Gary Sinise Foundation and Subsidiaries

Consolidated Financial Statements

March 31, 2025
(With Comparative Totals for 2024)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Gary Sinise Foundation and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Gary Sinise Foundation and Subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of March 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Gary Sinise Foundation and Subsidiaries as of March 31, 2025, and the changes in their net assets and their 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 Gary Sinise Foundation 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Gary Sinise Foundation's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 Gary Sinise 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Gary Sinise 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.

Report on Summarized Comparative Information

We have previously audited Gary Sinise Foundation's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 27, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Armanino LLP

Woodland Hills, California

July 30, 2025

Gary Sinise Foundation and Subsidiaries
Consolidated Statement of Financial Position
March 31, 2025
(With Comparative Totals for 2024)

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 17,856,125	$ 25,342,467
Investments	58,911,516	49,951,117
Contributions and grants receivable, current portion	4,478,675	3,469,146
Inventory	471,884	286,970
Prepaid expenses and other current assets	1,697,528	1,041,310
Total current assets	83,415,728	80,091,010
Property and equipment, net	1,069,643	1,105,220
Other assets		
Contributions and grants receivable, net of current portion and discount	2,479,351	2,362,387
Right-of-use assets, net	1,999,163	2,035,187
Deposits	47,255	47,255
Total other assets	4,525,769	4,444,829
Total assets	$ 89,011,140	$ 85,641,059
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	$ 3,517,322	$ 2,835,801
Current portion of operating lease liabilities	1,128,191	1,096,300
Total current liabilities	4,645,513	3,932,101
Operating lease liabilities, net of current portion	966,920	1,124,925
Total liabilities	5,612,433	5,057,026
Net assets		
Without donor restrictions		
General or undesignated	57,949,224	54,621,291
Board-designated endowment	16,410,494	15,740,175
Total without donor restrictions	74,359,718	70,361,466
With donor restrictions	9,038,989	10,222,567
Total net assets	83,398,707	80,584,033
Total liabilities and net assets	$ 89,011,140	$ 85,641,059

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

Gary Sinise Foundation and Subsidiaries
Consolidated Statement of Activities
For the Year Ended March 31, 2025
(With Comparative Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Revenues, gains, and other support				
Bequests	$ 15,224,786	$ -	$ 15,224,786	$ 10,193,944
Contributions - Foundations	5,593,124	1,585,000	7,178,124	7,150,108
Contributions - Individuals	39,362,661	2,208,688	41,571,349	38,179,923
Contributions - Corporations	5,164,992	2,448,143	7,613,135	10,398,995
In-kind donations	9,111,003	-	9,111,003	10,057,445
Government grants	81,130	211,740	292,870	331,717
Indirect public support	1,710,106	119,200	1,829,306	2,531,717
Merchandise sales	503,091	-	503,091	320,486
Other income	759,544	-	759,544	392,324
Investment income, net of investment management fees of $229,261	7,000,392	-	7,000,392	6,470,717
Net assets released from restriction	7,756,349	(7,756,349)	-	-
Total revenues, gains, and other support	92,267,178	(1,183,578)	91,083,600	86,027,376
Functional expenses				
Program services	78,665,662	-	78,665,662	65,056,646
Management and general	5,768,195	-	5,768,195	6,770,474
Fundraising	3,835,069	-	3,835,069	4,335,840
Total functional expenses	88,268,926	-	88,268,926	76,162,960
Change in net assets	3,998,252	(1,183,578)	2,814,674	9,864,416
Net assets, beginning of the period	70,361,466	10,222,567	80,584,033	70,719,617
Net assets, end of the period	$ 74,359,718	$ 9,038,989	$ 83,398,707	$ 80,584,033

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

Gary Sinise Foundation and Subsidiaries
Consolidated Statement of Functional Expenses
For the Year Ended March 31, 2025
(With Comparative Totals for 2024)

	R.I.S.E.	Relief and Resiliency	Community Outreach and Education	First Responders Outreach	Military Support Concerts	Total Program Services	Management and General	Fundraising	2025 Total	2024 Total
Salaries, payroll taxes, and employee benefits	$ 718,467	$ 1,440,068	$ 1,927,798	$ 440,094	$ 178,546	$ 4,704,973	$ 1,013,456	$ 2,584,847	$ 8,303,276	$ 6,727,913
Accounting	41,405	40,065	32,227	23,581	4,428	141,706	130,885	-	272,591	485,295
Advertising and promotion	35,979	35,035	103,166	20,490	3,848	198,518	113,735	-	312,253	334,334
Management fees	-	-	-	-	-	-	-	-	-	204,577
Computer	130,763	190,550	93,493	70,773	15,693	501,272	361,351	386,808	1,249,431	533,605
Construction costs	10,758,757	67,649	30,260	-	-	10,856,666	55	-	10,856,721	9,989,452
Contributions	3,586,024	8,210,604	10,407,914	5,307,495	-	27,512,037	-	1,251	27,513,288	19,104,525
Depreciation and amortization	33,482	32,399	26,061	19,069	3,581	114,592	105,843	-	220,435	223,753
Equipment rental	7,116	12,945	22,801	563	8,609	52,034	3,122	-	55,156	128,034
Furnishings - in-kind	2,862,990	146,137	-	-	1,965	3,011,092	70,786	-	3,081,878	3,774,272
Insurance	267,804	18,877	15,043	10,963	2,059	314,746	64,334	-	379,080	334,103
Legal	317,995	-	-	-	-	317,995	1,721,618	-	2,039,613	1,787,267
Merchandise cost	112,345	490,564	196,806	60,868	45,035	905,618	332,513	18,272	1,256,403	488,119
Merchant fees	88,360	85,506	68,775	50,323	9,450	302,414	279,318	3,050	584,782	588,086
Miscellaneous	63,284	133,703	59,972	36,029	11,365	304,353	200,181	51,242	555,776	505,478
Occupancy	164,497	159,175	128,035	93,684	17,593	562,984	503,676	-	1,066,660	989,633
Outside services	1,525,060	1,387,619	2,470,146	53,367	1,936,570	7,372,762	362,974	272,126	8,007,862	7,278,248
Postage	17,199	44,640	16,237	9,854	4,694	92,624	49,389	209,238	351,251	243,034
Printing	4,541	100,773	19,999	300	1,420	127,033	965	168,664	296,662	178,474
Repairs	375,453	13,463	10,829	7,924	9,281	416,950	43,982	-	460,932	84,044
Office expense	-	-	-	-	-	-	-	-	-	32,713
Program costs	224,106	10,066,290	694,019	33,994	451,542	11,469,951	188,688	12,324	11,670,963	12,605,118
Taxes and licenses	127,269	885	625	251	2,190	131,220	1,397	-	132,617	98,503
Freight	12,315	19,183	17,472	7,867	2,605	59,442	26,567	9,750	95,759	117,832
Travel and entertainment	296,858	6,814,600	931,562	77,049	852,719	8,972,788	149,543	117,078	9,239,409	7,015,000
Venue fees	2,763	152,857	18,901	-	1,100	175,621	1,080	419	177,120	2,232,591
Website	13,520	13,082	10,523	7,700	1,446	46,271	42,737	-	89,008	78,957
	$ 21,788,352	$ 29,676,669	$ 17,302,664	$ 6,332,238	$ 3,565,739	$ 78,665,662	$ 5,768,195	$ 3,835,069	$ 88,268,926	$ 76,162,960

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

Gary Sinise Foundation and Subsidiaries
Consolidated Statement of Cash Flows
For the Year Ended March 31, 2025
(With Comparative Totals for 2024)

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 2,814,674	$ 9,864,416
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Amortization of discount on contributions and grants receivable	219,840	77,399
Depreciation and amortization	220,435	223,753
Realized and unrealized gains on investments	(4,721,883)	(4,035,572)
Donated investments	(3,582,986)	(4,472,459)
Amortization in carrying amount of right-of-use lease assets	1,004,786	988,693
Changes in operating assets and liabilities		
Contributions and grants receivable, net	(1,346,333)	(33,242)
Inventory	(184,914)	39,057
Prepaid expenses and other current assets	(656,218)	(6,617)
Accounts payable and accrued liabilities	681,521	(728,891)
Operating lease liabilities	(1,094,876)	(1,017,096)
Net cash provided by (used in) operating activities	(6,645,954)	899,441
Cash flows from investing activities		
Purchases of property and equipment	(184,858)	(72,202)
Purchases of investments	(17,505,425)	(13,737,743)
Sale of investments	16,849,895	11,190,084
Net cash used in investing activities	(840,388)	(2,619,861)
Net decrease in cash and cash equivalents	(7,486,342)	(1,720,420)
Cash and cash equivalents, beginning of year	25,342,467	27,062,887
Cash and cash equivalents, end of year	$ 17,856,125	$ 25,342,467

Supplemental schedule of noncash investing and financing activities

Right-of-use lease assets obtained in exchange of lease liabilities	$ 968,762	$ -

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

1. NATURE OF OPERATIONS

Gary Sinise Foundation ("GSF"), a Delaware charitable nonstock corporation, was formed in June 2011 with a mission to serve America by honoring its defenders, veterans, first responders, their families and those in need. GSF does this by creating and supporting unique programs designed to entertain, educate, inspire, strengthen and build communities. In December 2021, the Organization moved office locations from Los Angeles, California to Nashville, Tennessee.

GSF believes the cost of providing the blanket of freedom at home and abroad leaves an indelible impact on all service members, veterans, first responders and their families. Furthermore, it believes it is the individual responsibility of each citizen to support America's defenders. GSF is committed to ensuring the sacrifices made by all of our nation's heroes are honored and remembered.

Through their *R.I.S.E.* (Restoring Independence Supporting Empowerment) Program, GSF builds mortgage-free, specially adapted smart homes for our nation's most severely wounded heroes and their loved ones. In addition, the program provides adapted vehicles, mobility devices, wheelchairs, and home modifications for our injured, wounded, ill, and/or aging defenders. Through *R.I.S.E.*, GSF provides our heroes with the resources necessary to overcome their new challenges and reclaim their independence.

Through their *Relief and Resiliency* Program, GSF uplifts spirits and provides complete support to injured, wounded (visible and invisible), ill and/or aging veterans and first responders, their loved ones, and the families of fallen military and first responder heroes as they cope with trauma and loss during their time of urgent need. GSF also hosts day-long *Invincible Spirit Festivals* at America's military hospitals to boost the morale and spirits of the patients, families, and staff. GSF's *Mentorship Program* is a seven-day retreat pairing post-9/11 heroes at the beginning of their rehabilitation with wounded veterans from the Vietnam and Korean Wars who have successfully overcome similar struggles. Heal, Overcome, Persevere and Excel, the *H.O.P.E.* initiative, provides complete support to those who have experienced trauma, illness, injury, or loss during their times of urgent need, sometimes with assistance as simple as help paying bills or buying groceries. *Snowball Express* focuses on serving the children and surviving spouses and guardians of our fallen military and first responder heroes by providing connection, fun, and beneficial resources in a stress-free environment, creating a community of healing and growth, and making lasting memories with new friends.

1. NATURE OF OPERATIONS (continued)

GSF's *Community Outreach and Education* programs honor our active-duty service members, first responders, and the generations that have served before us. *Serving Heroes* shows appreciation to our defenders by serving hearty, classic American meals worldwide. *Arts and Entertainment Outreach* offers free dinners and performances to local veterans at the Steppenwolf Theatre in Chicago and additional theatres nationwide. *Soaring Valor* provides WWII veterans the opportunity to visit The National WWII Museum and sponsors a historian to document their first-hand accounts of the War. In 2017, the program expanded by inviting students to join the veterans for an educational experience. With an impressive panel of individuals, the *GSF Ambassador Council* inspires, educates, and reminds communities to remember the sacrifices made by all American defenders. As only a small fraction of our population volunteers to protect our nation, the *Education and Outreach Center* provides a place to unite civilians and defenders to learn the cost of freedom. The Center will host educational speaking series, workshops, and summits with character-building exercises for civilians, students, injured heroes, first responders, and their families/caregivers.

First Responders Outreach provides equipment, training, and wellness grants to ensure our firefighters, police, and EMTs have the tools they need to perform to the best of their abilities. GSF also provides real time support and resources to first responders in times of natural disaster. In addition, GSF aids local veterans, first responders, and their families as they rebuild their lives following natural disasters.

Gary Sinise & the Lt. Dan Band ("LTDB"), a Delaware limited liability company, is 100% owned by GSF and was formed in March 2011. Its proceeds help support GSF's mission. Gary Sinise & the Lt. Dan Band continue to bring their exhilarating performances to our nation's service members, veterans, first responders, and their families across the world. Whether boosting morale on military bases at home and abroad or raising awareness and funding through benefit concerts, the band entertains, educates, inspires and builds communities with its explosive live show.

Real Property Holdco, LLC ("RPH"), a Delaware limited liability company, is 100% owned by GSF and was formed in July 2024. The sole purpose of this entity is to function as a holding company for physical assets donated to GSF, such as vehicles, real estate, or other non-monetary assets. These assets may be held for a period of time or liquidated, at the discretion of the Board of Directors and/or management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Basis of consolidation</u>

The accompanying consolidated financial statements include the accounts of GSF, LTDB, and RPH (collectively referred to as the "Organization"). All significant intercompany transactions and balances have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and financial statement presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- *Net assets without donor restrictions* - Include contributions, fundraising, fees and other forms of unrestricted revenue and expenditures related to the general operations and fundraising efforts of the Organization.
- *Board-designated Endowment* - The Board of Directors, as part of the Organization's long-term strategic plan, has established a board designated endowment fund. All investment earnings and gains/losses for the year are reported as part of the endowment.
- *Net assets with donor restrictions* - Include gifts and grants received that are restricted with respect to time or use by the donor or grantor. When the restrictions expire, the net assets of this fund are reclassified to net assets without donor restrictions. Restricted gifts and grants received are reported as net assets without donor restrictions if the restriction is met in the same reporting period.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of risk

Occasionally the Organization's cash balances exceed Federal Deposit Insurance Corporation ("FDIC") insured limits. The Organization has not experienced and does not anticipate any losses related to these balances.

Cash and cash equivalents

The Organization considers all investments purchased with a maturity date of three months or less to be cash equivalents. For the years ended March 31, 2025 and 2024, the Organization held cash equivalents in short-tem money market funds of $14,967,782 and $20,918,839, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

The Organization accounts for investments in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 958-320, *Not-for-Profit Entities: Investments - Debt and Equity Securities* ("ASC 958-320"). ASC 958-320 requires that investments in debt and equity securities with readily determinable fair values be reported at fair market value in the consolidated statements of financial position.

Sales and purchases of securities are recorded on the trade date, which results in receivables and payables on trades that have not yet settled at the financial statement date. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the exdividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in the consolidated statement of activities and represent the difference between the cost and current market quotations of investments held at the end of the fiscal year. Net investment return (loss) is reported in the consolidated statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses.

Investments in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Investments are made according to the investment policies, guidelines, and objectives adopted by the Organization's Board of Directors. These guidelines provide for investments in equities, fixed income, and other securities. Market values of such investments are routinely reviewed by the finance committee of the Board of Directors.

Fair value measurements

The Organization's consolidated statement of financial position include the following financial instruments: cash and cash equivalents, contributions and grants receivable, accounts payable, and accrued liabilities. The Organization considers the carrying amounts of its assets and liabilities noted herein to approximate fair value because of the relatively short period of time between origination of the instrument and its expected realization.

The Organization follows Accounting Standards Codification No. 820-10, *Fair Value Measurements and Disclosures* ("ASC Topic 820") which 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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

The three levels of the fair value hierarchy under ASC Topic 820 are described below:

- *Level 1* - Fair value is determined using quoted market prices in active markets for identical assets and liabilities.
- *Level 2* - Fair value is determined using quoted market prices in active markets for similar assets and liabilities.
- *Level 3* - Fair value is determined using unobservable market prices in a market that is typically inactive.

Contributions and grants receivable, net

Contributions, including unconditional promises to give are recognized as revenue in the period received. Contributions and grants received, including unconditional promises to give, are recorded as net assets with or without donor restrictions depending on the existence or absence of any donor-imposed restrictions and are then reclassified to net assets without donor restrictions upon satisfaction of any restrictions through the net assets released from restriction. Pledges for future contributions, including unconditional promises to give are recorded as receivables and reported at estimated net realizable values. Pledges that are due in future periods are discounted at 3%. Management has reviewed all contributions and grants receivable and determined no allowance for doubtful contributions was deemed necessary for the years ended March 31, 2025 and 2024.

Contributions that are considered conditional promises to give which contain barriers and a right of return or right of release are not recognized until the conditions on which they depend are met, at which time, the gift is recognized as either contribution revenue with or without donor restrictions. There were no unrecognized conditional contributions for the years ended March 31, 2025 and 2024.

Inventory

Inventory consists of t-shirts and other merchandise and is stated at the lower of cost or market on a first-in, first-out basis.

Smart Homes

Through GSF's *R.I.S.E.* program, GSF builds specially adapted Smart Homes for pre-selected, severely wounded heroes and their families. GSF incurs all expenditures related to the acquisition of the land, and the design, construction, furnishings and fixtures related to the home. The costs are included within the *R.I.S.E.* program expenses as they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Purchases of property and equipment are recorded at cost. Donated items are recorded at fair value when received. Depreciation and amortization on both purchased and donated items are recorded using the straight-line method over the shorter of the estimated useful life of the related asset as follows:

Computer equipment	3 years
Furniture and fixtures	3 - 7 years
Website	3 years
Vehicle	5 years
Office equipment	5 - 7 years
Leasehold improvements	Lesser of useful life or life of lease

Normal repairs and maintenance are expensed as incurred, whereas significant charges that materially increase values or extend useful lives are capitalized and depreciated over the estimated useful lives of the related assets.

Impairment of long-lived assets

Management reviews each asset or asset group for impairment whenever events or circumstances indicate that the carrying value of an asset or asset group may not be recoverable, but at least annually. No impairment provision was recorded by the Organization for the years ended March 31, 2025 and 2024.

In-kind donations

In-kind donations consist of contributed assets and contributed services. Contributed assets are recognized at the asset's fair value on the date of contribution. Contributed services are recognized if the services received: a) create or enhance long-lived assets or b) require specialized skills, are provided by individuals possessing those skills, and c) would typically need to be purchased if not provided by donation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-kind donations (continued)

The amounts recognized as in-kind donations are as follows:

	2025	2024
Contributed services		
Construction - labor	$ 205,356	$ 242,832
Legal fees	1,246,186	797,875
Events - labor	781,328	27,500
	2,232,870	1,068,207
Contributed assets		
Construction - material and supplies	3,160,977	3,684,598
Travel - charter flights and miles	3,328,353	3,954,284
Events - supplies and entertainment	388,803	1,350,356
	$ 9,111,003	$ 10,057,445

All of these expenses are included within program services, except for legal fees which has been included within management and general.

Leases

The Organization recognizes a right-of-use ("ROU") asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified asset for a period of time in accordance with the Accounting Standards Codification ("ASC") Topic 842, *Leases* ("ASC 842"). The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets are initially measured at cost, which comprises: i) the amount of the initial measurement of the lease liability; ii) any lease payments made at or before the commencement date, less any lease incentives; and iii) any initial direct costs incurred by the lessee.

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is calculated using the straight-line method over the estimated useful life or over the term of the respective lease. If the lease transfers ownership of the underlying asset to the Organization by the end of the lease term or if the cost of the right-of-use asset reflects that the Organization will exercise a purchase option, the Organization amortizes the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at that date, which comprises: i) fixed payments, less any lease incentives receivable; ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; iii) amounts expected to be payable by the lessee under residual value guarantees; iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Organization may utilize the risk-free interest rate. The Organization elected to utilize the risk-free interest rate available as an optional expedient under the standard. The lease liability is subsequently measured at amortized cost using the effective interest method.

The lease term determined by the Organization comprises: i) non-cancelable period of lease contracts; ii) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and iii) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The Organization has applied the practical expedients in ASC 842 related to not separating lease and nonlease components of contracts.

The Organization has elected not to recognize ROU assets and lease liabilities for short-term leases and instead records them in a manner similar to operating leases under legacy leasing guidelines. A short-term lease is one with a maximum lease term of 12 months or fewer and does not include a purchase option the lessee is reasonably certain to exercise.

Functional expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on management estimates.

Income tax status

GSF is a charitable nonstock public benefit corporation organized under the laws of Delaware and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding state provisions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status (continued)

LTDB is a single member limited liability company that is a disregarded entity under the Internal Revenue Code. However, LTDB is subject to a Delaware state income tax as well as other state and tax jurisdictions. For Delaware income tax purposes, a limited liability company is required to pay a fee based on its gross receipts as defined, plus $800 annually.

RPH is a single member limited liability company that is a disregarded entity under the Internal Revenue Code. However, RPH is subject to a Delaware state income tax as well as other state and tax jurisdictions. For Delaware income tax purposes, a limited liability company is required to pay a fee based on its gross receipts as defined, plus $800 annually.

Subsequent events

Subsequent events have been evaluated through July 30, 2025, which is the date the consolidated financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that would require recognition or additional disclosure in the consolidated financial statements, other than the below.

3. CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable, net consisted of the following:

	2025	2024
Amounts due in one year	$ 4,478,675	$ 3,469,146
Amounts due in two to five years	3,054,682	2,717,878
	7,533,357	6,187,024
Discount to net present value	(575,331)	(355,491)
	$ 6,958,026	$ 5,831,533

The Organization uses 3% as its present value discount factor.

4. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

	2025	2024
Leasehold improvements	$ 2,374,741	$ 2,314,694
Furniture and fixtures	742,807	714,007
Computer equipment	574,278	498,869
Office equipment	203,678	203,678
Website	111,410	111,410
Vehicle	100,574	79,974
Land	94,640	94,640
	4,202,128	4,017,272
Accumulated depreciation and amortization	(3,132,485)	(2,912,052)
	$ 1,069,643	$ 1,105,220

Depreciation and amortization expense for the years ended March 31, 2025 and 2024 was $220,435 and $223,753, respectively.

5. COMMITMENTS AND CONTINGENCIES

Litigation

From time to time, the Organization is involved in litigation in the normal course of business. There are no current legal matters in which the Organization is a defendant or that management believes will have a materially adverse financial impact on the Organization.

Smart Home Construction

Through its *R.I.S.E.* program, the Organization has 18 Smart Homes in various stages of development as of March 31, 2025. The total budgeted cost of those Smart Homes is approximately $14,999,000. As of March 31, 2025, the Organization had expended approximately $9,408,000 on those homes, resulting in a remaining net commitment of approximately $5,591,000.

Through its *R.I.S.E.* program, the Organization had 12 Smart Homes in various stages of development as of March 31, 2024. The total budgeted cost of those Smart Homes was approximately $12,605,000. As of March 31, 2024, the Organization had expended approximately $10,624,000 on those homes, resulting in a remaining net commitment of approximately $1,981,000.

5. COMMITMENTS AND CONTINGENCIES (continued)

Gain contingency

The Organization has been named the sole beneficiary of a donor's estate in an executed living trust. The donor passed in February 2022 at which time the living trust became irrevocable. Subsequent to the passing of the donor, the trustee of the living trust has brought litigation to disinherit the Organization and name another non-profit organization as the beneficiary. The Organization is vigorously defending its claim and believes that its claim to the estate is valid and will be upheld. However, since the legal matter has not concluded, the Organization believes that there is sufficient uncertainty around the outcome and has not recorded the bequest in its books and records. The estimated value of the estate is approximately $20,000,000.

6. RELATED PARTY

During the years ended March 31, 2025 and 2024, a board member affiliated legal firm provided pro-bono legal services to the Organization. The Organization also paid for costs incurred for filings fees. The total amount of pro-bono legal services provided and costs incurred for filing fees during the year ended March 31, 2025, totaled $1,246,186 and $100,000, respectively. The total amount of pro-bono legal services provided during the year ended March 31, 2024 totaled $797,875. There were no costs incurred for filing fees for the year ended March 31, 2024.

During the years ended March 31, 2025 and 2024, the treasurer of the Organization provided design services and sold furniture and fixtures to the Organization at discounted prices. The total amount of services provided and furniture sold to the Organization during the years ended March 31, 2025 and 2024 totaled approximately $144,000 and $195,000, respectively .

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of March 31, 2025 and 2024:

	2025	2024
Smart Homes and Home Modifications *(R.I.S.E Program)*	$ 3,768,994	$ 3,882,769
Time restricted	2,429,886	2,352,367
Relief and Resiliency	1,196,932	2,304,742
Center for Outreach and Education	1,598,944	1,208,944
First Responders Outreach	-	419,267
Other	44,233	54,478
	$ 9,038,989	$ 10,222,567

For the years ended March 31, 2025 and 2024, time restricted net assets of $4,196,440 and $3,834,657 respectively have been embedded in these purpose restrictions.

7. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions released from restriction during the years ended March 31, 2025 and 2024 were as follows:

	2025	2024
Smart Homes and Home Modifications *(R.I.S.E Program)*	$ 3,855,044	$ 2,250,467
Time restricted	1,677,982	1,294,242
Relief and Resiliency	1,683,811	787,000
Center for Outreach and Education	110,000	235,960
First Responders	419,267	-
Other	10,245	25,370
	$ 7,756,349	$ 4,593,039

8. BOARD-DESIGNATED ENDOWMENT

In the February 2016, the Board of Directors (the "Board") established a board designated endowment fund in the amount of $10,000,000 as part of the Organization's long-term strategic plan. The Organization has adopted an endowment investment policy, approved by the Board, for endowment assets that attempt to maximize the return on invested assets while minimizing risk and expenses. This is to be done through prudent investing and planning, as well as through the maintenance of a diversified portfolio. The Organization targets a diversified asset allocation that places an emphasis on fixed income securities and equity investments with approximately 5% to be held in cash and cash equivalents accounts to be available for program expenditures, administrative costs, and other anticipated expenses. Five percent (5%) of the total market value of the fund as of September 30 of each year may be utilized over the course of the following calendar year for the Organization's administrative and overhead expenses. No such allocation was made during the years ended March 31, 2025 and 2024.

Activity during the year ended March 31, 2025, Board-Designated endowment was as follows::

Balance at March 31, 2024	$ 15,740,175
Realized and unrealized gains	289,183
Dividends and interest income	463,932
Investment expenses	(82,796)
Balance at March 31, 2025	$ 16,410,494

8. BOARD-DESIGNATED ENDOWMENT (continued)

Activity during the year ended March 31, 2024, Board-Designated endowment was as follows:

Balance at March 31, 2023	$ 15,089,757
Realized and unrealized gains	1,816,251
Dividends and interest income	396,715
Investment expenses	(62,548)
Appropriations	(1,500,000)
Balance at March 31, 2024	$ 15,740,175

9. INVESTMENTS

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

	Level 1	Level 2	Level 3	Fair Value
Mutual funds	$ 28,630,689	$ 6,543,702	$ -	$ 35,174,391
Corporate stocks	10,053,717	-	-	10,053,717
Corporate bonds	-	6,316,002	-	6,316,002
U.S. Treasury notes	6,177,867	-	-	6,177,867
Variable annuities	-	-	1,189,539	1,189,539
	$ 44,862,273	$ 12,859,704	$ 1,189,539	$ 58,911,516

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

	Level 1	Level 2	Level 3	Fair Value
Mutual funds	$ 25,372,788	$ -	$ -	$ 25,372,788
Corporate stocks	6,883,335	-	-	6,883,335
Corporate bonds	-	8,524,915	-	8,524,915
U.S. treasury notes	6,031,713	-	-	6,031,713
Other marketable security funds	414,366	-	-	414,366
Privately held company	-	-	2,724,000	2,724,000
	$ 38,702,202	$ 8,524,915	$ 2,724,000	$ 49,951,117

9. INVESTMENTS (continued)

Investment income, net consisted of the following:

	2025	2024
Realized and unrealized gains	$ 4,721,883	$ 4,035,572
Interest and dividends	2,507,770	2,639,722
Management fees	(229,261)	(204,577)
	$ 7,000,392	$ 6,470,717

Activity in the investments during the years ended March 31, 2025 and 2024, was as follows:

	2025	2024
Balance, beginning of the period	$ 49,951,117	$ 38,895,427
Proceeds from sales of investments	(16,849,895)	(11,190,084)
Purchases of investments	17,505,425	13,737,743
Donated investments	3,582,986	4,472,459
Realized and unrealized gains	4,721,883	4,035,572
Balance, end of the period	$ 58,911,516	$ 49,951,117

10. CONCENTRATIONS OF CREDIT RISK

Concentration of credit risk for contributions and grants receivable are generally limited due to the dispersion of these items over a wide donor base. Approximately 33% of the Organization's outstanding contributions and grants receivable at March 31, 2025 was due from two donors. There were no major concentrations of the Organization's outstanding contributions and grants receivable at March 31, 2024.

11. RETIREMENT PLAN

The Organization has a retirement plan providing benefits to all eligible employees. The Organization makes matching contributions of 3% of eligible compensation of those employees who elected to contribute to the plan. Employees are eligible to participate upon start of service and are vested in their accounts upon enrollment. Retirement plan expense for the years ended March 31, 2025 and 2024 was $126,137 and $87,256, respectively.

12. LEASES

The Organization has various leases which expire at various dates through 2028.

12. LEASES (continued)

The right-of-use assets is detailed as follows:

	2025	2024
Right-of-use assets - operating	$ 1,999,163	$ 2,035,187

The right-of-use lease liabilities are detailed as follows:

	2025	2024
Lease liabilities, current portion		
Operating lease liabilities	$ 1,128,191	$ 1,096,300
Lease liabilities, net of current portion		
Operating lease liabilities	966,920	1,124,925
	$ 2,095,111	$ 2,221,225

Lease costs for the years ended March 31, 2025 and 2024 consisted of the following:

	2025	2024
Operating lease costs		
Annual scheduled rent	$ 1,132,745	$ 1,056,801

Future maturities of operating lease liabilities are as follows:

Year ending March 31,	
2026	$ 1,049,771
2027	599,675
2028	560,068
	2,209,514
Less: discounts to present value	(114,403)
Lease liabilities, net of discounts to present value	2,095,111
Current portion	(1,128,191)
	$ 966,920

12. LEASES (continued)

The weighted-average lease terms and discount rates for the years ended March 31, 2025 and 2024 are as follows:

	2025	2024
Weighted-average remaining lease term - operating lease	1.99 years	2.94 years
Weighted-average discount rate - operating lease	2.68%	1.65%

13. LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets reported on the consolidated statement of financial position, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions. Consequently, amounts available exclude net assets with donor restrictions as of March 31, 2025 and 2024 .

Liquidity of financial assets as of March 31, 2025 and 2024 is as follows:

	2025	2024
Cash and cash equivalents	$ 17,856,125	$ 25,342,467
Investments	58,911,516	49,951,117
Contributions and grants receivable, current portion	4,478,675	3,469,146
	81,246,316	78,762,730
Net assets with donor restrictions (Note 7)	(9,038,989)	(10,222,567)
Board-designated endowments (Note 8)	(16,410,494)	(15,740,175)
	$ 55,796,833	$ 52,799,988