The Cabbage Patch Settlement House, Incorporated

Financial Statements

April 30, 2026 and 2025



The Cabbage Patch Settlement House, Incorporated

Financial Statements

April 30, 2026 and 2025

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INDEPENDENT AUDITORS' REPORT

The Cabbage Patch Settlement House, Incorporated
Louisville, Kentucky

Opinion

We have audited the accompanying financial statements of The Cabbage Patch Settlement House, Incorporated (the "Organization"), which comprise the statements of financial position as of April 30, 2026 and 2025, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of April 30, 2026 and 2025, 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 ("GAAP").

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 Auditors' 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

LBMC, PC

Louisville, Kentucky
September 18, 2026

The Cabbage Patch Settlement House, Incorporated

Statements of Financial Position

	April 30	
	2026	2025
Assets		
Current Assets		
Cash	$ 446,438	$ 502,887
Pledges receivable	25,951	64,030
Interest receivable	20,783	20,783
Prepaid program costs	40,424	29,732
Total Current Assets	533,596	617,432
Non-Current Assets		
Pledges receivable, net of current portion	5,000	30,850
Property and equipment, net	4,132,332	4,165,893
Investments	22,363,667	19,383,215
Beneficial interest in annuity trust	336,372	281,895
Beneficial interest in perpetual trusts	10,272,119	8,839,329
Total Non-Current Assets	37,109,490	32,701,182
Total Assets	$ 37,643,086	$ 33,318,614
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ -	$ 28,266
Accrued payroll and employee related expenses	100,674	90,539
Deferred revenue - programs and special events	52,630	50,803
Total Current Liabilities	153,304	169,608
Net Assets		
Without donor restrictions	8,776,941	8,617,911
With donor restrictions	28,712,841	24,531,095
Total Net Assets	37,489,782	33,149,006
Total Liabilities and Net Assets	$ 37,643,086	$ 33,318,614

See Notes to Financial Statements

The Cabbage Patch Settlement House, Incorporated

Statement of Activities

Year Ended April 30, 2026

		Without Donor Restrictions	With Donor Restrictions	Total
Contributions and Other Support				
Contributions		$ 1,049,997	$ 414,730	$ 1,464,727
Nonfinancial contributions		59,115		59,115
Special events, Auction and Golf				
Special events income	$ 343,600			
Less direct expenses	(185,597)	158,003		158,003
Distributions from perpetual trusts				
Marshall Trust		223,448		223,448
Milton Trust		196,946		196,946
Chandler Trust		8,273		8,273
Net investment income		675,859	4,530,738	5,206,597
Other income		10,679		10,679
Net assets released from restrictions		763,722	(763,722)	-
Total Contributions and Other Support		3,146,042	4,181,746	7,327,788
Expenses				
Program services		2,313,163		2,313,163
General and administrative expenses		227,339		227,339
Fundraising		446,510		446,510
Total Expenses		2,987,012		2,987,012
Change in Net Assets		159,030	4,181,746	4,340,776
Net Assets, Beginning of Year		8,617,911	24,531,095	33,149,006
Net Assets, End of Year		$ 8,776,941	$ 28,712,841	$ 37,489,782

See Notes to Financial Statements

The Cabbage Patch Settlement House, Incorporated

Statement of Activities

Year Ended April 30, 2025

		Without Donor Restrictions	With Donor Restrictions	Total
Contributions and Other Support				
Contributions		$ 1,260,909	$ 694,999	$ 1,955,908
Nonfinancial contributions		27,956		27,956
Special events, Auction				
Special events income	$ 332,465			
Less expenses	(128,169)	204,296		204,296
Distributions from perpetual trusts				
Marshall Trust		209,659		209,659
Milton Trusts		154,567		154,567
Chandler Trust		7,147		7,147
Net investment income		213,856	1,887,696	2,101,552
Other income		54,310		54,310
Net assets released from restrictions		866,503	(866,503)	-
Total Contributions and Other Support		2,999,203	1,716,192	4,715,395
Expenses				
Program services		2,162,919		2,162,919
General and administrative expenses		285,447		285,447
Fundraising		381,698		381,698
Total Expenses		2,830,064		2,830,064
Change in Net Assets		169,139	1,716,192	1,885,331
Net Assets, Beginning of Year		8,448,772	22,814,903	31,263,675
Net Assets, End of Year		$ 8,617,911	$ 24,531,095	$ 33,149,006

See Notes to Financial Statements

The Cabbage Patch Settlement House, Incorporated

Statement of Functional Expenses

Year Ended April 30, 2026

	Program Services				Special Events			Supporting Services			
	Youth Development and Recreation	Family Development	Educational Opportunities	Total Program Services	Golf	Champions Event	Patch Partners	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Association dues and fees	$ 1,491	$ 115	$ 210	$ 1,816				$ 9,776	$ 383	$ 10,159	$ 11,975
Audit fees								25,300		25,300	25,300
Auction direct expenses					$ 8,861	$ 10,437	$ 1,400		9	9	20,707
Advertising and marketing								13,873		13,873	13,873
Board meetings								1,134		1,134	1,134
Depreciation	169,887	13,068	23,958	206,913				6,534	4,356	10,890	217,803
In-kind contributions	50	769		819	9,863	48,433				-	59,115
Insurance	41,860	3,220	5,903	50,983				1,610	1,073	2,683	53,666
Miscellaneous	2,880	1,964	406	5,250	1,515	2,921	925	108	1,432	1,540	12,151
Occupancy	41,152	3,415	5,803	50,370				1,583	1,055	2,638	53,008
Office expense	29,436	3,473	6,519	39,428	1,067	2,067	427	7,680	12,031	19,711	62,700
Payroll taxes	50,211	18,135	28,522	96,868	921	921		8,331	20,199	28,530	127,240
Printing, publications and postage	7,324	563	1,033	8,920	50		45	282	39,630	39,912	48,927
Professional fees	17,445	880	1,614	19,939	7,500	13,000		6,896	35,276	42,172	82,611
Program costs and special projects	47,521	64,405	128,807	240,733				7,298	5,754	13,052	253,785
Program costs and special projects (donated)					15,528	26,681	3,890				46,099
Repairs and maintenance	18,012	2,705	1,102	21,819				667	2,565	3,232	25,051
Retirement contribution	42,092	18,502	23,475	84,069	775	775		6,423	20,436	26,859	112,478
Salaries and benefits	756,782	272,565	431,780	1,461,127	13,627	13,627		113,462	301,101	414,563	1,902,944
Staff development	5,370	718	539	6,627				13,605	228	13,833	20,460
Telephone	7,944	1,050	2,011	11,005				2,666	177	2,843	13,848
Transportation	4,494	190	611	5,295	19			111	805	916	6,230
Volunteer expenses	1,182			1,182		322				-	1,504
Total Expenses	1,245,133	405,737	662,293	2,313,163	59,726	119,184	6,687	227,339	446,510	673,849	3,172,609
Less expenses included with revenues on the statement of activities	-	-	-	-	(59,726)	(119,184)	(6,687)	-	-	-	(185,597)
Total Expenses Included in the Expenses Section of the Statement of Activities	$ 1,245,133	$ 405,737	$ 662,293	$ 2,313,163	$ -	$ -	$ -	$ 227,339	$ 446,510	$ 673,849	$ 2,987,012

See Notes to Financial Statements

The Cabbage Patch Settlement House, Incorporated

Statement of Functional Expenses

Year Ended April 30, 2025

	Program Services				Special Events			Supporting Services			
	Youth Development and Recreation	Family Development	Educational Opportunities	Total Program Services	Golf	Champions Event	Patch Partners	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Association dues and fees	$ 4,335	$ 480	$ 896	$ 5,711				$ 6,020	$ 1,221	$ 7,241	$ 12,952
Audit fees								24,400		24,400	24,400
Auction direct expenses					$ 4,540	$ 8,538	$ 715				13,793
Advertising and marketing	1,135	58	315	1,508				12,799	19	12,818	14,326
Board meetings								12,655	99	12,754	12,754
Depreciation	219,070	16,851	30,894	266,815				8,426	5,617	14,043	280,858
In-kind contributions	400	14,503	325	15,228	2,327	10,200		200		200	27,955
Insurance	41,045	3,157	5,788	49,990				1,579	1,052	2,631	52,621
Miscellaneous		170		170	1,047	3,420	1,021	10,304	1,015	11,319	16,977
Occupancy	33,737	2,595	4,758	41,090				1,298	865	2,163	43,253
Office expense	6,125	3,366	4,646	14,137				8,462	12,742	21,204	35,341
Payroll taxes	43,586	17,490	28,025	89,101	1,586	1,586		7,207	17,588	24,795	117,068
Printing, publications and postage	2,033	1,347	1,382	4,762				1,021	30,249	31,270	36,032
Professional fees	21,853	3,023	4,291	29,167				29,310	25,218	54,528	83,695
Program costs and special projects	28,085	41,682	131,765	201,532				954	3,330	4,284	205,816
Program costs and special projects (donated)					17,996	22,655	3,487				44,138
Repairs and maintenance	12,881	1,663	4,669	19,213				22	1,364	1,386	20,599
Retirement contribution	28,331	15,069	18,619	62,019	1,157	1,157		3,975	18,530	22,505	86,838
Salaries and benefits	639,113	255,765	451,438	1,346,316	23,316	23,316		139,297	259,742	399,039	1,791,987
Staff development	2,164	257	24	2,445				14,221	2,233	16,454	18,899
Telephone	6,350	1,606	895	8,851				3,179	163	3,342	12,193
Transportation	3,189	195	599	3,983		105		114	490	604	4,692
Volunteer expenses	858	8	15	881				4	161	165	1,046
Total Expenses	1,094,290	379,285	689,344	2,162,919	51,969	70,977	5,223	285,447	381,698	667,145	2,958,233
Less expenses included with revenues on the statement of activities	-	-	-	-	(51,969)	(70,977)	(5,223)	-	-	-	(128,169)
Total Expenses Included in the Expenses Section of the Statement of Activities	$ 1,094,290	$ 379,285	$ 689,344	$ 2,162,919	$ -	$ -	$ -	$ 285,447	$ 381,698	$ 667,145	$ 2,830,064

See Notes to Financial Statements

The Cabbage Patch Settlement House, Incorporated

Statements of Cash Flows

	Year Ended April 30	
	2026	**2025**
Cash Flows From Operating Activities		
Change in net assets	$ 4,340,776	$ 1,885,331
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	217,803	280,858
Net realized and unrealized gains on investments	(4,687,123)	(1,682,849)
Increase in value of funds held in trust by others	(1,487,267)	(593,743)
Noncash donation of investments	(150,641)	(65,156)
Changes in operating assets and liabilities		
Pledges receivable	63,929	(37,723)
Prepaid program costs	(10,692)	(13,659)
Accounts payable	(28,266)	(52,041)
Accrued payroll and employee related expenses	10,135	30,680
Deferred revenue - programs and special events	1,827	2,138
Net Cash Used In Operating Activities	(1,729,519)	(246,164)
Cash Flows From Investing Activities		
Purchases of property and equipment	(184,242)	(164,320)
Purchases of investments	(8,726,803)	(9,117,933)
Proceeds from sales of investments	10,584,115	9,818,915
Net Cash Provided By Investing Activities	1,673,070	536,662
Net (Decrease) Increase in Cash	(56,449)	290,498
Cash, Beginning of Year	502,887	212,389
Cash, End of Year	$ 446,438	$ 502,887

See Notes to Financial Statements

The Cabbage Patch Settlement House, Incorporated

Notes to Financial Statements

April 30, 2026 and 2025

Note A--Nature of Operations

The Cabbage Patch Settlement House, Incorporated (the "Organization") is a local, non-profit empowering children, youth and families to reach their full potential since 1910. The Organization's mission is to provide life-changing academic, recreational, and mentoring opportunities through Christ-centered values. The Organization's vision statement is to empower youth and their families to achieve success and create a better world.

Note B--Summary of Significant Accounting Policies

We follow generally accepted accounting principles as outlined in the Financial Accounting Standards Board's ("FASB") *Accounting Standards Codification* ("ASC"). Significant accounting policies are as follows:

Basis of Accounting--The financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation--The Organization reports information regarding its financial position and activities in two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Contributions whose restrictions are met in the same period are treated as net assets without donor restrictions. The terms are defined below:

Net Assets With Donor Restrictions--Net assets subject to donor-imposed restrictions.

Net Assets Without Donor Restrictions--Net assets not subject to donor imposed restrictions.

Use of Estimates--The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimated.

Concentration of Credit Risk--The Organization maintains its cash at financial institutions. At April 30, 2026, the Organization had $175,000, in excess of the amounts insured by the Federal Deposit Insurance Corporation. At April 30 2025, the Organization had no amounts in excess of the amounts insured by the Federal Deposit Insurance Corporation.

Contributions--The Organization records and reports its assets, liabilities, net assets, revenues, gains, and losses, and other support based on the existence or absence of donor-imposed restrictions. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Continued

Note B--Summary of Significant Accounting Policies--Continued

When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities and changes in net assets as net assets released from restrictions.

The Organization reports gifts as without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are recorded as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Pledges Receivable--All unconditional promises to give (contributions) are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases net assets with donor restrictions.

Contributions that are expected to be collected within one year are recorded at their net realizable value. Contributions that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk adjusted interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contributions.

Property and Equipment--The Organization records property and equipment at cost if purchased and at the estimated fair value at the date of acquisition if donated. The Organization typically capitalizes items costing or valued over $1,000 with a useful life of at least five years. Repairs and maintenance are expensed as incurred. When property is returned or sold, the cost and related accumulated depreciation are removed from accounts, and the resulting gain or loss is recorded. Depreciation is provided on the basis of the estimated useful lives of the assets ranging from 3 to 40 years, using the straight-line method. Depreciation expense was $217,803 and $280,858 in the years ended April 30, 2026 and 2025, respectively.

Investments--Investments are recorded at fair market value. Unrealized gains and losses are included in the change in net assets. Donated investments are recorded at the fair market value as of the date received. Net investment income (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the statements of activities.

Continued

Note B--Summary of Significant Accounting Policies--Continued

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Fair Value of Financial Instruments--The carrying amounts for assets and liabilities approximate their fair value.

Advertising and Marketing Costs--Advertising and marketing costs are expensed as incurred. These expenses amounted to $13,873 and $14,326 for the years ended April 30, 2026 and 2025, respectively.

Income Taxes--The Organization has received a determination letter from the Internal Revenue Service indicating that it qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income taxes have been provided in the accompanying financial statements.

The Organization implemented the accounting guidance for uncertainty in income taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. As of April 30, 2026, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Functional Allocation of Expenses--Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Subsequent Events--The Organization has evaluated whether any subsequent events that require recognition or disclosure in the accompanying financial statements and related notes thereto have taken place through September 18, 2026, the date these financial statements were issued. The Organization has determined there are no such subsequent events.

Note C--Liquidity

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

	April 30	
	2026	2025
Cash	$ 446,438	$ 502,887
Pledges receivable	25,951	64,030
Interest receivable	20,783	20,783
Investments	22,363,667	19,383,215
	22,856,839	19,970,915
Less those unavailable for general expenditures within one year		
Contractual or donor-imposed restrictions	(18,065,763)	(15,597,550)
Board designated		
Capital expenditures	(430,889)	(364,403)
Quasi-endowment funds, primarily for operating reserve	(3,869,278)	(3,705,418)
Total	$ 490,909	$ 303,544

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments such as cash equivalents. The Organization has two quasi-endowment funds that have been designated by the Board of Directors as an operating reserve. These quasi-endowments may be drawn upon with approval by the Board to meet unexpected liquidity needs if necessary. As of April 30, 2026 and 2025, these two quasi-endowments amount to $3,869,278 and $3,705,418, respectively.

Note D--Pledges Receivable

Pledges receivable include the following unconditional promises to give:

	April 30	
	2026	2025
Operations	$ 22,100	$ 40,400
Donor restricted	10,000	25,102
Educational opportunities	-	30,629
Gross Pledges Receivable	32,100	96,131
Less unamortized discount on future pledges	1,149	1,251
Total	$ 30,951	$ 94,880

Gross pledges receivable are due according to the following schedule:

Less than one year	$ 25,951
One to five years	5,000
	$ 30,951

Pledges receivable in future periods were discounted at 4.06%, the one-year U.S. Treasury note rate.

Note E--Investments

Fair value of investments, by classification, are as follows:

	April 30	
	2026	**2025**
Cash equivalents	$ 543,474	$ 864,157
Bonds	70,971	26,440
Mutual funds	9,944,489	8,467,184
Exchange traded funds	4,460,172	2,183,969
Equities	6,483,136	7,105,895
Limited partnership interest in real estate	627,443	536,297
Pooled separate accounts	233,982	199,273
	$ 22,363,667	$ 19,383,215
Investments, board designated	$ 3,869,278	$ 3,705,418
Investments, restricted to endowments	18,494,389	15,677,797
Total	$ 22,363,667	$ 19,383,215

Net investment income consists of the following:

	Year Ended April 30	
	2026	**2025**
Investment income	$ 652,173	$ 527,382
Realized gains	1,294,845	1,204,284
Unrealized gains	3,392,305	478,565
Investment fees	(132,726)	(108,679)
Net Investment Income	$ 5,206,597	$ 2,101,552

Note F--Annuity Trust

The Organization became a beneficiary of the Kim Hamilton Trust (the "Trust") in 2019. The Trust is neither in the possession nor under the control of the Organization, but is held and administered by outside agents. The Organization receives its share of the net income annually. The Trust is scheduled to distribute 5% of the original trust principal annually for a period of ten years, 10% of the remaining trust principal for five years and 100% of the remaining trust principal thereafter. The change in value of this annuity trust after making distributions from the trust was $54,477 and ($15,609), for the years ended April 30, 2026 and 2025, respectively.

At April 30, 2026 and 2025, the Organization's interest in the Trust is valued at the fair value of the Trust and recorded as a beneficial interest in annuity trust on the statements of financial position.

Note G--Perpetual Trusts

The Organization is a beneficiary of the Louise Marshall Trust, the Milton Trusts and the James W. Chandler Trust. These trusts are neither in the possession nor under the control of the Organization, but are held and administered by outside agents. The Organization receives all of the distributions from the Louise Marshall Trust and a portion of the distributions from the Milton and Chandler trusts to be used for operating expenses.

At April 30, 2026 and 2025, the Organization's interest in the trusts are valued at the aggregate fair value of the trusts and recorded as a beneficial interest in perpetual trusts on the statements of financial position. During the years ended April 30, 2026 and 2025, after making $428,667 and $371,373, respectively, in distributions from the trusts, the value of the perpetual trusts increased by $1,432,790 and $609,352, respectively.

Note H--Nonfinancial Contributions

Contributions of marketable investments are recorded at the quoted fair value of the investments on the date they are received and amounted to $150,641 and $65,156 for the years ended April 30, 2026 and 2025, respectively. Donated professional services, occupancy and advertising are recorded at their estimated fair value and donated property and equipment at their appraised or estimated fair value. Contributed services and occupancy in the amount of $59,115 and $27,956 for the years ended April 30, 2026 and 2025, respectively, were recorded as contributions, and program, supporting services and special events expenses.

During the years ended April 30, 2026 and 2025, approximately 392 and 231 volunteers donated 1,921 and 952 hours of time, respectively, to the Organization. This time represents non-professional services and is, therefore, not recorded in the accompanying financial statements.

Note I--Property and Equipment

Property and equipment consist of the following components:

	April 30	
	2026	2025
Land	$ 51,500	$ 51,500
Building and improvements	7,680,789	7,660,108
Equipment, furniture and fixtures	980,227	879,840
Vehicles	140,460	127,011
	8,852,976	8,718,459
Less accumulated depreciation	4,720,644	4,552,566
	$ 4,132,332	$ 4,165,893

Note J--Board Designated Net Assets

Board designated net assets consist of the following:

	April 30	
	2026	2025
Board designated for capital expenditures	$ 430,889	$ 364,403
Quasi-endowment funds, primarily for operating reserve	3,869,278	3,705,418
	$ 4,300,167	$ 4,069,821

The board designated net assets are reported in the net assets without donor restrictions on the accompanying statement of financial position.

Note K--Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following:

	April 30	
	2026	2025
General operations - future years	$ 336,372	$ 281,895
Endowment funds		
Donor restricted	12,905,449	11,004,577
Educational opportunities	5,198,901	4,405,294
Perpetual trusts	10,272,119	8,839,329
	$ 28,712,841	$ 24,531,095

Note L--Net Asset Endowments

The Organization's endowment funds consist of donor-imposed restricted funds, all of which were established for a variety of purposes. As required by GAAP, net assets associated with the endowment funds are classified and reported based on the existence of donor-imposed restrictions.

Interpretation of Relevant Law

In August 2008, the FASB issued guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”). This guidance requires additional disclosures about an organization's endowment funds (both donor restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

On March 25, 2010, Kentucky enacted UPMIFA, the provisions of which apply to endowment funds existing on or established after that date. The Organization has determined its permanently restricted net assets meet the definition of endowment funds under UPMIFA. Based on the Organization's interpretation of UPMIFA, the Organization has reviewed all of its endowment funds and has determined there are no changes in the classification of the donor-restricted net assets. As a result of this interpretation, the Organization continues to classify, as permanently restricted net assets, the original value of gifts donated to the permanent endowment and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instruments or, in the absence of such stipulations, that the Board of Directors has determined must be retained permanently.

Continued

Note L--Net Asset Endowments--Continued

Prior to the enactment of UPMIFA, the Board of Directors had interpreted the Uniform Management of Institutional Funds Act ("UMIFA"), prescribed in Kentucky Revised Statutes Sections 273.510 through 273.590, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. From time to time the fair value of assets associated with individual donor-restricted endowment funds may have fallen below the level that the donor or UMIFA required the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature were reported in unrestricted net assets. There were no such deficiencies as of April 30, 2026 or 2025.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results to mirror those of major indexes while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating distributions of 5% of its endowment fund's average fair value over the previous 12 quarters rolling average adjusted on a quarterly basis in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to maintain the fair value of the original gift. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Continued

Note L--Net Asset Endowments--Continued

The changes in endowment net assets are as follows:

	Without Donor Restrictions Board Designated	With Donor Restrictions
Balance, as of May 1, 2024	$ 3,785,080	$ 22,731,509
Investment return		
Investment income, net	107,646	298,792
Net appreciation - unrealized and realized	91,152	1,588,903
Contributions	13,901	443,626
Amounts appropriated for expenditures	(292,361)	(625,952)
Balance, as of April 30, 2025	3,705,418	24,436,878
Investment return		
Investment income, net	147,732	353,331
Net appreciation - unrealized and realized	525,405	4,113,718
Contributions	983,806	388,113
Amounts appropriated for expenditures	(1,493,083)	(617,786)
Balance, as of April 30, 2026	$ 3,869,278	$ 28,674,254

Note M--Retirement Plan

The Organization sponsors a defined contribution pension plan. The plan covers all employees meeting eligibility requirements. Plan contributions are based on a percentage of participants' salaries. The contributions were $112,478 and $86,838 for the years ended April 30, 2026 and 2025, respectively.

Note N--Fair Value Measurements

The Organization adopted the provisions of FASB ASC 820, *Fair Value Measurements,* for financial assets and financial liabilities. The Organization has no nonfinancial assets and nonfinancial liabilities determined at fair value.

FASB ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 establishes a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies into the following three levels:

Level 1--Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted market price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

Level 2--Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted market prices for identical or similar assets or liabilities in markets that are not active; or inputs that are derived principally from or can be corroborated by observable market data by correlation or other means.

Level 3--Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. These valuation methodologies were applied to all of the Organization's financial assets and liabilities carried at fair value.

Continued

Note N--Fair Value Measurements--Continued

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis as of April 30, 2026:

	Fair Value Measurements:			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets Measured on a Recurring Basis		*(in thousands)*		
Investments				
Cash equivalents	$ 543			$ 543
Bonds		$ 71		71
Mutual funds	9,945			9,945
Exchange traded funds	4,460			4,460
Equities	6,484			6,484
Pooled separate accounts			$ 234	234
Investments measured at NAV as a practical expedient (a)				627
	$ 21,432	$ 71	$ 234	$ 22,364
Beneficial Interest in Annuity Trust				
Cash equivalents	$ 59			$ 59
Mutual funds	95			95
Exchange traded funds	182			182
	$ 336	$ -	$ -	$ 336
Beneficial Interest in Perpetual Trusts				
Cash equivalents	$ 141			$ 141
Bonds		$ 1,376		1,376
Mutual funds	1,298			1,298
Exchange traded funds	3,725			3,725
Equities	3,732			3,732
	$ 8,896	$ 1,376	$ -	$ 10,272

(a) this investment is measured at NAV as a practical expedient to estimate fair value and, therefore, has not been classified in the fair value hierarchy.

Continued

Note N--Fair Value Measurements--Continued

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis as of April 30, 2025:

	Fair Value Measurements:			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets Measured on a Recurring Basis		*(in thousands)*		
Investments				
Cash equivalents	$ 864			$ 864
Bonds		$ 27		27
Mutual funds	8,467			8,467
Exchange traded funds	2,184			2,184
Equities	7,106			7,106
Pooled separate accounts			$ 199	199
Investments measured at NAV as a practical expedient (a)				536
	$ 18,621	$ 27	$ 199	$ 19,383
Beneficial Interest in Annuity Trust				
Cash equivalents	$ 5			$ 5
Mutual funds	154			154
Exchange traded funds	117			117
Equities	6			6
	$ 282	$ -	$ -	$ 282
Beneficial Interest in Perpetual Trusts				
Cash equivalents	$ 270			$ 270
Bonds		$ 1,074		1,074
Mutual funds	1,470			1,470
Exchange traded funds	2,780			2,780
Equities	3,245			3,245
	$ 7,765	$ 1,074	$ -	$ 8,839

Continued

Note N--Fair Value Measurements--Continued

In accordance with FASB ASC Subtopic 820-10, certain investments that were measured at net asset value ("NAV") per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in the tables are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

In general, fair value is based upon quoted market prices, where available. If quoted market prices are not available, fair value is based on internally developed models or obtained from third parties that primarily use, as inputs, observable market-based parameters or a matrix pricing model that employs the Bond Market Association's standard calculations for cash flow and price/yield analysis and observable market-based parameters.

Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include unobservable parameters. Any such valuation adjustments have been applied consistently over time. The Organization's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Organization's valuation methodologies 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 estimate of fair value at the reporting date.

Cash Equivalents--Valued at the net asset value of the units held by the Organization at year-end.

Government and Corporate Bonds--Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Mutual Funds and Exchange Traded Funds--Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Investments and Beneficial Interest in Trusts--Investments and beneficial interest in trusts are reported at fair value on a recurring basis. These securities are classified as Level 1 of the valuation hierarchy where quoted market prices from reputable third-party brokers are available in an active market. If quoted market prices are not available, the Organization obtains fair value measurements from independent pricing services. These securities are reported using Level 2 inputs and the fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, U.S. government and agency yield curves, live trading levels, trade execution data, market consensus prepayment speeds, credit information, and the security's terms and conditions, among other factors.

Continued

Note N--Fair Value Measurements--Continued

Equities--Valued at the quoted market price of the shares held by the Organization at year-end.

Pooled Separate Account--Valued at the Organization's allocation of the fair value of the pool's underlying assets at year-end as provided by the Community Foundation of Louisville's Fund administrator. The shares of the funds are not publicly traded; redemption can only be made by the fund on the redemption dates and subject to the required notice periods specified in the offering documents of the fund. The rights of the fund to request redemption of its investments in the fund may vary in frequency from weekly to annual redemptions. As a result, the carrying values of the funds may not be indicative of the values ultimately realized on redemption. In addition, the fund may be materially affected by the actions of other investors who have invested in the funds in which the fund has invested.

The changes in Level 3 assets measured at fair value on a recurring basis using significant unobservable inputs during the years ended April 30, 2026 and 2025 is as follows:

	April 30	
	2026	2025
Beginning of year	$ 199,273	$ 191,084
Interest and dividends, net	-	5,653
Net unrealized and realized appreciation	41,342	13,280
Distributions	(6,634)	(10,744)
End of Year	$ 233,981	$ 199,273

The following table describes the investment for which the fair value is measured using the NAV as a practical expedient as of April 30, 2026 and April 30, 2025. There are no investor redemption restrictions for this investment.

Description	Fair Value 4/30/2026	Fair Value 4/30/2025	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Limited partnership interest in commodities	$627,000	$536,000	n/a	Daily	Bi-monthly