

**Miracle Travel Works, Inc.**  
**Ankeny, Iowa**

**FINANCIAL REPORT**

**December 31, 2024 and 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Miracle Travel Works, Inc.  
Ankeny, Iowa

### Opinion

We have audited the accompanying financial statements of Miracle Travel Works, Inc. (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities 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 Miracle Travel Works, Inc. as of December 31, 2024 and 2023, 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 Audits of the Financial Statements section of our report. We are required to be independent of Miracle Travel Works, 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 opinion.

### 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 Miracle Travel Works, 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 Audits of the Financial Statements**

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

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

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

  
Denman CPA LLP

West Des Moines, Iowa  
March 27, 2025

**Miracle Travel Works, Inc.**  
**STATEMENTS OF FINANCIAL POSITION**

|                                       | <b>December 31</b>       |                          |
|---------------------------------------|--------------------------|--------------------------|
|                                       | <b>2024</b>              | <b>2023</b>              |
| <b>ASSETS</b>                         |                          |                          |
| <b>CASH AND CASH EQUIVALENTS</b>      | <u>\$ 154,017</u>        | <u>\$ 195,564</u>        |
| <b>OTHER CURRENT ASSETS</b>           |                          |                          |
| Contributions receivable              | 33,149                   | 63,985                   |
| Trade assets                          | 1,528                    | 2,248                    |
| Prepaid expense                       | <u>3,167</u>             | <u>2,988</u>             |
| Total other current assets            | <u>37,844</u>            | <u>69,221</u>            |
| Total assets                          | <u><u>\$ 191,861</u></u> | <u><u>\$ 264,785</u></u> |
| <b>LIABILITIES AND NET ASSETS</b>     |                          |                          |
| <b>CURRENT LIABILITIES</b>            |                          |                          |
| Accounts payable                      | <u>\$ —</u>              | <u>\$ 872</u>            |
| <b>NET ASSETS</b>                     |                          |                          |
| Net assets without donor restrictions | <u>191,861</u>           | <u>263,913</u>           |
| Total liabilities and net assets      | <u><u>\$ 191,861</u></u> | <u><u>\$ 264,785</u></u> |

See Notes to Financial Statements

**Miracle Travel Works, Inc.**  
**STATEMENTS OF ACTIVITIES**

|                                              | <b>Year ended December 31</b> |                   |
|----------------------------------------------|-------------------------------|-------------------|
|                                              | <b>2024</b>                   | <b>2023</b>       |
| <b>REVENUES</b>                              |                               |                   |
| Contributions, unrestricted                  | \$ 127,429                    | \$ 219,560        |
| Event income                                 | 91,460                        | 106,742           |
| Less cost of sales                           | (22,969)                      | (26,473)          |
| Contributions of nonfinancial assets         | 11,183                        | 7,655             |
| Interest income                              | 1                             | 7                 |
| Total revenues                               | <u>207,104</u>                | <u>307,491</u>    |
| <b>EXPENSES</b>                              |                               |                   |
| Program services                             |                               |                   |
| Assistance to individuals                    | <u>260,397</u>                | <u>218,794</u>    |
| Total program services                       | <u>260,397</u>                | <u>218,794</u>    |
| Management and administrative                |                               |                   |
| Professional services                        | 9,718                         | 6,498             |
| Insurance                                    | 1,640                         | 1,640             |
| Advertising                                  | 147                           | 802               |
| Banking and credit card fees                 | 514                           | 742               |
| Supplies                                     | <u>6,740</u>                  | <u>40</u>         |
| Total management and administrative          | <u>18,759</u>                 | <u>9,722</u>      |
| Total expenses                               | <u>279,156</u>                | <u>228,516</u>    |
| <b>CHANGE IN NET ASSETS</b>                  | <u>(72,052)</u>               | <u>78,975</u>     |
| <b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b> |                               |                   |
| Beginning                                    | <u>263,913</u>                | <u>184,938</u>    |
| Ending                                       | <u>\$ 191,861</u>             | <u>\$ 263,913</u> |

See Notes to Financial Statements

**Miracle Travel Works, Inc.**  
**STATEMENTS OF CASH FLOWS**

|                                                | <b>Year ended December 31</b> |                          |
|------------------------------------------------|-------------------------------|--------------------------|
|                                                | <b>2024</b>                   | <b>2023</b>              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>    |                               |                          |
| Change in net assets                           | \$ (72,052)                   | \$ 78,975                |
| Change in assets and liabilities               |                               |                          |
| Contributions receivable                       | 30,836                        | (60,385)                 |
| Trade assets                                   | 720                           | (911)                    |
| Prepaid expense                                | (179)                         | (1,494)                  |
| Accounts payable                               | (872)                         | 513                      |
| Net cash flows from operating activities       | <u>(41,547)</u>               | <u>16,698</u>            |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b> | (41,547)                      | 16,698                   |
| <b>CASH AND CASH EQUIVALENTS</b>               |                               |                          |
| Beginning                                      | <u>195,564</u>                | <u>178,866</u>           |
| Ending                                         | <u><u>\$ 154,017</u></u>      | <u><u>\$ 195,564</u></u> |

**Miracle Travel Works, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Miracle Travel Works, Inc. (the Organization) is a nonprofit corporation organized under the laws of the state of Iowa for the purpose of paying travel expenses for families who primarily reside in the Midwest region of the United States to receive urgent medical procedures or treatments for their seriously ill or injured children.

**Net Assets Without Donor Restrictions**

Net assets without donor restrictions are those assets which are not restricted by donor imposed stipulations and represent the portion of expendable assets available for support of the Organization's operating activities. The Organization had only net assets without donor restrictions as of December 31, 2024 and 2023.

**Revenue Recognition**

Event income is recorded as of the date of the event. Performance obligations are satisfied at a point-in-time when the event occurs. Amounts collected in advance are recorded as deferred revenues until the period of performance.

**Functional Expenses**

The costs of providing activities of the Organization have been summarized on a functional basis in the statements of activities. Expenses have been classified based on actual direct expenditures.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents consists of deposits held in checking, savings and PayPal accounts.

**Contributions**

Contributions and grants received are recorded as without donor restrictions, or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions and grants are reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions are recognized as revenue when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are not recognized as revenue until the donor's conditions are substantially met. An allowance for uncollectible contributions is provided based upon management's judgment, including such factors as prior collection history and nature of the contribution.

Unconditional contributions that are expected to be collected within one year are recorded at their net realizable value. Unconditional contributions that are expected to be collected in future years are recorded at fair value using present value techniques. Amortization of the discount is included in contribution revenue.

**Miracle Travel Works, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Contributed Nonfinancial Assets**

Contributed nonfinancial assets are recorded in the financial statements at their estimated fair values at the date of receipt. There were no restrictions placed on amounts received. Many individuals volunteer time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as donated services.

**NOTE 2 INCOME TAXES**

The Organization is a public charity exempt from income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) and, accordingly, no provision for income taxes has been made.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) for an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has evaluated their material tax positions and determined there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress. Management believes the Organization is no longer subject to income tax examinations for years prior to 2021.

**NOTE 3 CONTRIBUTIONS RECEIVABLE AND REVENUE**

Contributions receivable consist of unconditional contributions in support of the Organization's mission. All amounts are expected to be collected within one year of the date of the financial statements. The Organization considers all contributions receivable fully collectible and, therefore, an allowance for uncollectible contributions has not been recorded.

Approximately 33% of total revenues were received from two donors. Approximately 19% of total revenues were received from board members or organizations related to board members. Approximately 92% of contributions receivable is due from one contributor.

**NOTE 4 LIQUIDITY**

The Organization monitors its liquidity so that it is able to meet its operating needs.

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

|                           | <b>Year ended December 31</b> |                   |
|---------------------------|-------------------------------|-------------------|
|                           | <b>2024</b>                   | <b>2023</b>       |
| Cash and cash equivalents | \$ 154,017                    | \$ 195,564        |
| Contributions receivable  | <u>33,149</u>                 | <u>63,985</u>     |
| Total                     | <u>\$ 187,166</u>             | <u>\$ 259,549</u> |

**NOTE 5 SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through March 27, 2025, the date which the financial statements were available to be issued. There were no subsequent events required to be accrued or disclosed.