



**LONGVIEW WORLD OF WONDERS, INC.  
LONGVIEW, TEXAS**

**FINANCIAL STATEMENTS**

**As of September 30, 2023 and 2022  
With Independent Auditor's Report**

**LONGVIEW WORLD OF WONDERS, INC.**

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## Independent Auditor's Report

The Board of Directors  
Longview World of Wonders, Inc.  
Longview, Texas

### *Opinion*

We have audited the accompanying financial statements of Longview World of Wonders, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, 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 Longview World of Wonders, Inc. as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Longview World of Wonders, Inc. 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 opinions.

### *Responsibilities of Management for the Financial Statements*

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

**HEARD, MCELROY & VESTAL, LLC**

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In performing an audit in accordance with generally accepted auditing standards, we:

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

*Heard, McElroy & Vestal, LLC*  
Longview, Texas

December 14, 2023

**LONGVIEW WORLD OF WONDERS, INC.**  
**Statements of Financial Position**  
**September 30**

	<b>Assets</b>	
	<u>2023</u>	<u>2022</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 420,807	\$ 201,616
Restricted cash	54,347	166,795
Prepaid expenses	23,838	21,800
<b>Total Current Assets</b>	<b>498,992</b>	<b>390,211</b>
<b>Property and Equipment:</b>		
Land	40,535	40,535
Furniture and equipment	22,432	12,550
Buildings and improvements	1,060,920	1,060,708
Exhibits	1,008,391	934,723
Exhibits in progress	222,304	66,901
<b>Total Property and Equipment</b>	<b>2,354,582</b>	<b>2,115,417</b>
<b>Less: Accumulated depreciation</b>	<b>(920,830)</b>	<b>(783,917)</b>
<b>Net Property and Equipment</b>	<b>1,433,752</b>	<b>1,331,500</b>
<b>Total Assets</b>	<b>\$ 1,932,744</b>	<b>\$ 1,721,711</b>
	<b>Liabilities and Net Assets</b>	
<b>Current Liabilities:</b>		
Accounts payable	\$ 24,538	\$ 680
Contract liability	176,865	97,396
Current portion of long-term debt	16,921	15,552
Other accrued liabilities	3,521	-0-
<b>Total Current Liabilities</b>	<b>221,845</b>	<b>113,628</b>
<b>Notes Payable, Less Current Portion</b>	<b>88,130</b>	<b>102,504</b>
<b>Total Liabilities</b>	<b>309,975</b>	<b>216,132</b>
<b>Net Assets:</b>		
Without donor restrictions	1,572,923	1,409,168
With donor restrictions	49,846	96,411
<b>Total Net Assets</b>	<b>1,622,769</b>	<b>1,505,579</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,932,744</b>	<b>\$ 1,721,711</b>

(See accompanying notes and accountant's report.)

**LONGVIEW WORLD OF WONDERS, INC.**  
**Statement of Activities**  
**For the Year Ended September 30, 2023**

<b>SUPPORT AND REVENUE:</b>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Public Support:</b>			
Contributions	\$ 9,749	\$ 4,550	\$ 14,299
Memberships	37,018		37,018
Admissions	100,658		100,658
Grants		72,880	72,880
Interest income	1,908		1,908
Education programs	64,586		64,586
In-kind	51,946		51,946
Fundraising	355,537		355,537
Funds released from donor restriction	123,995	(123,995)	-0-
<b>Total Public Support</b>	<u>745,397</u>	<u>(46,565)</u>	<u>698,832</u>
<b>Total Support and Revenue</b>	<u>745,397</u>	<u>(46,565)</u>	<u>698,832</u>
<b>EXPENSES:</b>			
<b>Program Services:</b>			
Exhibition and curatorial	326,274		326,274
<b>Support Services:</b>			
Management and general	115,863		115,863
Fundraising	139,505		139,505
<b>Total Support Services</b>	<u>255,368</u>	<u>-0-</u>	<u>255,368</u>
<b>Total Expenses</b>	<u>581,642</u>	<u>-0-</u>	<u>581,642</u>
<b>Increase (Decrease) in Net Assets</b>	163,755	(46,565)	117,190
<b>Net Assets at Beginning of Year</b>	<u>1,409,168</u>	<u>96,411</u>	<u>1,505,579</u>
<b>Net Assets at End of Year</b>	<u>\$ 1,572,923</u>	<u>\$ 49,846</u>	<u>\$ 1,622,769</u>

(See accompanying notes and accountant's report.)

**LONGVIEW WORLD OF WONDERS, INC.**  
**Statement of Activities**  
**For the Year Ended September 30, 2022**

<b>SUPPORT AND REVENUE:</b>	<u><b>Without Donor Restrictions</b></u>	<u><b>With Donor Restrictions</b></u>	<u><b>Total</b></u>
<b>Public Support:</b>			
<b>Contributions</b>	\$ 39,700	\$ 13,472	\$ 53,172
<b>Memberships</b>	29,769		29,769
<b>Admissions</b>	83,527		83,527
<b>Grants</b>		26,600	26,600
<b>Interest income</b>	792		792
<b>Education programs</b>	45,666		45,666
<b>In-kind</b>	48,030		48,030
<b>Fundraising</b>	253,280		253,280
<b>Funds released from donor restriction</b>	56,759	(56,759)	-0-
	<u>557,523</u>	<u>(16,687)</u>	<u>540,836</u>
<b>Total Public Support</b>			
	<u>557,523</u>	<u>(16,687)</u>	<u>540,836</u>
<b>EXPENSES:</b>			
<b>Program Services:</b>			
<b>Exhibition and curatorial</b>	309,797		309,797
<b>Support Services:</b>			
<b>Management and general</b>	104,125		104,125
<b>Fundraising</b>	112,194		112,194
	<u>216,319</u>	<u>-0-</u>	<u>216,319</u>
<b>Total Support Services</b>			
	<u>526,116</u>	<u>-0-</u>	<u>526,116</u>
<b>Increase (Decrease) in Net Assets</b>	31,407	(16,687)	14,720
<b>Net Assets at Beginning of Year</b>	<u>1,377,761</u>	<u>113,098</u>	<u>1,490,859</u>
<b>Net Assets at End of Year</b>	<u>\$ 1,409,168</u>	<u>\$ 96,411</u>	<u>\$ 1,505,579</u>

(See accompanying notes and accountant's report.)

**LONGVIEW WORLD OF WONDERS, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended September 30, 2023**

	<u>Program Services</u>	<u>Support Services</u>			<u>Total</u>
	<u>Exhibition and Curatorial</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total Support Services</u>	
Wages	\$ 103,174	\$ 60,185	\$ 8,598	\$ 68,783	\$ 171,957
Payroll taxes	8,052	4,697	671	5,368	13,420
Accounting		9,422		9,422	9,422
Utilities	14,268	8,323	1,189	9,512	23,780
Insurance	5,257	3,066	438	3,504	8,761
Exhibit supplies	1,326			-0-	1,326
Office expense		12,326		12,326	12,326
Interest expense		6,196		6,196	6,196
Marketing	16,593			-0-	16,593
Technology	2,226			-0-	2,226
Depreciation	136,913			-0-	136,913
Dues and subscriptions		2,275		2,275	2,275
Store purchases	2,365			-0-	2,365
Miscellaneous	10,683	6,232	890	7,122	17,805
Bank charges	8,499			-0-	8,499
Janitorial	5,384	3,141	449	3,590	8,974
Direct fundraising expenses			127,270	127,270	127,270
Educational programs	11,534			-0-	11,534
<b>Total Expenses</b>	<b>\$ 326,274</b>	<b>\$ 115,863</b>	<b>\$ 139,505</b>	<b>\$ 255,368</b>	<b>\$ 581,642</b>

(See accompanying notes and accountant's report.)

**LONGVIEW WORLD OF WONDERS, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended September 30, 2022**

	<u>Program Services</u>	<u>Support Services</u>			<u>Total</u>
	<u>Exhibition and Curatorial</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total Support Services</u>	
<b>Wages</b>	\$ 95,625	\$ 55,781	\$ 7,969	\$ 63,750	\$ 159,375
<b>Payroll taxes</b>	7,595	4,431	633	5,064	12,659
<b>Accounting</b>		5,732		5,732	5,732
<b>Utilities</b>	12,145	7,085	1,012	8,097	20,242
<b>Insurance</b>	3,628	2,116	302	2,418	6,046
<b>Exhibit supplies</b>	1,840				1,840
<b>Office expense</b>		9,480		9,480	9,480
<b>Interest expense</b>		10,268		10,268	10,268
<b>Marketing</b>	25,818				25,818
<b>Technology</b>	938				938
<b>Depreciation</b>	130,742				130,742
<b>Dues and subscriptions</b>		1,620		1,620	1,620
<b>Store purchases</b>	2,594				2,594
<b>Miscellaneous</b>	7,996	4,664	666	5,330	13,326
<b>Bank charges</b>	6,336				6,336
<b>Janitorial</b>	5,053	2,948	421	3,369	8,422
<b>Direct fundraising expenses</b>			101,191	101,191	101,191
<b>Educational programs</b>	9,487				9,487
<b>Total Expenses</b>	<u>\$ 309,797</u>	<u>\$ 104,125</u>	<u>\$ 112,194</u>	<u>\$ 216,319</u>	<u>\$ 526,116</u>

(See accompanying notes and accountant's report.)

**LONGVIEW WORLD OF WONDERS, INC.**  
**Statements of Cash Flows**  
**For the Years Ended September 30**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 117,190	\$ 14,720
<b>Adjustments to reconcile change in net assets to net cash used in operating activities:</b>		
Depreciation	136,913	130,742
Amortization of discount	6,196	10,268
Forgiveness of long-term debt	-0-	(16,900)
<b>Change in Operating Assets and Liabilities:</b>		
Prepaid expenses	(2,038)	(21,348)
Accounts payable and accruals	27,378	(17,255)
Contract liabilities	79,469	77,311
<b>Net Cash Provided by Operating Activities</b>	<u>365,108</u>	<u>177,538</u>
<b>Cash Flows from Financing Activities:</b>		
Payments on long-term debt	<u>(19,200)</u>	<u>(19,200)</u>
<b>Net Cash Used in Financing Activities</b>	<u>(19,200)</u>	<u>(19,200)</u>
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	<u>(239,165)</u>	<u>(35,869)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>106,743</b>	<b>122,469</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>368,411</u>	<u>245,942</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 475,154</u>	<u>\$ 368,411</u>

(See accompanying notes and accountant's report.)

**LONGVIEW WORLD OF WONDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2023 and 2022

**Note 1 – Summary of Significant Accounting Policies:**

**Basis of Presentation**

Longview World of Wonders, Inc. (“WOW”, “we” or “the Organization”) is a nonprofit, tax-exempt corporation that inspires a life-long love of learning by giving children the opportunity to imagine, create, and explore in a hands-on educational environment.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. Significant estimates included in our financial statements include useful lives used in determining depreciation expense, percentages used to allocate various expenses between program, fundraising and supporting services, assumptions used to calculate the present value of non-interest bearing debt, and in-kind support.

The financial statements of WOW have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Financial Reporting Entity**

For financial reporting purposes, WOW includes all funds, account groups, and agencies that are controlled by or dependent on our Board of Directors. Control by or dependence on the Organization is determined on the basis of budget adoption, revenue and expenditure responsibilities, obligation of the Organization to finance any deficits that may occur, or receipt of significant subsidies by WOW.

**Cash and Cash Equivalents**

For the purpose of the Statements of Cash Flows, WOW considers all demand deposits, money market funds, and other temporary investments with original maturities of three months or less to be cash equivalents.

**Property and Equipment**

WOW follows the practice of capitalizing all expenditures for land, buildings, and equipment at cost; the fair value of donated fixed assets is similarly capitalized. Assets retired or otherwise disposed of and the related amounts of accumulated depreciation are eliminated from the accounts and a gain or loss is recognized. Depreciation expense is provided over the estimated useful lives of the assets using the straight-line method. The cost and original estimated useful lives are as follows:

	<u>Useful Lives</u>	<u>2023</u>
Buildings and improvements	10 – 30 years	\$ 1,060,920
Exhibits	10 years	1,008,391
Furniture and equipment	5 – 7 years	22,432

Depreciation expense for the year ended September 30, 2023 and 2022 was \$136,913 and \$130,742, respectively. WOW also has \$222,304 and \$66,901 of capital assets in 2023 and 2022, respectively, not yet in service that are not currently being depreciated. Depreciation on these items is expected to begin in November 2023.

Maintenance and repairs are charged to operating expenses as incurred. Cost of renewals and betterments which materially extend the useful lives of the asset or increase their productivity are capitalized.

LONGVIEW WORLD OF WONDERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023 and 2022

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**Note 1 – Summary of Significant Accounting Policies: (continued)**

**Functional Expenses**

Expenses related to our mission are reported as program expenses. Expenses incurred for management and administration and those associated with fundraising are reported as supporting services. We allocate expenses on a functional basis among our 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 estimates by management. The allocations to program services includes those supported by net assets with donor restrictions. The allocations are reported on the Statement of Functional Expenses.

**Federal Income Taxes**

We are a not-for-profit organization that is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). As a tax-exempt entity, WOW is required to file Forms 990 and 990-T and pay federal income tax only on unrelated business income. We qualify for the charitable contribution deduction and have been classified as an organization that is not a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. We are also exempt from state income taxes.

We have not identified any uncertain tax positions requiring recognition in our financial statements and we believe that the positions taken would not require settlement at an amount less than full recognition. We file an information tax return in the U.S. federal jurisdiction. We generally are no longer subject to U.S. federal income tax examinations by tax authorities for years before 2020.

**Management of Liquidity**

The Organizations’ financial assets available within one year of the Statements of Financial Position for general expenditures are \$420,807 and \$201,616 in 2023 and 2022, respectively. As part of our liquidity management, our policy is to structure financial assets to be available as its general expenditures and other obligations come due. Financial assets with donor-imposed restrictions are to be used for exhibits or program services and are not available for general expenditures.

**Donated Services and Noncash Donations**

Contributed professional services are recognized if the services received create or enhance a long-lived asset or require specialized skills, that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. WOW receives various types of donated support including professional services by unpaid volunteers assisting in fundraising and carrying out our purpose. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

Certain donations are noncash in nature and are recognized in the financial statements based on the fair market value of the donated asset. In the absence of donor restrictions, donated assets are reported as unrestricted support.

**Financial Statement Presentation**

WOW follows the guidance of FASB Topic 958, “Not-for-Profit Entities”. Under FASB Topic 958, we are required to report information regarding our 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 represent revenues and expenses no longer restricted by the donor in which the Board of Directors have discretionary control to carry out operations of the Organization in accordance with its by-laws.

**LONGVIEW WORLD OF WONDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2023 and 2022

**Note 1 – Summary of Significant Accounting Policies: (continued)**

Net assets with donor restrictions represent resources currently available for use or receivable from the donor, but expendable only for those operating purposes specified by the donor.

**Advertising**

We expense advertising costs as they are incurred. These expenses include media and other promotional and sponsorship costs. Advertising expenses were \$16,593 and \$25,818 in 2023 and 2022, respectively.

**Revenue Recognition**

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Accounting Standards Codification (ASC 606)," which is a comprehensive revenue recognition standard that supersedes nearly all existing revenue recognition guidance under GAAP. ASU 2014-09 provides a single principles-based, five-step model to be applied to all contracts with customers. The steps are to (1) identify the contract(s) with the customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when each performance obligation is satisfied.

Revenue of WOW consists primarily of memberships, admissions, contributions, and fundraising activities. Memberships, which are without restrictions in nature, are recognized over the periods for which they are earned. Deferred revenue arises from dues received in advance of the performance obligation being satisfied. These are referred to in the Statement of Financial Position as contract liabilities. Services related to memberships are transferred over time while admissions are at a point in time. Contributions are recognized when unconditional commitments are received and recorded as without donor restrictions or with donor restrictions, depending on the existence or absence of donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Revenues from fundraising activities, primarily Bourbon and Bowties, are recognized when the benefit to WOW is transferred.

See Note 2 for additional information regarding ASC 606.

**Note 2 – Revenue Recognition:**

***Disaggregation of Revenue***

The following table summarizes revenue from contracts with customers for the year ended September 30:

	<u>2023</u>	<u>2022</u>
Services Transferred Over Time <sup>1</sup>	\$ 37,018	\$ 29,769
Goods or Services Transferred at a Point in Time <sup>2</sup>	<u>165,078</u>	<u>129,013</u>
Revenue from Customers	202,096	158,782
Other Revenue Outside Scope of ASC 606 <sup>3</sup>	<u>496,736</u>	<u>382,054</u>
<b>Total Revenue</b>	<b><u>\$ 698,832</u></b>	<b><u>\$ 540,836</u></b>

<sup>1</sup> Annual memberships purchased by customers.

<sup>2</sup> This includes admissions and special events.

<sup>3</sup> This includes contributions, fundraising, and other revenue outside the scope of ASC 606.

**LONGVIEW WORLD OF WONDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2023 and 2022

**Note 2 – Revenue Recognition: (continued)**

Memberships are not billed, therefore there are no receivables recorded for revenues. Contract liabilities as of September 30, 2023 and 2022 were \$176,865 and \$97,396, respectively.

**Note 3 – Net Assets with Donor Restrictions:**

Certain revenue that we receive is restricted for expenditures including programming, marketing, exhibits, and scholarships. The City of Longview provides the Organization with an annual Cultural Arts Alliance grant that is restricted for programming and marketing events. The grant varies each year based on the allocation from the City’s council. WOW also received a grant for train exhibit expenses in 2023 in the amount of \$49,500. The discount on notes payable is restricted and amortized each year. There are also other nonrecurring contributions that have been restricted. In 2023, donor restricted support of \$77,430 was received and \$123,995 used for expenses specified by the restrictions. In 2022, donor restricted support of \$40,072 was received and \$56,759 used for expenses specified by the restrictions. At September 30, 2023 and 2022, there are \$49,846 and \$96,411 in restricted funds remaining, respectively.

**Note 4 – Notes Payable:**

Notes payable consisted of the following at September 30:

	<u>2023</u>	<u>2022</u>
Note payable to Texas Furniture Company, Inc. of Longview, Texas for an original amount of \$355,200, noninterest-bearing for 15 years. The note is collateralized by a building at 112 E. Tyler Street, Longview. The liability is presented in the financial statements reflecting future payments discounted at an imputed interest rate of 6 percent.	\$ 123,300	\$ 142,500
Less: Unamortized discount	(18,249)	(24,444)
Less: Current portion of notes payable	<u>(16,921)</u>	<u>(15,552)</u>
Total Discounted Long-Term Debt	<u>\$ 88,130</u>	<u>\$ 102,504</u>

Undiscounted future debt service requirements are as follows:

2024	\$ 22,800
2025	22,800
2026	22,800
2027	22,800
2028 and thereafter	<u>32,100</u>
Future Debt Service Requirements	<u>\$ 123,300</u>

Imputed interest expense for the fiscal year ending September 30, 2023 and 2022 was \$6,196 and \$10,268, respectively. This is also considered cash paid for interest for the Statement of Cash Flows.

**LONGVIEW WORLD OF WONDERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2023 and 2022

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**Note 5 – In-Kind Support:**

We received \$51,946 and \$48,030 of in-kind contributions in 2023 and 2022, respectively. These are auction items that were donated for our fundraising event. These revenues are segregated from the gross revenues of the event. The difference between the auction bid amount and the value assigned is included in fundraising revenue. These items were sold for \$81,950 and \$62,373 in 2023 and 2022, respectively. Auction items are valued based on what the item could be purchased for at the time of donation. These items are all monetized at the time of the auction. These donations are considered available for general expenditures once monetized.

**Note 6 – Concentrations:**

Financial instruments which potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents in banks. We place our temporary cash investments with institutions where they are insured by the Federal Deposit Insurance Corporation (FDIC) for deposits up to \$250,000. We had \$225,154 and \$118,411 uninsured deposits as of September 30, 2023 and 2022, respectively. We believe the risk of a loss due to uninsured deposits is remote and would not have a material impact to the financial statements.

Revenue from our fundraising event represented 58 and 56 percent of our gross revenues in 2023 and 2022, respectively.

**Note 7 – Cash and Cash Equivalents:**

Cash and cash equivalents are both restricted and unrestricted in nature. The following is a reconciliation between cash on the Statement of Net Position and the Statement of Cash Flows:

	<u>2023</u>	<u>2022</u>
<b>Statement of Net Position:</b>		
Cash and cash equivalents	\$ 420,807	\$ 201,616
Restricted cash	<u>54,347</u>	<u>166,795</u>
Total Cash Per Statement of Cash Flows	<u>\$ 475,154</u>	<u>\$ 368,411</u>

**Note 8 – Related Parties:**

We occasionally receive donations from members of our Board of Directors. We received \$3,550 and \$14,722 from board members in 2023 and 2022, respectively. These funds are typically donor-restricted funds and any remaining as of year-end are restricted cash.

**Note 9 – Subsequent Events:**

We have evaluated subsequent events through December 14, 2023, the date which the financial statements were available to be issued.