



# GIVE KIDS THE WORLD, INC.

## FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015





## REPORT OF INDEPENDENT AUDITOR

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

We have audited the accompanying financial statements of Give Kids The World, Inc. ("the Organization"), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Give Kids The World, Inc. as of December 31, 2016 and 2015, 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.

*Battis Morrison Wales & Lee, P.A.*

BATTIS MORRISON WALES & LEE, P.A.

Orlando, Florida  
May 8, 2017

**GIVE KIDS THE WORLD, INC.**  
STATEMENTS OF FINANCIAL POSITION

**ASSETS**

	December 31,	
	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,028,838	\$ 5,615,294
Cash restricted for long-term purposes	143,000	398,517
Investments (Note D)	44,190,817	47,172,651
Unconditional promises to give, net (Note E)	914,821	2,268,189
Inventories (Note F)	3,870,035	4,382,549
Other assets	1,526,983	1,293,999
Property and equipment, net (Note G)	50,063,697	44,804,729
<b>Total assets</b>	<b>\$ 106,738,191</b>	<b>\$ 105,935,928</b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable and accrued expenses	\$ 1,253,952	\$ 1,356,322
Other liabilities	45,603	79,416
<b>Total liabilities</b>	<b>1,299,555</b>	<b>1,435,738</b>

**NET ASSETS**

Unrestricted		
Undesignated	6,390,543	5,717,191
Net investment in property and equipment	50,063,697	44,804,729
Designated	45,875,906	49,580,642
Total unrestricted	102,330,146	100,102,562
Temporarily restricted	3,108,490	4,397,628
<b>Total net assets</b>	<b>105,438,636</b>	<b>104,500,190</b>
<b>Total liabilities and net assets</b>	<b>\$ 106,738,191</b>	<b>\$ 105,935,928</b>

The Accompanying Notes are an Integral  
Part of These Financial Statements

**GIVE KIDS THE WORLD, INC.**  
STATEMENTS OF ACTIVITIES

	For The Year Ended December 31, 2016			For The Year Ended December 31, 2015
	Unrestricted	Temporarily Restricted	Total	
<b>PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS</b>				
Unrestricted contributions - noncash	\$ 30,627,280	\$ —	\$ 30,627,280	\$ 29,969,750
Temporarily restricted contributions - noncash	—	322,387	322,387	262,477
Unrestricted contributions - cash	12,919,806	—	12,919,806	12,163,540
Temporarily restricted contributions - cash	—	2,733,672	2,733,672	3,561,833
Special events revenue, net of costs of direct benefits to donors of \$1,160,031 and \$1,180,730, respectively	693,440	—	693,440	627,053
Interest and dividend income	1,446,272	—	1,446,272	1,693,630
Net investment gains (losses)	2,328,813	—	2,328,813	(1,864,821)
Other revenue, net	272,821	—	272,821	486,242
Net assets released from restrictions	4,345,197	(4,345,197)	—	—
<b>Total public support and revenue and net assets released from restrictions</b>	<b>52,633,629</b>	<b>(1,289,138)</b>	<b>51,344,491</b>	<b>46,899,704</b>
<b>EXPENSES</b>				
Program activities	46,338,080	—	46,338,080	44,710,937
Supporting activities				
Management and general	1,103,939	—	1,103,939	1,020,064
Fundraising	2,964,026	—	2,964,026	2,587,825
Total supporting activities	4,067,965	—	4,067,965	3,607,889
<b>Total expenses</b>	<b>50,406,045</b>	<b>—</b>	<b>50,406,045</b>	<b>48,318,826</b>
<b>Change in unrestricted net assets</b>	<b>2,227,584</b>	<b>—</b>	<b>2,227,584</b>	<b>(683,149)</b>
<b>Change in temporarily restricted net assets</b>	<b>—</b>	<b>(1,289,138)</b>	<b>(1,289,138)</b>	<b>(735,973)</b>
<b>CHANGE IN NET ASSETS</b>	<b>2,227,584</b>	<b>(1,289,138)</b>	<b>938,446</b>	<b>(1,419,122)</b>
<b>NET ASSETS - Beginning of year</b>	<b>100,102,562</b>	<b>4,397,628</b>	<b>104,500,190</b>	<b>105,919,312</b>
<b>NET ASSETS - End of year</b>	<b>\$ 102,330,146</b>	<b>\$ 3,108,490</b>	<b>\$ 105,438,636</b>	<b>\$ 104,500,190</b>

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**GIVE KIDS THE WORLD, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For The Year Ended December 31, 2016

	<u>Program Activities</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants to families	\$ 31,182,294	\$ —	\$ —	\$ 31,182,294
Salaries and benefits	4,945,972	590,684	1,465,826	7,002,482
Family, participant, and program relations	2,274,706	38,261	1,103	2,314,070
Restaurant food and beverage	1,740,268	—	—	1,740,268
Telephone and utilities	919,675	18,034	30,988	968,697
Repairs and maintenance	720,001	—	—	720,001
Insurance	386,133	36,149	59,152	481,434
Payroll taxes	311,270	57,661	90,584	459,515
Materials and supplies	126,238	—	203,807	330,045
Advertising and promotion	—	92	285,632	285,724
Computer maintenance	72,115	85,524	116,064	273,703
Taxes, licenses, and fees	9,955	4,872	193,335	208,162
Professional fees	—	101,476	81,500	182,976
Meetings and travel	21,348	12,629	124,214	158,191
Office supplies and postage	46,784	24,699	83,387	154,870
Housekeeping, contracts, and supplies	149,277	—	—	149,277
Printing and stationery	71,152	2,283	57,345	130,780
Equipment, office, and storage rental	65,533	10,071	—	75,604
Dues and subscriptions	9,014	11,478	24,362	44,854
Gala	—	—	35,970	35,970
Education and training	2,266	21,418	4,450	28,134
Other	<u>5,891</u>	<u>10,617</u>	<u>85</u>	<u>16,593</u>
 Total expenses before depreciation	 43,059,892	 1,025,948	 2,857,804	 46,943,644
Depreciation	<u>3,278,188</u>	<u>77,991</u>	<u>106,222</u>	<u>3,462,401</u>
 <b>Total expenses</b>	 <b><u>\$ 46,338,080</u></b>	 <b><u>\$ 1,103,939</u></b>	 <b><u>\$ 2,964,026</u></b>	 <b><u>\$ 50,406,045</u></b>

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**GIVE KIDS THE WORLD, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For The Year Ended December 31, 2015

	<u>Program Activities</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants to families	\$ 29,983,731	\$ —	\$ —	\$ 29,983,731
Salaries and benefits	4,933,291	599,870	1,250,801	6,783,962
Family, participant, and program relations	2,179,645	26,999	702	2,207,346
Restaurant food and beverage	1,661,124	—	—	1,661,124
Telephone and utilities	830,977	12,772	24,633	868,382
Repairs and maintenance	708,486	—	—	708,486
Insurance	390,383	35,198	57,598	483,179
Payroll taxes	303,885	58,009	75,578	437,472
Materials and supplies	136,953	—	208,268	345,221
Computer maintenance	60,150	54,465	125,539	240,154
Advertising and promotion	—	50	208,230	208,280
Taxes, licenses, and fees	948	1,751	186,396	189,095
Office supplies and postage	48,841	26,508	107,360	182,709
Printing and stationery	65,003	2,187	96,808	163,998
Housekeeping, contracts, and supplies	136,674	—	—	136,674
Meetings and travel	18,515	10,769	98,069	127,353
Professional fees	—	87,770	—	87,770
Equipment, office, and storage rental	45,732	9,155	—	54,887
Gala	—	—	50,556	50,556
Education and training	5,889	14,598	7,671	28,158
Other	9,651	17,337	—	26,988
Dues and subscriptions	<u>512</u>	<u>11,018</u>	<u>8,405</u>	<u>19,935</u>
 Total expenses before depreciation	 41,520,390	 968,456	 2,506,614	 44,995,460
Depreciation	<u>3,190,547</u>	<u>51,608</u>	<u>81,211</u>	<u>3,323,366</u>
 <b>Total expenses</b>	 <b><u>\$ 44,710,937</u></b>	 <b><u>\$ 1,020,064</u></b>	 <b><u>\$ 2,587,825</u></b>	 <b><u>\$ 48,318,826</u></b>

The Accompanying Notes are an Integral  
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**GIVE KIDS THE WORLD, INC.**  
STATEMENTS OF CASH FLOWS

	For The Years Ended December 31,	
	2016	2015
<b>OPERATING CASH FLOWS</b>		
Cash received from contributions	\$ 16,601,531	\$ 15,878,105
Cash received from other sources	1,524,838	1,428,093
Investment income received	1,446,272	1,693,630
Cash paid for operating activities and costs	(16,478,175)	(15,453,136)
<b>Net operating cash flows</b>	<b>3,094,466</b>	<b>3,546,692</b>
<b>INVESTING CASH FLOWS</b>		
Net release of assets restricted for long-term purposes	255,517	663,783
Proceeds from sales of investments	18,508,998	14,350,606
Purchases of investments	(13,198,351)	(10,578,942)
Net purchases of and improvements to property and equipment	(8,652,401)	(9,346,208)
<b>Net investing cash flows</b>	<b>(3,086,237)</b>	<b>(4,910,761)</b>
<b>FINANCING CASH FLOWS</b>		
Contributions restricted for long-term purposes	405,315	130,146
<b>Net financing cash flows</b>	<b>405,315</b>	<b>130,146</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>413,544</b>	<b>(1,233,923)</b>
<b>CASH AND CASH EQUIVALENTS – Beginning of year</b>	<b>5,615,294</b>	<b>6,849,217</b>
<b>CASH AND CASH EQUIVALENTS – End of year</b>	<b>\$ 6,028,838</b>	<b>\$ 5,615,294</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET</b>		
<b>OPERATING CASH FLOWS</b>		
Change in net assets	\$ 938,446	\$ (1,419,122)
Adjustments to reconcile change in net assets to net operating cash flows		
Net (gains) losses on investments	(2,328,813)	1,864,821
In-kind donations of property and equipment	(322,387)	(262,477)
Loss on disposals of property and equipment	253,419	7,908
Contributions restricted for long-term purposes	(405,315)	(130,146)
Depreciation	3,462,401	3,323,366
Change in unconditional promises to give, net	1,353,368	282,878
Change in inventories	512,514	(40,000)
Change in accounts payable and accrued expenses	(102,370)	(23,641)
Net change in other operating assets and other liabilities	(266,797)	(56,895)
<b>Net operating cash flows</b>	<b>\$ 3,094,466</b>	<b>\$ 3,546,692</b>

The Accompanying Notes are an Integral  
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**GIVE KIDS THE WORLD, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE A – NATURE OF ACTIVITIES**

Give Kids The World, Inc. (“the Organization”) was founded in 1986 as a Florida not-for-profit corporation. The Organization provides children between the ages of 3 and 18 who have a life-threatening illness and their families a cost-free opportunity to experience various world-famous central Florida attractions. The Organization also provides the families with lodging on its 79-acre property located in Kissimmee, Florida. In addition to providing accommodations, the Organization also provides meals to the families and operates *Give Kids The World Village* (“the Village”), the Organization’s own resort, which includes swimming pools, miniature golf, a carousel ride, nightly entertainment, and much more.

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Restricted and unrestricted revenue and support**

Contributions received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as “net assets released from restrictions.” Contributions of noncash assets are recorded at estimated fair value on the date of the gift.

**Cash and cash equivalents**

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

**Cash restricted for long-term purposes**

Cash restricted for long-term purposes is restricted for capital expansion.

**Investments**

Investments consist primarily of marketable debt and equity securities which are stated at estimated fair value.

**Unconditional promises to give**

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

**Inventories**

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

**Property and equipment**

Property and equipment are stated at cost, if purchased, or estimated fair value on the date of donation, if donated. The Organization uses the straight-line method of depreciating property and equipment over the estimated useful lives of the related assets.

**Designated net assets**

Designated net assets represent amounts designated by the Board for various operating and capital needs.



**GIVE KIDS THE WORLD, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income taxes**

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

**Use of estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those related to the estimated fair value of investments, the estimated net realizable value of inventories, the estimated useful lives of property and equipment, and the estimated fair value of noncash contributions. Actual results could differ from the estimates.

**Reclassifications**

Certain amounts included in the December 31, 2015 financial statements have been reclassified to conform to classifications adopted during December 31, 2016. The reclassifications had no material effect on the accompanying financial statements.

**Subsequent events**

The Organization has evaluated for possible financial reporting and disclosure subsequent events through May 8, 2017, the date as of which the financial statements were available to be issued.

**NOTE C – CONCENTRATIONS**

The Organization maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

More than 75% of the Organization’s noncash contribution revenue came from a small group of donors. The Organization hopes and expects to gratefully continue its relationship with these significant donors.

**NOTE D – INVESTMENTS**

Investments consisted of the following:

	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
Equity securities		
Mutual funds – equity	\$ 23,220,445	\$ 24,011,366
Common stock and other	7,638,803	10,113,179
Mutual funds – fixed income	6,347,813	4,892,322
Debt securities	4,115,818	5,551,093
Certificates of deposit	100,591	299,818
Other investments	<u>2,767,347</u>	<u>2,304,873</u>
Total investments	<u>\$ 44,190,817</u>	<u>\$ 47,172,651</u>

**GIVE KIDS THE WORLD, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE D – INVESTMENTS (Continued)**

GAAP defines fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of “inputs” an organization may use in determining or estimating fair value. The inputs are categorized into “levels” that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of each of the three levels of input within the fair value hierarchy:

Level 1 – unadjusted quoted market prices in active markets for identical items

Level 2 – other significant observable inputs (such as quoted prices for similar items)

Level 3 – significant unobservable inputs

Estimated fair value of assets measured on a recurring basis during the year ended December 31, 2016 is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Securities –				
Mutual funds – equity	\$ 23,220,445	\$ 23,220,445	\$ —	\$ —
Common stock and other	7,638,803	7,638,803	—	—
Mutual funds – fixed income	6,347,813	6,347,813	—	—
Debt securities	4,115,818	4,115,818	—	—
Nontraditional	<u>2,767,347</u>	<u>—</u>	<u>—</u>	<u>2,767,347</u>
Total	<u>\$ 44,090,226</u>	<u>\$ 41,322,879</u>	<u>\$ —</u>	<u>\$ 2,767,347</u>

Estimated fair value of assets measured on a recurring basis during the year ended December 31, 2015 is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Securities –				
Mutual funds – equity	\$ 24,011,366	\$ 24,011,366	\$ —	\$ —
Common stock and other	10,113,179	10,113,179	—	—
Mutual funds – fixed income	4,892,322	4,892,322	—	—
Debt securities	5,551,093	5,551,093	—	—
Nontraditional	<u>2,304,873</u>	<u>—</u>	<u>—</u>	<u>2,304,873</u>
Total	<u>\$ 46,872,833</u>	<u>\$ 44,567,960</u>	<u>\$ —</u>	<u>\$ 2,304,873</u>

Nontraditional investments valued using “Level 3” inputs consist of investments in pooled funds which invest in privately-held enterprises. Generally, such investments cannot be liquidated in the near term. The estimated fair values of nontraditional investments are generally based on amounts provided by the investee.

**GIVE KIDS THE WORLD, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE D – INVESTMENTS (Continued)**

The change in the components of financial instruments measured using Level 3 inputs was immaterial for 2016 and 2015.

**NOTE E – UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give consisted of the following:

	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
Gross unconditional promises to give	\$ 1,018,655	\$ 2,422,689
Less: Present value discount (approximately 1%-2% per annum)	(72,416)	(116,372)
Less: Allowance for uncollectible amounts	(31,418)	(38,128)
Unconditional promises to give, net	\$ 914,821	\$ 2,268,189

Unconditional promises are due as follows:

Less than one year	\$ 71,205
One to five years	947,450
Gross unconditional promises to give	\$ 1,018,655

Unconditional promises to give were primarily restricted for capital expansion.

**NOTE F – INVENTORIES**

Inventories consisted of the following:

	<u>December 31,</u>	
<u>Category</u>	<u>2016</u>	<u>2015</u>
Toys, gifts, and family supplies	\$ 2,662,272	\$ 3,278,718
Attraction tickets	1,101,357	998,180
Retail merchandise and other	106,406	105,651
Total inventories	\$ 3,870,035	\$ 4,382,549

**GIVE KIDS THE WORLD, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE G – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

Category	December 31,	
	2016	2015
Land	\$ 4,707,862	\$ 4,707,862
Land improvements	12,124,472	11,326,050
Buildings and improvements	56,338,072	48,437,681
Furniture and equipment	10,526,717	9,910,462
Computer equipment	1,387,467	1,260,077
Construction in progress	—	786,441
Total property and equipment	85,084,590	76,428,573
Less: Accumulated depreciation and amortization	<u>(35,020,893)</u>	<u>(31,623,844)</u>
Net property and equipment	<u>\$ 50,063,697</u>	<u>\$ 44,804,729</u>

Depreciation amounted to \$3,462,401 and \$3,323,366 for the years ended December 31, 2016 and 2015, respectively.

**NOTE H – DESIGNATED AND RESTRICTED NET ASSETS**

The Organization maintains a Board-designated endowment which represents amounts segregated by the Board to provide income for the Organization's operating and capital needs. Board-designated endowment activity was as follows:

Board-designated endowment, January 1, 2015	\$56,366,931
Interest and dividends	1,693,630
Net realized gain on sale of investments	1,078,908
Net unrealized loss on investments	(2,828,327)
Investment fees	(115,402)
Liquidations – capital needs	(6,635,000)
Other	19,902
Board-designated endowment, December 31, 2015	49,580,642
Interest and dividends	1,446,272
Net realized gain on sale of investments	1,832,755
Net unrealized gain on investments	576,368
Investment fees	(80,310)
Liquidations – capital needs	(7,500,000)
Other	20,179
Board-designated endowment, December 31, 2016	<u>\$45,875,906</u>

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

**GIVE KIDS THE WORLD, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE H – DESIGNATED AND RESTRICTED NET ASSETS (Continued)**

Temporarily restricted net asset activity during 2016 was as follows:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
The Village – food services	\$ 1,246,417	\$ 1,893,643	\$ (1,568,243)	\$ 1,571,817
Time restrictions	2,268,189	137,622	(1,490,990)	914,821
Future capital expansion	398,517	727,701	(983,218)	143,000
Other program activities	<u>484,505</u>	<u>297,093</u>	<u>(302,746)</u>	<u>478,852</u>
Total	<u>\$ 4,397,628</u>	<u>\$ 3,056,059</u>	<u>\$ (4,345,197)</u>	<u>\$ 3,108,490</u>

Temporarily restricted net asset activity during 2015 was as follows:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
Time restrictions	\$ 2,551,067	\$ 1,335,873	\$ (1,618,751)	\$ 2,268,189
The Village – food services	1,128,285	1,700,402	(1,582,270)	1,246,417
Future capital expansion	1,062,300	392,623	(1,056,406)	398,517
Other program activities	<u>391,949</u>	<u>395,412</u>	<u>(302,856)</u>	<u>484,505</u>
Total	<u>\$ 5,133,601</u>	<u>\$ 3,824,310</u>	<u>\$ (4,560,283)</u>	<u>\$ 4,397,628</u>

**NOTE I – CONTRIBUTIONS – NONCASH**

The Organization receives donations from several central Florida theme parks which consist of tickets, onsite parking, character visits, family photographs while visiting the parks, and more. The Organization also receives donations of toys and family gifts, food and beverages, family transportation, and other similar donations from individuals and corporate partners. Noncash contributions are recognized as revenue at their estimated fair value on the date the gifts are received and are recognized as expenses when the related gifts are distributed to families. During 2016, the Organization recognized noncash contributions of \$31,799,289, of which \$30,949,667 is included in “contributions - noncash” and \$854,873 is included in “special events revenue” in the accompanying statement of activities. During 2015, the Organization recognized noncash contributions of \$31,106,067, of which \$30,232,227 is included in “contributions - noncash” and \$873,840 is included in “special events revenue” in the accompanying statement of activities.

In addition, volunteers provide labor and other services for various Organization activities. Such contributed services, which do not meet the criteria for recognition in conformity with GAAP and are therefore not included in the accompanying financial statements, have been estimated by management to be approximately 389,000 hours, valued at approximately \$8,580,000 and approximately 408,000 hours, valued at approximately \$8,809,000 for 2016 and 2015, respectively.

**GIVE KIDS THE WORLD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE I – CONTRIBUTIONS – NONCASH (Continued)**

Noncash contributions consisted of the following:

Category	For The Years Ended December 31,	
	2016	2015
Theme park attraction tickets, parking, and photos	\$ 27,495,780	\$ 25,768,550
Toys and family gifts	1,264,890	2,267,153
Fundraising related support	850,483	882,849
Food and beverage	496,964	461,876
Character visits	451,081	697,578
Transportation	442,202	464,431
Other program in-kind gifts	475,502	301,153
Capital improvements for expansion and operations	322,387	262,477
Total noncash contributions	<u>\$ 31,799,289</u>	<u>\$ 31,106,067</u>

**NOTE J – RELATED PARTY TRANSACTIONS**

From time-to-time, the Organization engages in transactions with individuals who have family relationships with Board members or management or with companies in which Board members or management have ownership interests. Independent members of the Organization’s Board of Directors approved the transactions after considering the terms of comparable services. During 2016 and 2015, the Organization paid approximately \$69,000 and \$75,000, respectively, for consulting and other services and approximately \$13,000 and \$25,000, respectively, for legal services to such parties.

**NOTE K – RETIREMENT PLAN**

The Organization maintains a defined contribution retirement plan (“the Plan”) covering all eligible employees. Employees may make elective deferral contributions to the Plan. In addition, the Organization makes matching contributions to the Plan based on specific deferrals of participating employees as defined by the Plan document. The Organization may also make an annual discretionary contribution to the Plan. During 2016 and 2015, the Organization contributed approximately \$230,000 and \$229,000 to the Plan, respectively.