 and 2024.

Charitable Gift Annuities

Under charitable gift annuity contracts, the Foundation receives immediate and unrestricted title to contributed assets and agrees to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discounts rate designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability is recorded as a contribution without donor restrictions. In subsequent years, the liability for future payments to the donor is reduced by payments made to the donor and is adjusted to reflect changes in the fair value of the liability at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Foundation's fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Foundation records donated professional services at the respective fair values of the services received (Note 9).

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and benefits, professional services and fees and goods and supplies, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Foundation is organized as a South Dakota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Foundation has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Foundation believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The entity would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Financial Instruments and Credit Risk

The Foundation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts.

	<u>2025</u>	<u>2024</u>
Cash held in bank - bank balance	\$ 522,825	\$ 516,900
Money market sweep - bank balance	1,756,837	789,288
Total cash and cash equivalents - bank balance	<u>\$ 2,279,662</u>	<u>\$ 1,306,188</u>

The Foundation maintains cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each ownership category. At June 30, 2025 and 2024, the Foundation had approximately \$1,780,000 and \$806,000 respectively, in excess of FDIC-insured limits.

Credit risk associated with contributions and bequests receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from individuals and organizations supportive of the Foundation's mission. Investments are made by diversified investment managers whose performance is monitored by management and the Investment Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

Estimates

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

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2025	2024
Cash and cash equivalents	\$ 636,811	\$ 636,334
Contributions receivable	166,165	175,100
Distributions from beneficial interests in trusts	126,971	123,199
Distributions from beneficial interests in assets held by community foundations	174,677	170,277
Spending-rate distributions - without donor restrictions	<u>5,730,769</u>	<u>4,356,563</u>
	<u><u>\$ 6,835,393</u></u>	<u><u>\$ 5,461,473</u></u>

Cash and cash equivalents are available for general operating expenditures.

Board-designated endowments are considered available to the extent of the approved annual spending rate of 4 to 5 percent. Although the Foundation does not intend to spend from these board designated endowment amounts (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary. Balances of the board designated endowments were \$30,713,732 and \$28,335,717 as of June 30, 2025 and 2024, respectively. In addition to board designated endowments, the board has designated certain investments which were \$7,812 and \$9,318 as of June 30, 2025 and 2024, respectively.

As part of a liquidity management plan, cash in excess of daily requirements may be invested in short-term investments, certificates of deposit, or money market funds. The Board annually designates a portion of its budget to certain cash reserves. Cash reserves were \$3,635 and \$4,270 as of June 30, 2025 and 2024, respectively, and are further described in Note 8.

As of June 30, 2025, the Foundation reported a deficit in net assets without donor restrictions – undesignated of \$2,845,977. This deficit resulted primarily from the Foundation's historical practice of designating a substantial portion of unrestricted assets for quasi-endowment, coupled with prior management's emphasis on donor restricted contributions rather than unrestricted gifts.

Despite the deficit, the Foundation maintains adequate liquidity through its board designated net assets of \$30,725,179 which are intended to support specific strategic initiatives and long-term sustainability. Board-designated funds are classified as net assets without donor restrictions but are not legally restricted. The Board retains the authority to modify or remove these designations as needed.

To address the deficit, the Foundation plans to review the current allocation of board-designated funds to ensure sufficient liquidity for operations and evaluate strategies to increase unrestricted giving over time. The Foundation continues to operate its core program and mission to support the Society. Management believes that with the steps taken, the Foundation will restore positive net asset balances over time.

Note 3 - Contributions and Bequests Receivable

The following summarizes contributions and bequests receivable at June 30, 2025 and 2024:

	2025	2024
Endowment	\$ 127,000	\$ 132,000
Shelter for Family Safety	883,000	1,434,942
Black Hills Campaign	6,561,713	-
Black Hills Events	59,500	-
Child's Voice and Child Advocacy Center Event	-	74,100
Caring for the Kids Event	106,665	101,000
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Adjustment to fair value	7,737,878	1,742,042
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	\$ 6,736,128	\$ 1,514,114

At June 30, 2025 and 2024, two donors accounted for approximately 78% and 46%, respectively, of total contributions and bequests receivable.

The following summarizes scheduled receipts of contributions and bequests receivable at June 30, 2025.

<u>Due by June 30,</u>	
2026	\$ 1,979,203
2027	1,689,925
2028	1,602,675
2029	1,196,675
2030	1,134,900
Thereafter	<u>134,500</u>
	<u><u>\$ 7,737,878</u></u>

Note 4 - Investments

The following summarizes investments by major investment type at June 30, 2025 and 2024:

	2025	2024
Without donor restrictions		
Cash equivalents and money market funds	\$ 463,203	\$ 1,048,314
Corporate debt securities	259,880	255,502
Mutual funds - equity securities	21,588,247	21,347,460
Mutual funds - debt securities	<u>8,410,214</u>	<u>8,726,520</u>
	<u><u>30,721,544</u></u>	<u><u>31,377,796</u></u>
With donor restrictions		
Cash equivalents and money market funds	3,164,160	4,266,695
State and municipal government obligations	61,188	64,205
Corporate debt securities	184,022	1,051,989
Mutual funds - equity securities	91,887,611	82,739,003
Mutual funds - debt securities	<u>36,116,805</u>	<u>33,310,055</u>
	<u><u>131,413,786</u></u>	<u><u>121,431,947</u></u>
	<u><u>\$ 162,135,330</u></u>	<u><u>\$ 152,809,743</u></u>

Investment income from investments is recorded net of related investment fees of \$371,689 and \$348,270 for the years ended June 30, 2025 and 2024, respectively.

Note 5 - Fair Value of Assets and Liabilities

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Foundation develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability.

The fair value of mutual funds are determined by reference to quoted market prices. The fair value of government obligations and corporate debt securities are determined by reference to similar assets that are directly or indirectly observable in the marketplace. The fair value of the beneficial interest in trusts and annuity obligations are estimated at the present value of the expected future cash flows. The fair value of the beneficial interests in assets held by the community foundation is based on the fair value of fund investments as reported by the community foundation. Contributions and bequests receivable are initially recorded and subsequently carried at fair value using present value techniques incorporating risk adjusted discount rates and are classified within Level 3.

Children's Home Foundation

Notes to Financial Statements

June 30, 2025 and 2024

Assets and liabilities measured at fair value on a recurring basis, except those measured at cost at June 30, 2025 and 2024, are as follows:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
<u>June 30, 2025</u>				
Assets				
Investments				
Cash and money market funds (at cost)	\$ -	\$ -	\$ -	\$ 3,627,363
State and municipal government obligations	-	61,188	-	61,188
Corporate debt securities	-	443,902	-	443,902
Mutual funds - equity securities	113,475,858	-	-	113,475,858
Mutual funds - debt securities	44,527,019	-	-	44,527,019
Total investments	<u>158,002,877</u>	<u>505,090</u>	<u>-</u>	<u>162,135,330</u>
Beneficial interest in trusts	-	-	2,215,577	2,215,577
Beneficial interest in assets held by community foundations	-	-	4,243,219	4,243,219
Total beneficial interests	<u>-</u>	<u>-</u>	<u>6,458,796</u>	<u>6,458,796</u>
Contributions receivable	-	-	6,736,128	6,736,128
	<u>\$ 158,002,877</u>	<u>\$ 505,090</u>	<u>\$ 13,194,924</u>	<u>\$ 175,330,254</u>
Liabilities				
Annuity obligations	\$ -	\$ -	\$ 6,117	\$ 6,117
<u>June 30, 2024</u>				
Assets				
Investments				
Cash and money market funds (at cost)	\$ -	\$ -	\$ -	\$ 5,315,009
State and municipal government obligations	-	64,205	-	64,205
Corporate debt securities	-	1,307,491	-	1,307,491
Mutual funds - equity securities	104,086,463	-	-	104,086,463
Mutual funds - debt securities	42,036,575	-	-	42,036,575
Total investments	<u>146,123,038</u>	<u>1,371,696</u>	<u>-</u>	<u>152,809,743</u>
Beneficial interest in trusts	-	-	2,101,699	2,101,699
Beneficial interest in assets held by community foundations	-	-	3,948,694	3,948,694
Total beneficial interests	<u>-</u>	<u>-</u>	<u>6,050,393</u>	<u>6,050,393</u>
Contributions receivable	-	-	1,514,114	1,514,114
	<u>\$ 146,123,038</u>	<u>\$ 1,371,696</u>	<u>\$ 7,564,507</u>	<u>\$ 160,374,250</u>
Liabilities				
Annuity obligations	\$ -	\$ -	\$ 12,643	\$ 12,643

Children's Home Foundation

Notes to Financial Statements

June 30, 2025 and 2024

Following is a reconciliation of activity for assets measured at fair value based upon significant unobservable (non-market) information for 2025 and 2024:

	Contributions Receivable	Beneficial Interest in Community Foundations	Beneficial Interest in Trusts
Balance, July 1, 2023	\$ 1,721,661	\$ 3,658,207	\$ 1,998,081
Change in fair value	17,309	459,805	103,618
Collections and losses	(1,209,356)	-	-
Contributions	984,500	-	-
Distributions from the community foundation	-	(169,318)	-
Balance, June 30, 2024	1,514,114	3,948,694	2,101,699
Change in fair value	(773,822)	467,726	113,878
Collections and losses	(655,664)	-	-
Contributions	6,651,500	515	-
Distributions from the community foundation	-	(173,716)	-
Balance, June 30, 2025	<u>\$ 6,736,128</u>	<u>\$ 4,243,219</u>	<u>\$ 2,215,577</u>

Following is a reconciliation of activity for liabilities measured at fair value based upon significant unobservable (non-market) information:

	Annuity Obligations
Balance, July 1, 2023	\$ 12,436
Change in fair value	<u>207</u>
Balance, June 30, 2024	12,643
Change in fair value	<u>(6,526)</u>
Balance, June 30, 2025	<u>\$ 6,117</u>

Note 6 - Cash Surrender Value of Life Insurance

The Foundation is the beneficiary of life insurance policies on the lives of certain donors. Premiums paid by donors are recorded as contributions received. Premiums paid by the Foundation are recorded as life insurance expense. The face values of the policies were approximately \$2,212,000 and \$2,161,000 at June 30, 2025 and 2024, respectively. The policies had cash values of \$1,226,025 and \$1,187,751 at June 30, 2025 and 2024, respectively. Investments in cash surrender value of life insurance are carried at their contract amount.

Children's Home Foundation

Notes to Financial Statements

June 30, 2025 and 2024

Note 7 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods.

	2025	2024
Subject to expenditure for specified purpose		
Various Children's Home Society programs	\$ 2,418,683	\$ 2,269,428
Child's Voice and Child Advocacy Center	10,177	7,661
Shelter for Family Safety Program	3,792,208	3,664,103
Building maintenance	774	922
Black Hills Capital Campaign	180,850	-
Black Hills programs	668	773
Creative arts	1,665	2,122
Advocacy and prevention	308,750	379,158
Other	8,825	7,383
Contributions receivable, the proceeds from which have been restricted by donors for		
Shelter for Family Safety Program	774,942	1,244,523
Black Hills Campaign	5,694,505	-
Child's Voice and Child Advocacy Center	-	74,100
Black Hills Events	59,500	-
	<u>13,251,547</u>	<u>7,650,173</u>
Endowments		
Subject to appropriation and expenditure when a specified event occurs (Note 13)	<u>39,696,372</u>	<u>29,696,145</u>
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation		
Various Children's Home Society programs	68,993,218	69,065,817
Child's Voice and Child Advocacy Center	4,122,863	3,925,912
Shelter for Family Safety	10,817,999	10,392,729
Building maintenance	293,647	293,647
Black Hills programs	559,517	558,017
Creative Arts	1,504,959	1,496,725
Mark Amundson Memorial	277,058	235,058
Advocacy and prevention	1,831,488	1,831,488
Adoption	457,728	457,728
Contributions receivable, net - permanently restricted to general endowment	<u>100,516</u>	<u>94,491</u>
	<u>88,958,993</u>	<u>88,351,612</u>
Not subject to spending policy or appropriation		
Beneficial interest in assets held by community foundations	3,221,590	3,221,074
Beneficial interests in perpetual trusts	385,935	366,224
	<u>3,607,525</u>	<u>3,587,298</u>
	<u><u>\$ 145,514,437</u></u>	<u><u>\$ 129,285,228</u></u>

Children's Home Foundation
 Notes to Financial Statements
 June 30, 2025 and 2024

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2025 and 2024:

	2025	2024
Satisfaction of purpose and/or time restrictions		
Various Children's Home Society programs	\$ 243,405	\$ 651,141
Child's Voice and CAC	45,232	2,463
Shelter for Family Safety Program	2,113,786	3,675,125
Building Maintenance	293	-
Black Hills Capital Campaign	875,880	73,020
Black Hills programs	43,463	2,171,222
Creative Arts	9,236	-
Shelter for Family Safety Facility	1,091	742,204
Advocacy and prevention	71,997	100,480
Other	8,361	-
	<hr/> 3,412,744	<hr/> 7,415,655
Restricted-purpose spending-rate distributions and appropriations (Note 13)	<hr/> 5,024,857	<hr/> 4,625,033
	<hr/> <hr/> \$ 8,437,601	<hr/> <hr/> \$ 12,040,688

Note 8 - Board Designated Net Assets

Board designated net assets are summarized as follows:

	2025	2024
Cash		
Self-funded insurance reserve	\$ 3,635	\$ 4,270
Investments		
Operating reserve	7,812	9,318
Endowments	<hr/> 30,713,732	<hr/> 28,335,717
	<hr/> <hr/> \$ 30,725,179	<hr/> <hr/> \$ 28,349,305

Note 9 - Donated Professional Services and Materials

Donated professional services and materials are as follows during the years ended June 30, 2025 and 2024:

	Program Services	Management and General	Fundraising and Development	Total
June 30, 2025				
Advertising and printing	\$ -	\$ -	\$ 330,327	\$ 330,327
Events	-	-	165,707	165,707
Professional services	11,144	-	-	11,144
Goods and supplies	382,524	-	58,532	441,056
Construction in progress	-	-	-	4,000
	\$ 393,668	\$ -	\$ 554,566	952,234
Less amounts passed through to Society				(620,974)
				\$ 331,260
June 30, 2024				
Advertising and printing	\$ -	\$ -	\$ 1,213,362	\$ 1,213,362
Events	-	-	189,638	189,638
Professional services	3,488	22,000	337	25,825
Goods and supplies	319,598	-	725	320,323
Construction in progress	-	-	-	12,000
	\$ 323,086	\$ 22,000	\$ 1,404,062	1,761,148
Less amounts passed through to Society				(585,289)
				\$ 1,175,859

The Foundation receives free advertising through radio, digital, and television advertisements that serve to support its programs. These donated advertisements are recognized as in-kind contributions at fair value, with a corresponding expense allocated to the programs benefitted, as they are delivered to the public. The valuation of these advertisements is provided by the service provider, who estimates the fair value based on the date, time, and market in which each is displayed.

The contributed events donations include gift cards and other donated items to be raffled or used as prizes at events held by the Foundation. The contributed goods and supplies include food and non-food items such as household goods, toys, clothing, and other items that would have otherwise been purchased to run its programs. The Foundation estimated the fair value of these items based on values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the items are contributed by the donor.

The Foundation receives donated professional services that would typically be purchased if not provided as an in-kind contribution. There were \$4,000 and \$12,000 of donated architectural services for the Rapid City campus for the years ended June 30, 2025 and 2024, respectively. These services, which require specialized skills, are recognized as in-kind contributions at fair value when the service is provided. The estimated fair value of these professional services is provided by the service provider, who estimates the fair value based on the date, time, and market in which the service is rendered.

Note 10 - Employee Benefit Plans

The Foundation's employees participate in a defined contribution 401(k) retirement plan established by the Society. The plan covers all eligible employees who have attained the age of 21 and have one year of service. The plan allows employees the option to make elective deferral contributions and the Society the ability to make discretionary matching contributions based upon the participants' deferrals and/or discretionary profit-sharing contributions which are allocated to all eligible participants based upon their eligible compensation. Contributions to this plan by the Foundation were 8% or approximately \$92,800 and \$86,400 for the years ended June 30, 2025 and 2024, respectively.

Note 11 - Related Party Transactions

The board members of the Foundation are appointed by the board members of the Society. The Society pays certain payroll and other administrative expenses for the Foundation, which are then reimbursed by the Foundation. These amounts totaled approximately \$1,898,000 and \$1,655,000 for the years ended June 30, 2025 and 2024, respectively.

The Foundation rents office space from the Society on a month-to-month basis. Total rent paid was \$72,000 and \$43,800 during each of the years ended June 30, 2025 and 2024, respectively.

Contribution receivables at June 30, 2025 and 2024, include gifts from several board members and employees of the Foundation and Society with a gross recorded value of \$411,000 and \$239,000, respectively, which do not include reductions for allowance and discounts.

Note 12 - Financial Guarantee

During 2025, the Foundation entered into a financial guarantee agreement in relation to the Society's long-term debt. Under the terms of the agreement, the Foundation has guaranteed two loan agreements and a line of credit totaling \$42,080,500 obtained from First Premier Bank. The guarantees are legally binding and remain in effect until the final loan matures on June 10, 2035.

As of June 30, 2025, the cumulative outstanding balances of the two loan agreements was \$8,951,500. The line of credit had not been drawn upon. The Foundation has not been required to make any payments under the guarantee as of the reporting date.

Note 13 - Endowment Funds

The Foundation's endowment funds consist of various donor-restricted endowment funds and funds designated as endowment by the Foundation's Board of Directors. Net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundation's management has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift at the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund (historic dollar value). In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the endowment fund; (2) the purposes of the Foundation and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investment; (6) other resources of the Foundation; and (7) the investment policies of the Foundation.

The following summarizes endowment net assets at June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 30,713,732	\$ -	\$ 30,713,732
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor			
Various Children's Home Society programs	-	68,993,218	68,993,218
Child's Voice and Child Advocacy Center	-	4,122,863	4,122,863
Shelter for Family Safety	-	10,918,515	10,918,515
Building maintenance	-	293,647	293,647
Black Hills programs	-	559,517	559,517
Creative Arts	-	1,504,959	1,504,959
Mark Amundson Memorial	-	277,058	277,058
Advocacy and prevention	-	1,831,488	1,831,488
Adoption	-	457,728	457,728
Accumulated investment gains			
Various Children's Home Society programs	-	31,428,948	31,428,948
Child's Voice and Child Advocacy Center	-	1,394,652	1,394,652
Shelter for Family Safety	-	4,098,193	4,098,193
Building maintenance	-	671,304	671,304
Black Hills programs	-	313,505	313,505
Creative Arts	-	801,071	801,071
Mark Amundson Memorial	-	92,499	92,499
Advocacy and prevention	-	740,657	740,657
Adoption	-	155,543	155,543
	<hr/>	<hr/>	<hr/>
	<u>\$ 30,713,732</u>	<u>\$ 128,655,365</u>	<u>\$ 159,369,097</u>

Children's Home Foundation

Notes to Financial Statements

June 30, 2025 and 2024

The following summarizes endowment net assets at June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 28,335,717	\$ -	\$ 28,335,717
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor			
Various Children's Home Society programs	-	69,160,308	69,160,308
Child's Voice and Child Advocacy Center	-	3,925,912	3,925,912
Shelter for Family Safety	-	10,392,729	10,392,729
Building maintenance	-	293,647	293,647
Black Hills programs	-	558,017	558,017
Creative Arts	-	1,496,725	1,496,725
Mark Amundson Memorial	-	235,058	235,058
Advocacy and prevention	-	1,831,488	1,831,488
Adoption	-	457,728	457,728
Accumulated investment gains			
Various Children's Home Society programs	-	23,850,448	23,850,448
Child's Voice and Child Advocacy Center	-	951,533	951,533
Shelter for Family Safety	-	2,706,603	2,706,603
Building maintenance	-	599,749	599,749
Black Hills programs	-	243,054	243,054
Creative Arts	-	624,813	624,813
Mark Amundson Memorial	-	65,076	65,076
Advocacy and prevention	-	547,173	547,173
Adoption	-	107,696	107,696
	<u>\$ 28,335,717</u>	<u>\$ 118,047,757</u>	<u>\$ 146,383,474</u>

From time to time, the fair value of endowment funds associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration, (i.e., underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2025 and 2024 there were no deficiencies of this nature reported in net assets with donor restrictions.

Investment Spending Policies

The Foundation has adopted investment and spending policies for its endowment fund that attempt to provide the Foundation a predictable funding stream for its programs while protecting the purchasing power of the endowment funds. The Foundation, through its investment policy, has established a target (inflation-adjusted) annualized rate of return over the long-term of at least 5%; the total return during any single measurement period may deviate from the long-term return objective. To satisfy its long-term rate-of-return objective, the Foundation expects to maintain appropriate diversification among equity and fixed income allocations. The purpose is to moderate the overall investment risk of the endowment fund.

The Board of Directors of the Foundation may appropriate for expenditure or accumulate so much of the endowment fund as the Foundation determines is prudent for the uses, benefits, purpose, and duration for which the endowment fund is established. The amount appropriated, the spending policy, is a Board approved percentage applied to the average fair value of the endowment fund assets during the prior sixteen quarters. In cases where the fair value of the endowment fund assets fall below the original value of the gifts donated to the permanent endowment, appropriation of gifts will not be made if such appropriation would reduce any gift below its historic-dollar value threshold. However, appropriations may be made from board designated quasi-endowment funds in an amount equivalent to an appropriation that would otherwise be allowable, but for the below historic-dollar-value condition. The Board approved spending percentage was 5% for the years ended June 30, 2025 and 2024.

The following summarizes the changes in endowment net assets for the years ended June 30, 2025 and 2024:

June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 28,335,717	\$ 118,047,757	\$ 146,383,474
Investment return, net	3,590,449	14,977,770	18,568,219
Contributions and bequests	1,369	654,695	656,064
Appropriation of endowment assets pursuant to spending-rate policy	-	(5,024,857)	(5,024,857)
Other changes			
Distribution from board-designated endowment pursuant to distribution policy	(1,213,803)	-	(1,213,803)
Endowment net assets, end of year	<u>\$ 30,713,732</u>	<u>\$ 128,655,365</u>	<u>\$ 159,369,097</u>
June 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 25,907,119	\$ 108,313,965	\$ 134,221,084
Investment return, net	3,101,978	12,910,927	16,012,905
Contributions and bequests	56,542	1,447,898	1,504,440
Appropriation of endowment assets pursuant to spending-rate policy	-	(4,625,033)	(4,625,033)
Other changes			
Distribution from board-designated endowment pursuant to distribution policy	(729,922)	-	(729,922)
Endowment net assets, end of year	<u>\$ 28,335,717</u>	<u>\$ 118,047,757</u>	<u>\$ 146,383,474</u>

Note 14 - Commitments and Contingencies

The Foundation has entered into an agreement for campaign services for a future capital campaign. The remaining commitment on the agreement as of June 30, 2025 and 2024 is \$385,000 and \$625,000, respectively.

Note 15 - Subsequent Events

Management has evaluated subsequent events through October 28, 2025, the date that the financial statements were available to be issued.

Subsequent to year end, the Society entered into an agreement and completed the purchase of a parcel of land adjacent to the shelter for family safety for future use. The land was purchased at a price of \$460,000 and was funded with restricted donations provided by the Foundation.