

Wounded Warriors Family Support, Inc.
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
For the year ended December 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Wounded Warriors Family Support, Inc.

Opinion

We have audited the accompanying financial statements of Wounded Warriors Family Support, Inc. (the Organization), a nonprofit organization, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

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; this includes 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 generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Hayes & Associates, L.L.C.

Hayes & Associates, L.L.C.
Omaha, Nebraska
May 14, 2026

Wounded Warriors Family Support, Inc.
STATEMENT OF FINANCIAL POSITION
December 31, 2025

	2025
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 2,522,937
Investments	6,621,282
Activity related costs - Vehicle	67,055
Prepaid assets	2,183
Total current assets	9,213,457
NONCURRENT ASSETS	
Capital assets	
Furniture and equipment	47,262
Software	27,055
Vehicles	55,993
Less accumulated depreciation	(79,401)
Total capital assets	50,909
OTHER ASSETS	
Security deposits	4,313
Operating lease right-of-use assets	144,345
Investments in land, life estate	1,240,200
Total other assets	1,388,858
Total noncurrent assets	1,439,767
Total assets	\$ 10,653,224
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 18,565
Credit cards payable	9,934
Accrued expenses	15,257
Accrued payroll taxes	2,970
Current portion of operating lease liabilities	56,366
Life estate split interest, current portion	28,246
Total current liabilities	131,338
NONCURRENT LIABILITIES	
Operating leases liabilities	91,657
Life estate split interest, long-term portion	254,221
Total noncurrent liabilities	345,878
Total liabilities	477,216
NET ASSETS	
Without donor restriction	9,218,275
With donor restriction	957,733
Total net assets	10,176,008
Total liabilities and net assets	\$ 10,653,224

See accompanying notes and independent auditor's report.

Wounded Warriors Family Support, Inc.
STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

	Without donor restriction	With donor restriction	Total
REVENUE, SUPPORT, AND RECLASSIFICATIONS			
Contributions	\$ 5,430,046	\$ -	\$ 5,430,046
Contributed nonfinancial assets	556,477	28,246	584,723
Net investment income/(loss)	(59,245)	-	(59,245)
Other income	530	-	530
Net assets released from restrictions	25,000	(25,000)	-
Total revenue, support, and reclassifications	5,952,808	3,246	5,956,054
EXPENSES			
Program services	4,225,579	-	4,225,579
Management and general	277,994	-	277,994
Fundraising	312,580	-	312,580
Total expenses	4,816,153	-	4,816,153
CHANGE IN NET ASSETS	1,136,655	3,246	1,139,901
NET ASSETS, BEGINNING OF YEAR	8,081,620	954,487	9,036,107
NET ASSETS, END OF YEAR	\$ 9,218,275	\$ 957,733	\$ 10,176,008

See accompanying notes and independent auditor's report.

Wounded Warriors Family Support, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2025

	Total Program Services	Supporting Services		Total
		Management and General	Fundraising	
Grants - Individuals	\$ 1,741,989	\$ -	\$ -	\$ 1,741,989
Grants - Organizations	1,554,250	-	-	1,554,250
Compensation - Officers and Directors	45,802	45,803	91,605	183,210
Compensation - Staff	410,417	69,644	-	480,061
Employee benefits	19,897	11,332	7,747	38,976
Payroll taxes	34,497	8,916	6,885	50,298
Conf. / Conv. / Meetings	3,765	8	375	4,148
Accounting fees	-	72,256	-	72,256
Advertising/Promotion	117,589	-	101,004	218,593
Depreciation expense	-	23,357	-	23,357
Direct program costs	28,000	-	19,000	47,000
Event	-	-	-	-
Information technology	72,795	1,450	910	75,155
Insurance	9,843	11,453	-	21,296
Legal expenses	6,345	-	-	6,345
Licenses and permits	17,456	1,537	20,716	39,709
Office expenses	19,389	8,488	2,040	29,917
Other fees	555	2,879	21,089	24,523
Postage	3,056	-	350	3,406
Printing and supplies	28,285	459	18,796	47,540
Rent and overhead	20,166	20,166	20,166	60,498
Travel	91,483	246	1,897	93,626
Total expenses	<u>\$ 4,225,579</u>	<u>\$ 277,994</u>	<u>\$ 312,580</u>	<u>\$ 4,816,153</u>

See accompanying notes and independent auditor's report.

Wounded Warriors Family Support, Inc.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2025

	2025
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in total net assets	\$ 1,139,901
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	23,357
Amortization of right-of-use asset	53,792
Unrealized loss on investments	(460,379)
Changes in:	
(Increase) or Decrease in assets:	
Activity related costs - Vehicle	(2,200)
Prepaid assets	13,374
Miscellaneous receivable	49
Increase or (Decrease) in liabilities:	
Accounts payable	4,339
Credit card payable	5,551
Accrued expenses	(20,139)
Accrued payroll taxes	918
Operating lease liability	(52,686)
Life estate split interest	(28,246)
Net cash provided by (used in) operating activities	677,631
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(4,569,392)
Proceeds from sale of investments	4,309,417
Purchases of property and equipment	(9,235)
Net cash from/(used in) investing activities	(269,210)
NET CHANGE IN CASH AND CASH EQUIVALENTS	408,421
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,114,516
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,522,937

See accompanying notes and independent auditor's report.

Wounded Warriors Family Support, Inc.
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2025

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Wounded Warriors Family Support, Inc. (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

1. Reporting Entity and Nature of Activity

The Organization was incorporated in 2004 in the State of Nebraska and received its 501(c)(3) status on February 24, 2005. Wounded Warriors Family Support, Inc. is a family orientated organization providing support to families of all branches of U.S. Armed Forces who have been wounded, injured, or killed during combat operations. The families of these casualties suffer in many ways: some financially, some psychologically. The Organization has several programs to help mitigate their trauma allowing them to find peace and solace as a family once more.

Mobility is Freedom Program

Wounded Warriors Family Support's Mobility is Freedom program, launched in 2015, provides grants and modified vehicles to combat-wounded veterans. The goal is to enhance their quality of life by offering independence and mobility. Grants of \$30,000 are available for veterans with injuries such as limb loss, spinal cord injuries, or salvage limb injuries from combat operations.

Respite Care Program for Caregiver and Veteran

Wounded Warriors Family Support's (WWFS) Caregiver Respite Program provides respite and supplemental services nationwide to the caregivers and families of injured war veterans. WWFS assists with meals, housekeeping, medical travel grants, and In-Home Care services. Our program aims to ensure that family members thrust into the role of caregivers are provided with the support they need to keep their families intact while keeping themselves healthy. Caring for a wounded veteran can be demanding physically and psychologically. Often, caregivers are spouses or family members with many other responsibilities, such as work. Caregivers of veterans usually spend long hours caring for their loved ones, feel high levels of stress, and neglect their health.

Wounded Warriors Family Support, Inc.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
For the year ended December 31, 2025

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

1. Reporting Entity and Nature of Activity – Continued

Welding Training Program

UAW-Ford and Wounded Warriors Family Support have partnered to provide a training program in welding for U.S. military veterans. UAW-Ford is offering a six-week Welding Training Program, where selected veterans will train and test for 6G through 4F welding certification. The program will prepare participants to pursue apprenticeships and entry-level positions in welding throughout our nation in industries such as automotive, shipbuilding, construction, and many others. The program will occur at UAW-Ford's Technical Training Center in Lincoln Park, Mich., near Detroit.

Family Retreats Program

Wounded Warriors Family Support provides vacation retreats to injured veterans and their families. The family retreats allow wounded veterans to heal and reconnect with their loved ones in a peaceful, non-stress environment.

Our family retreats give wounded veterans and their families a break from the pressures of everyday life to take time to become stronger as individuals and families. Wounded veterans are given the opportunity to decompress and share in positive experiences with their spouses and children, strengthening the bonds of their families and making lasting memories.

Financial Education

Wounded Warriors Family Support understands and sees veterans and their families struggles when transitioning to the civilian workforce and as small business owners. Formal education in personal and small business finance is vital to success in life.

The Organization has partnered with Pathway Financial Education to provide these warriors and their family members with a formal online financial education course focusing on entrepreneurship and the challenges of owning a small business. This free 8-week in-depth course meets once a week for about an hour.

Wounded Warriors Family Support, Inc.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
For the year ended December 31, 2025

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

1. Reporting Entity and Nature of Activity – Continued

Other Programs

The Organization offers a unique Combat Wounded Parking Sign Program, free-of-charge, to establishments as a way of honoring and recognizing these veterans. Signs have been placed in the parking lots of businesses, churches, schools and colleges, government, and medical facilities. The response has been tremendous, stretching from coast -to-coast.

The Organization provides for veterans with unmet needs, including gift cards, food, travel, or any authorized unmet need.

Wounded Warriors Family Support, Inc. receives substantially all of its revenue as unrestricted contributions from individuals, private foundations and corporations, not limited to the regions in which it operates.

Project Development Agreement: Dunham House

The Organization has entered a project development agreement with the Dunham House for the purpose of constructing a first-of-its-kind, transformational initiative for combat-wounded veterans in need of long-term residential-centered care for their wounds. The Dunham House model puts the focus on each veteran’s needs to ensure treatment, socialization, and independence. The facility will sit on an 8.5-acre parcel within a scenic and pastoral 40-acre site in north Omaha, Nebraska, and allows for multi-phase construction. The complex will include housing and amenities to accommodate 30 veterans in a neighborhood residence totaling approximately 27,000 square feet. The Dunham house is a separate 501(c)(3) nonprofit organization.

There is no common management or control between the Organization and the Dunham house. They maintain separate management teams and have separate and distinct Board of Directors and there is no economic interest between the two organizations. Therefore, in accordance with FASB ASC Topics 810 and 958, the two organizations report their financial activities separately and the accompanying financial statements do not include any activity of the Dunham House.

Wounded Warriors Family Support, Inc.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
For the year ended December 31, 2025

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Basis of Presentation and Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when incurred. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- a. Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- b. Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

3. 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 a number of estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Wounded Warriors Family Support, Inc.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
For the year ended December 31, 2025

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Contributed Nonfinancial Assets and In-Kind Expenses

Contributions of gifts in-kind that can be used or sold by the Organization are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by an individual possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received. The value of donated services is not reflected in the accompanying financial statements due to the criteria identified above. However, volunteers have donated significant amounts of their time to the Organization's activities.

5. Revenue Recognition

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as net assets with donor restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as net assets without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

6. Measure of Operations

In the statement of activities, the Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities.

7. Functional Allocation of Expenses

The costs of providing the various programs and activities of the Organization have been summarized on a functional basis in the statement of activities. Some costs are directly allocated to the programs and supporting services. Certain costs have been allocated on the basis of time and effort among the programs and supporting services benefitted. Costs that cannot be appropriately allocated are classified as administrative expenses.

Wounded Warriors Family Support, Inc.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
For the year ended December 31, 2025

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash on deposit, and money market accounts. The Organization considers short-term highly liquid investments with an original maturity date of three months or less that are not part of an investment pool to be cash equivalents. The Organization invests its excess cash in various types of short-term investments. The Organization has established guidelines relative to diversification and maturities that maximize safety and liquidity. These guidelines are periodically reviewed and modified to take advantage of trends in yields and interest rates.

Cash and cash equivalents are measured at amortized cost, thus included in the scope of ASC 326, however, management has not historically experienced any losses on such accounts, and is not aware of current events or scenarios that would lead management to believe an expected credit loss is likely, and also does not have any information that would provide for a reasonable or supportable forecast of expected credit loss and therefore believes these financial assets have a current expected credit loss of zero.

9. Contributions Receivable

Contributions receivables are stated at the amount management expects to collect less uncollectable receivables based on a review of all outstanding amounts on a periodic basis. Management determines uncollectable receivables by regularly evaluating the contributions receivable listing. Contributions receivable are written off when deemed uncollectible. The Organization considers contributions to be 100% collectible; therefore, no allowance for uncollectible receivables has been established. On December 31, 2025, the Organization has no contributions receivable.

10. Investment and Investment Income

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Any unrealized gains and losses are reported in the statement of activities as part of the net investment income and are considered a change in net assets without donor restriction.

Wounded Warriors Family Support, Inc.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
For the year ended December 31, 2025

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Capital Assets

Property and equipment are recorded at cost. Expenditures for additions and betterments are capitalized if over \$500. Expenditures for maintenance and repairs are charged to expense as incurred. The cost of assets disposed, and the related accumulated depreciation, are eliminated from the accounts in the year of disposal. Gains or losses from property disposals are recognized in the year of disposal. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Years</u>
Software	3
Vehicles	5
Furniture and equipment	5 - 7
Leasehold improvements	15

Donated capital assets are recorded as support at their estimated fair value. Such donations are reported as donor support without restrictions unless the donor has restricted the donated asset to a specific purpose. Donated capital assets are depreciated in the same manner and over the same lives as purchased capital assets.

12. Activity Related Costs - Vehicle

Include the costs of a vehicle held for sale totaling \$67,055 that will be auctioned or donated to veterans, as part of fund raising and/or program service activities.

13. Compensated Absences

Employees of the Organization are entitled to paid vacation, paid sick, and paid personal time off. The Organization's liability related to earned but unused compensated absences at December 31, 2025 was \$15,257.

14. Income Taxes

The Organization has received exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private organization. As such, no provision for income taxes is reflected in the financial statements. The Organization files Form 990, *Return of Organization Exempt from Income Tax*, in the U.S. Federal and state jurisdictions. As of December 31, 2025, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years subsequent to 2022 remain subject to examination by major tax jurisdictions.

Wounded Warriors Family Support, Inc.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
For the year ended December 31, 2025

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

15. Advertising

The Organization expenses advertising costs as incurred. Total advertising and promotion costs were \$218,593 for the year ended December 31, 2025. Prepaid advertising costs are expensed upon the first occurrence of the ad campaign.

NOTE B. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash at various financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). These accounts, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. On December 31, 2024, the Organization’s balances exceeded federally insured limited by approximately \$2,904,497.

NOTE C. INVESTMENTS

Investments consisted of the following at December 31, 2025:

	Cost	Fair Value
<u>Unrestricted</u>		
Cash equivalents - Money market	\$ 14,210	\$ 14,210
Equity funds	\$ 1,887,944	\$ 1,940,357
Fixed income securities	4,675,016	4,680,925
Total Investments	\$ 6,562,960	\$ 6,621,282
Gross cumulative unrealized gain/(loss)		\$ 58,322
<u>Restricted</u>		
Minnesota Land	\$ 1,240,200	\$ 1,240,200

Wounded Warriors Family Support, Inc.
 NOTES TO FINANCIAL STATEMENTS – CONTINUED
 For the year ended December 31, 2025

NOTE C. INVESTMENTS – CONTINUED

The following schedule summarizes the investment return and its classification in the statement of activities and changes in net assets for the year ended December 31, 2025:

Dividends	\$ 709,431
Interest	103,922
Unrealized gain/(loss)	460,379
Realized gain/(loss)	(1,248,902)
Fees	(84,075)
Net investment income/(loss)	<u>\$ (59,245)</u>

FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 – Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

Wounded Warriors Family Support, Inc.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
For the year ended December 31, 2025

NOTE C. INVESTMENTS – CONTINUED

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025.

Equity, fixed income, and alternative investment securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Minnesota land: Valued at estimated fair market value at the date of donation. Reported at cost/carrying value rather than the current fair value in accordance with FASB ASC 958-325-35.

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

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

	Fair Value	Level 1	Level 2	Level 3
Cash equivalents - Money market	\$ 14,210	\$ 14,210	\$ -	\$ -
Equity funds	\$ 1,940,357	\$ 1,940,357	\$ -	\$ -
Fixed income securities	4,680,925	4,680,925	-	-
Total investments at fair value	<u>\$ 6,621,282</u>	<u>\$ 6,621,282</u>	<u>\$ -</u>	<u>\$ -</u>
Minnesota Land	<u>\$ 1,240,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,240,200</u>

Wounded Warriors Family Support, Inc.
 NOTES TO FINANCIAL STATEMENTS – CONTINUED
 For the year ended December 31, 2025

NOTE D. LIQUIDITY AND AVAILABILITY

As part of the Organization’s liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in savings and short-term investments. To manage unanticipated liquidity needs, a balance of no less than \$250,000 is kept in the investment account which will only be drawn upon should a significant downturn in the economy be experienced; this ensures the Organization can meet all current commitments. Financial assets available for general expenditures that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following as of December 31, 2025:

Financial assets available	
Cash and cash equivalents	\$ 2,522,937
Investments	<u>6,621,282</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 9,144,219</u>

NOTE E. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions comprised the following purpose, as of December 31, 2025:

Subject to expenditures for specified time:	
Investment in land - Minnesota life estate unavailable for expenditures until passing of life tenant	\$ 957,733
Total net assets with donor restriction	<u>\$ 957,733</u>

During the year ended December 31, 2025 there was \$25,000 released for restriction for the purpose of the Dunham House.

Wounded Warriors Family Support, Inc.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
For the year ended December 31, 2025

NOTE F. OPERATING LEASE

The Organization made an accounting policy election available under the FASB ASC Topic 842, Leases, not to recognize Right-of-Use (ROU) assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

The Organization has an office lease with monthly payments of \$5,026 for the first six months and \$5,152 for the last six months during 2025 and an expiration date of June 30, 2028. The monthly payments increase in subsequent years and range between \$5,152 to \$5,281. Certain leases contain termination options, where the rights to terminate are held by either the Organization, the lessor or both parties. These options to extend or terminate a lease are only included in the lease terms when it is reasonably certain that the Organization will exercise that option. The Organization’s operating lease generally does not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the year ended December 31, 2025:

Operating lease expense	<u>\$ 60,670</u>
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Supplemental information related to leases is as follows for the year ended December 31, 2025:

Cash paid for amounts included in measurement of lease liabilities:	
Operating cash outflows - payments on operating lease	<u>\$ 59,564</u>
Weighted-average remaining lease term - operating	<u>2.5 years</u>
Risk free rate - operating	<u>4.00%</u>

Wounded Warriors Family Support, Inc.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
For the year ended December 31, 2025

NOTE F. OPERATING LEASE – CONTINUED

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the balance sheet are as follows as of December 31, 2025:

Years Ending December 31,	Operating Leases
2026	\$ 61,065
2027	62,600
2028	31,688
Total lease payments	155,353
Less: present value discount	(7,330)
Total present value of lease liabilities	\$ 148,023

NOTE G. LIFE ESTATE

In November 2014, the Organization received a donation of 156 acres of farmland located in Steele County, Minnesota, which is encumbered with a life estate provision. The property has been valued at fair market value at the time of donation which is considered its cost. The Organization elected to carry this asset at cost rather than fair value in accordance with FASB ASC 958-325-35 due to the costs associated with having an annual appraisal performed to adjust it to its fair value. The donor’s designated life tenant is responsible for the executory costs, including property taxes.

The life interest has been valued at the fair value of its use obligation at the date of donation and is reported at its estimated present value. This life interest is considered future revenue and is being amortized over 16 years; the estimated life expectancy of the life estate’s recipient as follows:

Current	Long-Term	Total
\$ 28,246	\$ 254,221	\$ 282,467

Wounded Warriors Family Support, Inc.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
For the year ended December 31, 2025

NOTE H. CONTRIBUTED NONFINANCIAL ASSETS

The Organization recognized contributed nonfinancial assets within revenue, including contributed classes, stocks and securities, park admission tickets, and other donated items for general program support, and application development. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. The Organization records contributed nonfinancial assets at their estimated fair market value at the date of donation. Donated stocks and securities are sold upon receipt and those funds are invested in accordance with the Organization’s investment policy.

The following table summarizes the types and amounts of contributed nonfinancial assets received by the Organization during 2025 and which programs they were utilized in:

	Programs				Total
	Mobility is Freedom	Caregiver Respite	Solider Support	Operations	
Life estate income	\$ -	\$ -	\$ -	\$ 28,246	\$ 28,246
Stock securities	-	-	-	159,532	159,532
Welding classes - UAW Ford	-	-	188,000	-	188,000
Universal Studios tickets	-	149,915	-	-	149,915
Legoland tickets	-	47,530	-	-	47,530
Pathway Financial	-	-	-	11,500	11,500
Total	\$ -	\$ 197,445	\$ 188,000	\$ 199,278	\$ 584,723

NOTE I. RETIREMENT PLAN

The Organization has a Simple IRA retirement plan for all eligible employees. Employees who are at least 18 years of age are eligible to participate in the plan. The Organization makes matching contributions equal to 3% of the participant’s compensation. The Organization’s contributions to the plan for the year ended December 31, 2025 were \$15,591.

Wounded Warriors Family Support, Inc.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
For the year ended December 31, 2025

NOTE J. RELATED PARTY TRANSACTIONS

The Organization during the year ended December 31, 2025, engaged with the following related parties:

- Colliers Securities – A board member of the Organization is employed by Colliers who provides investment management to the Organization. During 2025, the Organization paid Colliers \$82,548 in investment management fees. The Board of Directors oversees the investment management firm and their adherence to the established investment policies of the Organization. The Board of Directors does not believe this to be a risk to the Organization.
- Two daughters of the President and CEO of the Organization are employed by the Organization. During 2025, their total combined compensation was \$153,874. Appropriate measures are in place to evaluate their performance, and the Board of Directors does not believe this to be a risk to the Organization.

NOTE K. SUBSEQUENT EVENTS

As of May 14, 2026, the date the financial statements were available to be issued, the Organization did not have any subsequent events affecting the amounts reported in the financial statements for the year ended December 31, 2025.