

Audited Financial Statements



December 31, 2023

Quigley & Miron

Kidsave International, Inc.
Audited Financial Statements
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Independent Auditor's Report

Board of Trustees
Kidsave International, Inc.
Culver City, California

Opinion

We have audited the accompanying financial statements of Kidsave International, Inc. (Kidsave), a nonprofit organization, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 Kidsave as of December 31, 2023, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Kidsave and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Kidsave's ability to continue as a going concern for one year after the date that the financial statements are 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 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 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.

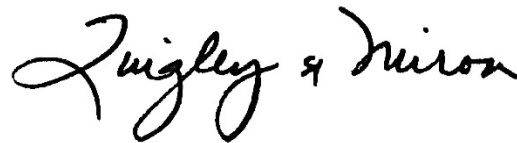
In performing an audit in accordance with GAAS, we:

- 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 Kidsave’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 Kidsave’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Kidsave International, Inc.'s December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 3, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Los Angeles, California
August 9, 2024

Kidsave International, Inc.
Statement of Financial Position
December 31, 2023
(with comparative totals for 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ 1,732,888	\$ 1,128,020	\$ 2,860,908	\$ 4,198,843
Investments—Note 4	768,221		768,221	
Contributions and grants receivable, net—Note 5	9,466	139,827	149,293	181,500
Prepaid expenses and other assets	60,201		60,201	96,414
Security deposits	5,958		5,958	3,041
Total Current Assets	2,576,734	1,267,847	3,844,581	4,479,798
Non-Current Assets				
Contributions and grants receivable, net—Note 5		91,936	91,936	96,169
Operating lease right-of-use asset —Note 6	136,644		136,644	
Total Non-Current Assets	136,644	91,936	228,580	96,169
Total Assets	\$ 2,713,378	\$ 1,359,783	\$ 4,073,161	\$ 4,575,967
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	\$ 59,620	\$	\$ 59,620	\$ 66,667
Operating lease liability, current—Note 6	71,512		71,512	
Total Current Liabilities	131,132		131,132	66,667
Long Term Liabilities				
Operating lease liability, long term —Note 6	65,132		65,132	
Total Long Term Liabilities	65,132		65,132	
Total Liabilities	196,264		196,264	66,667
Net Assets				
Without donor restrictions	2,517,114		2,517,114	2,798,914
With donor restrictions—Note 8				
Purpose-restricted		1,219,956	1,219,956	1,565,386
Time-restricted		139,827	139,827	145,000
Total Net Assets	2,517,114	1,359,783	3,876,897	4,509,300
Total Liabilities and Net Assets	\$ 2,713,378	\$ 1,359,783	\$ 4,073,161	\$ 4,575,967

See notes to financial statements.

Kidsave International, Inc.
Statement of Activities
Year Ended December 31, 2023
(with comparative totals for 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
Operating Activities				
Support and Revenues				
Contributions and grants	\$ 1,576,933	\$ 2,966,753	\$ 4,543,686	\$ 7,492,145
Application host fees	116,289		116,289	122,475
Government contracts	48,000		48,000	34,160
In-kind contributions—Note 11	182,212		182,212	177,700
Interest and dividend income—Note 4	129,299		129,299	38,599
Miscellaneous income	250		250	24,579
Net assets released from restrictions	3,317,356	(3,317,356)		
Total Support, Revenue, and Releases from Restrictions	5,370,339	(350,603)	5,019,736	7,889,658
Expenses				
Program services				
International In-Country				
Permanency Programs	1,226,457		1,226,457	2,839,911
Permanency Initiatives	1,172,855		1,172,855	1,106,526
Weekend Miracles	920,836		920,836	890,643
Summer Miracles	627,385		627,385	707,185
Embrace Project	617,368		617,368	
Public Education and Outreach	318,605		318,605	264,567
Total Program Expenses	4,883,506		4,883,506	5,808,832
Supporting services				
Management and general	376,963		376,963	228,908
Fundraising	411,985		411,985	111,601
Total Supporting Services	788,948		788,948	340,509
Total Expenses	5,672,454		5,672,454	6,149,341
Change in Net Assets from Operations	(302,115)	(350,603)	(652,718)	1,740,317
Nonoperating Activities				
Investment return, net	20,315		20,315	
Total Nonoperating Activities	20,315		20,315	
Change in Net Assets	(281,800)	(350,603)	(632,403)	1,740,317
Net Assets at Beginning of Year	2,798,914	1,710,386	4,509,300	2,768,983
Net Assets at End of Year	\$ 2,517,114	\$ 1,359,783	\$ 3,876,897	\$ 4,509,300

See notes to financial statements.

Kidsave International, Inc.
Statement of Functional Expenses
Year Ended December 31, 2023
(with comparative totals for 2022)

	Program Services						Supporting Services					2023 Total	2022 Total
	International In-Country Permanency Programs	Permanency Initiatives	Weekend Miracles	Summer Miracles	Embrace Project	Public Education and Outreach	Total Program Services	Management and General	Fundraising	Total Supporting Services			
Expenses													
Salaries	\$ 103,723	\$ 538,550	\$ 392,676	\$ 206,001	\$ 120,393	\$ 80,699	\$ 1,442,042	\$ 136,096	\$ 30,506	\$ 166,602	\$ 1,608,644	\$ 1,314,430	
Employee benefits	11,242	69,912	66,824	27,694	15,705	11,231	202,608	57,065	3,652	60,717	263,325	232,574	
Payroll taxes	7,216	37,038	26,920	14,802	7,670	4,969	98,615	24,262	2,027	26,289	124,904	101,773	
Advertising		30,213	49,105	46,849	1,228		127,395		261,819	261,819	389,214	192,023	
Bank charges	2,980	17,160	14,953	7,312	3,533	7,711	53,649	2,675	2,792	5,467	59,116	67,551	
Conference and meetings	4,993	11,282	26,783	3,840	1,678	103,637	152,213	854	25,995	26,849	179,062	149,265	
Contractors	309,892	235,565	76,274	43,896	42,826	41,344	749,797	21	55,523	55,544	805,341	529,861	
Dues and subscriptions	2,552	2,197	1,921	1,515	236	58	8,479	67	8,679	8,746	17,225	8,045	
IT support, computers and equipment	16,539	124,998	84,743	40,143	36,690	11,769	314,882	12,609	4,868	17,477	332,359	236,667	
Grants made	75,261			24,063			99,324	100		100	99,424	122,130	
Humanitarian Aid—Note 1	472,650						472,650				472,650	2,224,147	
Insurance	1,002	7,337	6,198	2,973	1,589	1,022	20,121	1,105	381	1,486	21,607	18,506	
License, taxes and fees	532	3,447	4,239	1,945	412	332	10,907	500	226	726	11,633	5,033	
Miracles construction	146,592						146,592				146,592		
Miscellaneous	4,746	14,332	19,591	14,656	19,520	400	73,245		100	100	73,345	51,633	
Photography and audio visual	23,125		8,686	4,969		17,189	53,969		4,297	4,297	58,266	51,436	
Postage and shipping	356	2,103	2,212	981	221	658	6,531	602	196	798	7,329	6,682	
Printing and publications	325	1,191	637	361	445	4,073	7,032	115	1,239	1,354	8,386	7,802	
Professional development	638	9,216	3,766	2,557	315	391	16,883	673	299	972	17,855	59,241	
Professional fees	6,449	27,258	22,329	10,995	5,398	3,988	76,417	67,035	1,413	68,448	144,865	132,875	
Provision for credit losses								40,000		40,000	40,000		
Rent	4,042	29,052	24,137	11,351	6,112	4,660	79,354	10,432	1,730	12,162	91,516	84,068	
Research funding—Note 1					350,550		350,550				350,550	149,250	
Supplies	1,687	5,151	65,905	3,809	874	20,149	97,575	1,565	5,088	6,653	104,228	104,971	
Telephone	2,878	835	1,990	905	209	102	6,919	20,860	40	20,900	27,819	17,838	
Training and recruitment		400	11,628	972			13,000				13,000	39,623	
Translation	300			4,950			5,250				5,250	11,390	
Travel	26,737	5,618	9,319	149,846	1,764	4,223	197,507	327	1,115	1,442	198,949	230,527	
2023 Totals	\$ 1,226,457	\$ 1,172,855	\$ 920,836	\$ 627,385	\$ 617,368	\$ 318,605	\$ 4,883,506	\$ 376,963	\$ 411,985	\$ 788,948	\$ 5,672,454	\$ 6,149,341	
2023 Percent Totals	<u>22%</u>	<u>20%</u>	<u>16%</u>	<u>11%</u>	<u>11%</u>	<u>6%</u>	<u>86%</u>	<u>7%</u>	<u>7%</u>	<u>14%</u>	<u>100%</u>		
2022 Totals	\$ 2,839,911	\$ 1,106,526	\$ 890,643	\$ 707,185	\$	\$ 264,567	\$ 5,808,832	\$ 228,908	\$ 111,601	\$ 340,509	\$ 6,149,341		
2022 Percent Totals	<u>46%</u>	<u>18%</u>	<u>14%</u>	<u>12%</u>	<u>0%</u>	<u>4%</u>	<u>94%</u>	<u>4%</u>	<u>2%</u>	<u>6%</u>	<u>100%</u>		
Percent Change	<u>-57%</u>	<u>6%</u>	<u>3%</u>	<u>-11%</u>	<u>11%</u>	<u>20%</u>	<u>-16%</u>	<u>65%</u>	<u>269%</u>	<u>132%</u>	<u>-8%</u>		

See notes to financial statements.

Kidsave International, Inc.
Statement of Cash Flows
Year Ended December 31, 2023
(with comparative totals for 2022)

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (632,403)	\$ 1,740,317
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Write off of uncollectible pledges receivable	40,000	
Changes in operating assets and liabilities:		
Contributions and grants receivable, net	(3,560)	41,346
Prepaid expenses and other assets	36,213	(52,490)
Security deposits	(2,917)	
Operating lease right-of-use asset	(136,644)	
Accounts payable and accrued expenses	(7,047)	29,452
Operating lease liability	136,644	
	<u>136,644</u>	<u> </u>
Net Cash Provided by (Used in) Operating Activities	(569,714)	1,758,625
Cash Flows from Investing Activities		
Purchases of investments	(768,221)	
	<u>(768,221)</u>	<u> </u>
Net Cash Used in Investing Activities	(768,221)	
Increase (Decrease) in Cash and Cash Equivalents	(1,337,935)	1,758,625
Cash and Cash Equivalents at Beginning of Year	<u>4,198,843</u>	<u>2,440,218</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 2,860,908</u></u>	<u><u>\$ 4,198,843</u></u>
Supplementary Disclosures		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

Kidsave International, Inc.
Notes to Financial Statements
December 31, 2023
(with comparative totals for 2022)

Note 1—Organization

Organization—Kidsave International, Inc. (Kidsave), a nonprofit organization, believes all kids, everywhere, deserve to grow up with the support of a loving, caring family. Kidsave’s innovative programs in the U.S. and around the world help older kids (ages 6-21) in foster care and orphanages find lasting connections and forever families.

Kidsave’s mission is to create change in government child welfare systems so that no child is forgotten, and every child grows up in a family with love and hope for a successful future. Kidsave’s programs move children out of government care and into families. Since 1997 Kidsave has been designing and operating model programs, and working to train governments, NGOs and child welfare professionals in program operations and expansion. Kidsave continues to champion for change in policies, programs, and increased government funding so that more children can find permanent families and thrive. Kidsave’s first program, Summer Miracles, was introduced in 1999.

Following is a summary of Kidsave’s work in 2023.

Weekend Miracles

Kidsave’s Weekend Miracles program helps older kids and teens in foster care (ages 9-18) find host families, permanent families, and devoted mentors. These children have spent years in the child welfare system. They are languishing in foster care with little hope for adoption, or a lasting connection with a caring adult. Weekend Miracles provides these children with opportunities to meet people who might be willing to host, mentor or adopt them. The program provides monthly interactive events designed to make it easy and fun for older children and teens in foster care to meet new people. An important part of the program is that it provides youth with a voice and choice in whom they get to know and develop relationships with, which empowers and engages youth in the process, and builds their confidence and self-esteem.

Once interested families and kids meet and get to know each other at Kidsave’s monthly connection events, relationships develop naturally. Youth who are interested in adoption are matched with host families who either hope to adopt or work with Kidsave to find families in the community who are interested in adopting an older child. Youth who are not interested in adoption are matched with a caring host mentor who provides support and guidance. In some cases, host families adopt the foster youth they host. In others, youth meet families who adopt them through other advocacy efforts. Kidsave’s goal is to find families and mentoring support systems for older kids by making it easier for adults in the community to meet and engage with older youth in foster care who would otherwise not have the opportunity.

Collaborative Partnerships

In 2023 in Los Angeles County, Kidsave was active in several public-private sector committees that address permanency for Los Angeles County foster youth, which include: (1) the Los Angeles County Adoption Consortium, a collaborative dedicated to educating stakeholders on new legislation, County policies, and issues affecting permanency; (2) the Permanency Collaboration Committee, a partnership between Kidsave and the Department of Children and Family Services (DCFS) of L.A. County Probation Department, working to improve permanency outcomes for probation youth; (3) CASA of Los Angeles, which mobilizes community volunteers to advocate for children who have experienced abuse and neglect; (4) FosterAll, an organization that recruits prospective foster parents from faith communities and helps families select the agency that is best suited for them by providing ongoing personal support throughout their foster/adopt experience; (5) Foster Together Network (FTN), a collective impact initiative of public and private stakeholders committed to increasing access to high quality care for children placed in Los Angeles County’s foster care system; (6) Kidsave was active in FTN’s

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 1—Organization—Continued

Equity Committee, a subcommittee formed to increase and enhance the provision of culturally responsive and competent care for Black children, in an effort to facilitate well-being and improve their life outcomes; (7) FosterMore, a coalition of media and entertainment companies, foundations, non-profits, businesses and philanthropic organizations working to create greater understanding, empathy, and action to improve the future of youth in foster care; and (8) RaiseAChild, a national nonprofit organization that recruits and supports Resource Parents; they also advocate for adoptive homes for children in care.

In 2023 in Texas, Kidsave was a member of the Region 6 Foster Care Stakeholder Collaborative, the Texas Alliance of Child and Family Services, the Greater Houston LGBT Chamber of Commerce, the Child Welfare section of the Texas State Bar, the Texas Foster Care Association, the Region 6 Data Workgroup, the Region 6 CCSS Prevention Workgroup, the Region 6 CCSS Community Advisory Committee, and the Region 6 CCSS Building Capacity Committee. Kidsave also had MOUs (memorandum of understanding, an agreement of two more parties) with Hearts With Hope GRO/RTC, Embracing Destiny GRO/RTC, Open Arms, Open Hearts GRO/RTC, and the Texas Department of Family and Protective Services (DFPS).

Kidsave partnered with the following Child Placement Agencies in 2023: The Sanctuary, Arrow Child & Family Services, and Arms Wide. Kidsave also collaborated with numerous additional GRO/RTC organizations, NGOs, and Child Placement Agencies.

Los Angeles County

Weekend Miracles Los Angeles (WMLA) is a public/private partnership, launched in October 2005, between Kidsave and the County of Los Angeles Department of Children and Family Services (DCFS). In 2023 WMLA hosted monthly connection events, serving 87 kids. Of the 87 children and teens served, 76 actively participated in the Los Angeles program throughout the year. Forty-one (41) of the 76 (54%) youth have achieved legal or relational permanency; 18 youth (44%) entered an adoptive match; 7 youth (17%) now have legal guardians; 6 (15%) were reunified with biological family and 10 youth (24%) were connected with a mentor.

Since October 2005 when WMLA was launched, 609 older foster youth have participated in WMLA. Sixty-five percent (65%) of the foster youth who have participated in WMLA have found adoptive families, devoted mentors or legal guardians.

During 2023, WMLA partnered with DCFS, FosterAll, and Expressions 58 to organize and facilitate the second annual Camp Connect, an overnight weekend camp experience. Camp Connect focused on helping older foster youth (ages 12-17) who were reluctant to trust and build healthy relationships with adults to become more open to building safe adult connections. The weekend experience included team building activities, interactive art workshops, as well as inspirational speakers who addressed how to identify healthy relationships and safe boundaries. Additionally, youth and adults who had experienced foster care or had been adopted shared their experiences and the importance of adult connections. After evaluating the post-camp surveys, 65% of the youth reported being open to an adult connection.

Houston

Weekend Miracles Houston (WMH) hosted its first connection event in October 2020. Since then, 135 children and teens have been served by this program. In 2023, the Houston program served 61 foster youth, 49 of whom remained active throughout the year. Fifty-one percent (51%) of the active youth were connected to weekend hosts, adoptive matches, legal guardians or Nonrelated Extended Family Members. WMH held 14 in-person connection events in 2023. The children served by WMH in 2023 come from more than 19 counties across Texas, spanning eight DFPS regions.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 1—Organization—Continued

Summer and Winter Miracles

Kidsave’s Summer Miracles program brings older children (age 9 to 15) who need permanent families from Colombia to the U.S. for summer visits. These are children who live in institutions and foster homes, have no chance of returning to biological families, and have little or no chance of finding adoptive parents in their own country. Families who host the children help them enjoy a rich cultural experience and, more importantly, work together with Kidsave staff and volunteers to champion the children, reaching out to their circles of friends, acquaintances, and communities to find families interested in adoption.

In 2023 Kidsave facilitated family visit programs in the summer and winter bringing a total of 47 children from Colombia, to stay with host families in the U.S. Of the 47 kids who traveled, 41 were found to be ready for adoption in the U.S. Of the 41 children who were open to adoption, 31 (76%) have a family pursuing adoption. Since the program’s inception in 1999, two thousand one hundred and fifty-one (2,151) older children have participated in this program.

Prior to the summer and winter visits in 2023, Kidsave helped the Colombian child welfare agency, Instituto Colombiano de Bienestar Familiar (ICBF), identify children who were appropriate for Kidsave’s Summer Miracles program and recruited American host families. Before traveling to the U.S., the children and host families had the opportunity to meet each other via Zoom.

During the time the children are in the U.S., they enjoy events filled with fun activities, and experience many “firsts,” such as visiting amusement parks, swimming, bowling, attending baseball games and other sporting events—all while building relationships with their host families.

After the children returned to Colombia, Kidsave provided support to prospective adoptive families and worked collaboratively with partner adoption agencies. Kidsave also began outreach efforts to recruit prospective host families for the summer 2024 program.

In 2023 Kidsave’s Summer and Winter Miracles communities were led by volunteer coordinators in the New York Tri-State Area (New York, New Jersey, and Connecticut), DC Metro Area (District of Columbia, Maryland, and Virginia), Minnesota (Twin Cities) and Southern California. All community volunteers, host families, and Kidsave staff championed each child to find them an adoptive family. In addition to the children hosted in Summer Miracles communities, these children are placed with host families in cities throughout the continental U.S.

The government of Colombia has incorporated the premise of Kidsave’s hosting model, family visits for youth in foster care and orphanages, as its primary strategy for finding families for older, hard-to-place youth. Over the 24 years that Summer Miracles has been in operation, more than 65 placement agencies and nonprofits have operated summer hosting visits.

International In-Country Permanency Programs

Instead of operating offices in numerous countries globally, Kidsave has built local capacity through training and strong partnerships with nongovernmental organizations in countries worldwide.

In 2022, as a result of the organization’s extensive involvement in Ukraine and the development of the Kidsave Miracles Center to support permanent family placement of Ukrainian orphaned and abandoned children, Kidsave management determined it necessary to operate an office there. In December 2022 the organization opened its representative office as a subdivision of Kidsave International. Kidsave’s office in Ukraine is currently located in Western Ukraine, at the Kidsave Miracles Center property in the Carpathian Mountains.

Note 1—Organization—Continued

Ukraine

Kidsave began working in Ukraine in 2016 as part of a movement to reform Ukraine’s child welfare system and is also a founding member of the Ukraine National Mentoring Association, which was established in 2018 to implement Kidsave programs in Ukraine.

Creating two programs in Ukraine, Kidsave began helping Ukrainian children find forever families or gain successful, independent living through our Mentoring and Training programs. Kidsave’s corporate mentoring program, Pathway to Success, for older children who will soon age out of government care, has been at work in Kyiv since 2018. In addition to mentoring work, Kidsave’s Family Visit Program was created to help safely and effectively move older orphaned children into family care. Plans were underway to expand our programs to three more regions when the invasion began.

On February 24, 2023 the war in Ukraine reached its first anniversary and the conflict continued. Our Angels of Hope, a child sponsorship initiative that provides food and medical supplies to children, continued to risk their own lives delivering food, medicine, portable water, and other supplies to villages destroyed by the violence.

Since the war began, through December of 2023, our Angels of Hope evacuated 31,000 people to safety—13,685 of them children. In 2023 our team delivered 1,774 tons of aid, supporting basic monthly necessities for more than 25,000 people and delivering medical supplies and equipment to hospitals in communities ravaged by the war. Kidsave’s Angels of Hope team is one of the few groups that still travel into active combat zones to provide aid.

During 2023 Kidsave’s team continued to work diligently to ensure its core programs continued in Ukraine. Our Corporate Mentoring program, Pathway to Success, provided mentorship and career-readiness training to teens exiting or soon-to-exit institutional care. During 2023 the team also provided a vital lifeline to these youth, providing trauma therapy and resources to help them cope with the effects of this devastating war. In 2023 two hundred and two (202) teens participated in Pathway to Success, and 144 orphaned children were placed in families. One hundred (100) youth in the Pathway to Success program participated in the Taking Flight With Boeing project, and more continued to join in 2024. One thousand and seven (1,007) teens have participated in Pathway to Success since 2018.

In late 2022, a Ukrainian partner of Kidsave was gifted 4.5 acres of land in the Carpathian Mountains of western Ukraine, where Kidsave and Ukrainian partner organizations began construction of the Kidsave Miracles Center (Center). While some spaces were already operational and the Center hosted its first trauma therapy training in 2023, construction is expected to continue through 2025.

The Center is designed to serve as a multifunctional campus that will encompass training, conference, and office spaces, modular housing for children and prospective families to connect, a wellness center, a fishery, a commercial kitchen, and sports and recreation areas.

The Center will be a place of connection, opportunity, and wellbeing for orphaned children and youth, the families who want to adopt them, and the dedicated professionals who support them. It will provide meeting and recreation spaces for children and potential families to connect and participate in our Family Mentoring program; youth in our Pathway to Success program will meet there as a group with their mentors.

One such project is the Colyba Cultural Café, an on-campus eatery serving authentic Ukrainian cuisine which plans to employ young adults who grew up in foster care, orphanages, and institutions. All café revenue will support the Center’s ongoing social programs while providing Ukrainian youth with valuable work experience and benefiting the local community.

Note 1—Organization—Continued

Colombia

Kidsave’s Family Visit program supports the Colombian government’s priority of family inclusion for children in government protection. Fundación Apego became independent of Kidsave in 2018 and continues to successfully operate Kidsave’s Family Visit Model/Super Amigos program and Mama Mentora program. Fundación Apego is an indigenous Colombian organization that focuses on the fundamental rights of children, teens and families, and works with girls in early pregnancy to develop strong maternal bonds and break the cycle of child abandonment. Kidsave continues to share lessons learned and provide Fundación Apego with training and support as needed, which serves our joint commitment of finding families and mentors, and assisting with the development of life skills, for older orphaned and abandoned children in Colombia.

Africa

Kidsave’s Sierra Leone Program moves children out of orphanages and, whenever possible, reunites them with extended family members (kin). When reunification with kin is not possible, Kidsave identifies new families for these children through community connection events that help the children and interested families get acquainted. These families host the child in their homes, which provides the child with stability, support and an opportunity to remain in school. Most of these children were orphaned due to the Ebola virus. Kidsave works with its partner, Integrated Development Initiatives (IDI, formerly known as Foundation for Integrated Development (FID)). IDI continues to provide family tracing, case mining, reunification, training of families and para-social workers, and monitoring of children placed with kin or host families.

Children are monitored to ensure they are healthy, happy, going to school, well fed, and generally provided for appropriately. Monitoring takes place at one-month, three-month, and six-month intervals after placement. Kidsave also provides school support for these children when needed, including books, bookbags, uniforms, and school fees.

In 2023, Kidsave conducted family tracing and case mining for older orphans who believed that they had living relatives who could raise them. As a result, 146 children were placed with kin or host families. All of these children and their families were provided with school support and reunification kits; 64 families also received agricultural support. Kidsave and IDI trained 3,600 caregivers, social workers, and stakeholders (approximately 300 each month) about the rights of children, their proper care, and how to monitor and protect them. Kidsave and IDI also developed 20 acres of inland valley swamps for rice and vegetable production in four communities in the Pujehun district of Sierra Leone. This development is an expansion of an economic strengthening program Kidsave started in 2019 for 40 households in this district. Since Kidsave began working in Sierra Leone in 2010, this program has helped 1,440 children.

Support for Permanency Initiatives

As a voice for global change, Kidsave works to build awareness among the public and in U.S. Congress about the challenges that children in government care face, and ways to help them. Kidsave uses its direct service programs to demonstrate how its Family Visit Model works, and shares information about its programs with child welfare professionals with the goal of increasing permanency outcomes for older youth.

DEI Initiative – EMBRACE

Black children make up 22% of the foster care population, yet only 14% of children in the U.S. are Black. While there is much anecdotal information about this problem, there is a distinct lack of quantitative data. To address the overrepresentation of Black children in U.S. foster care and ultimately improve outcomes for marginalized children in care, Kidsave launched a national five-part project in partnership with the Gallup Center on Black Voices called EMBRACE, which stands for Expanding Meaningful Black Relationships And Creating Equity.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 1—Organization—Continued

The EMBRACE project is comprised of five phases: (1) quantitative data collection, (2) qualitative data collection, (3) data analysis and reporting, (4) amplification, and (5) policy reform. In 2023 we completed phases 1 through 3.

Published in November 2023, the study collected over 5,000 survey responses from Americans, including an oversample of 1,400 Black Americans and nearly 1,000 Hispanic Americans. The study provides statistically significant data on perceptions, attitudes, and beliefs around foster care and adoption. Our goal is to dismantle the hurdles Black families experience when it comes to fostering and adoption, in hopes of a better future for all children.

Public Education and Outreach

Kidsave’s website, blog, and social media posts focus on sharing information about children in need of families and bolstering engagement and support for the children through hosting, volunteering, donating, and adopting. In 2023, Kidsave’s advocacy images on social media platforms regularly reached 37,600, in turn generating hundreds of inquiries and responses.

Kidsave also uses events to educate people about Kidsave’s mission: the need for children worldwide to live in families, and specific children who need permanent families. Kidsave held two in-person galas in 2023 – one in Los Angeles and the other in Washington, DC. Both galas sought to bring awareness of the need for older, forgotten children to have family connections, and raised funds to support permanency programs. Other events Kidsave held in 2023 include an in-person golf tournament in Los Angeles and hikes for foster youth in Los Angeles and Redwood City, CA and Washington, DC.

Fundraising Initiatives

Donors to the Kidsave’s Adoption and Guardianship program are given the opportunity to make multi-year pledges of a minimum of \$50,000 over a defined period, generally 3-5 years. Several Guardians completed their pledge commitments in 2021, one of whom subsequently renewed her pledge in 2022 at a similar commitment level. Several others continued making Guardian Program gifts in 2023 without formally renewing their pledges.

The following table shows the Guardian pledge activity, net of allowance for doubtful accounts and unamortized discount, for the years ended December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Guardian Pledges Receivable, Net at Beginning of the Year	\$ 241,169	\$ 319,015
Contributions, net	608,668	784,504
Write-off of uncollectible guardian pledges receivable	(51,775)	
Cash received	<u>(628,398)</u>	<u>(862,350)</u>
Guardian Pledges Receivable, Net at End of the Year	<u>\$ 169,664</u>	<u>\$ 241,169</u>

Guardian pledges receivable balances of \$169,664 and \$241,169 at December 31, 2023 and 2022, respectively, are included in contributions and grants receivable balances, net at December 31, 2023 and 2022 (see Note 5).

Note 2—Summary of Significant Accounting Policies

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Kidsave recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions and net assets are classified based on the existence or absence of donor-imposed restrictions. The net assets of Kidsave and changes therein are classified and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of Kidsave. These net assets may be used at the discretion of Kidsave’s management and the board of trustees.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of Kidsave and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit Kidsave to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations—The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of Kidsave’s programs that support children in government care and foster their transition to adoptive families and/or living independently in adult society, and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Income Taxes—No provision has been made for federal and state income taxes because Kidsave is exempt from such taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state regulations. In addition, the Internal Revenue Service has determined that Kidsave is not a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered “more likely than not” to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2023. Generally, Kidsave’s information returns remain open for examination for a period of three (federal) and three or four (states) years from the date of filing.

Cash and Cash Equivalents—The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments—Investments are stated at fair value. Income and gain or losses (including investments bought, sold and held during the year) are reflected in the statement of activities and reported as unrestricted income unless use of the earnings is restricted by the donor. Investments received through gifts are recorded at their estimated fair value at the date of donation.

Note 2—Summary of Significant Accounting Policies—Continued

Recently Adopted Accounting Principles:

Credit Losses—In June 16, 2016, the FASB issued ASU No. 2016-13, *Credit Losses (Topic 326)*. This standard requires organizations to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. The standard affects organizations that hold financial assets and net investments in leases that are not accounted for at fair value with changes in fair value reported in net income, including loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. Kidsave adopted ASU No. 2016-13 on a retrospective basis for the year ended December 31, 2023 and noted that there was no material effect on the financial statements.

Leases—In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. This amendment is applicable to leases with terms exceeding 12 months and requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease is required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. Since Kidsave has no leases with terms longer than one year, Kidsave has adopted ASU No. 2016-02 on a prospective basis as of the year ended December 31, 2022.

Gifts In-Kind—In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. Kidsave has adopted ASU No. 2020-07 for the year ended December 31, 2022. on a retrospective basis, which resulted in no change to revenue previously reported and no effect on revenue reported for the years ended December 31, 2022.

Property and Equipment—Kidsave capitalizes all computer equipment of \$750 and above and all other property acquisitions of \$1,000 and above. Property is recorded at cost, if purchased, or fair market value at date of donation, if contributed. Depreciation and amortization are provided on the straight-line basis over the estimated useful life of the asset.

Concentration of Credit Risk—Financial instruments which potentially subject Kidsave to concentrations of credit risk consist of cash and cash equivalents and receivables. Kidsave places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At times, such cash balances may exceed FDIC insurance limits during the normal course of business. Kidsave is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Kidsave's management has assessed the credit risk associated with its cash deposits held at December 31, 2023 and believes it is not exposed to any significant credit risk with its cash and cash equivalents, however, due to the current risk and uncertainties affecting financial institutions (see Note 13), the related impact cannot be reasonably estimated at this time.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

Contributions and grants receivable consist of balances from individuals, local foundations and corporations. Management has determined an appropriate interest rate based on historical risk-free interest adjusted for determined risk. The amortization of the discount is included in general support. Collection losses related to receivables have historically been immaterial, and management has concluded that, based on its review of balances outstanding, a valuation allowance for credit losses were not necessary as of December 31, 2023 and 2022. During the year ended December 31, 2023, Kidsave recorded a provision for credit losses of \$40,000.

Contributions—Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of 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 statement of activities as net assets released from restrictions.

Contracts with Customers—Accounting standards require an organization to recognize revenue arising from contracts with customers at the time the customer obtains control of a contracted goods or service. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Contributions and Grants Receivable—Contributions and grants receivable consist primarily of amounts due from donors that were not received by Kidsave at year-end. At December 31, 2023 and 2022, grants receivable includes pledges totaling \$241,229 and \$277,669 respectively, from donors to provide support without purpose restrictions.

Revenue Recognition—Kidsave's revenue recognition policies are as follows:

Summer Miracles host fees—Kidsave recognizes program activity fees as revenue when the fees are earned.

Government contracts—Revenues from government contracts are reported as increases in net assets without donor restrictions as allowable expenditures under such agreements are incurred. The amounts expended in excess of reimbursements are reported as grants receivable.

Interest and dividend income—Interest and dividend income earned on investments is recognized when received and is reported as interest and dividends under revenue and support in the statement of activities.

In-Kind Contributions—In-kind contributions include donated materials and program coordinator, telephone, travel, legal, and other professional services used in program operation and other activities. Kidsave records the value of donated materials and services at their fair value at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Kidsave.

Kidsave also makes extensive use of volunteers in the conduct of its programs which do not meet the aforementioned recognition criteria; these services include weekend and summer hosting, event planning, communications, and other essential program services, which amounted to over 26,000 hours for each of the years ended December 31, 2023 and 2022.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

Functional Expenses—The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted. Rent is allocated on the basis of square footage. Salaries, employee benefits, and payroll taxes are allocated on the basis of estimates of time and effort. All other functional expenses are charged directly to programs, management and general, or fundraising.

Advertising Costs—Advertising costs are expensed as incurred and amounted to \$389,214 and \$192,023, respectively, for the years ended December 31, 2023 and 2022.

Comparative Totals for 2022—The accompanying financial statements include certain prior-year summarized comparative financial information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Kidsave’s audited financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Use of Estimates—The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Reclassifications—Certain amounts in 2022 have been reclassified to conform with the 2023 financial statement presentation.

Note 3—Availability and Liquidity

Kidsave's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$1,200,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

The following represents the availability and liquidity of Kidsave's financial assets at December 31, 2023 and 2022 to cover operating expenses for the next fiscal year:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,732,888	\$ 2,729,626
Investments	768,221	
Contributions and grants receivable, current portion	<u>149,293</u>	<u>181,500</u>
Current Availability of Financial Assets	<u>\$ 2,650,402</u>	<u>\$ 2,911,126</u>

Note 4—Investment and Fair Value Measurement

Investments consist of the following at December 31, 2023:

U.S. Treasury bills	\$ 763,228
Equity securities	<u>4,993</u>
Total	<u>\$ 768,221</u>

Kidsave had no investments during the year ended December 31, 2022.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 4—Investment and Fair Value Measurement—Continued

In determining the fair value of investments, Kidsave utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. Kidsave determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Kidsave at the measurement date.

Level 2—Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment.

Kidsave may utilize a practical expedient for the estimation of the fair value of investments for which the investment does not have a readily determinable fair value. The practical expedient used by Kidsave to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. Kidsave had no assets or liabilities classified at NAV as a practical expedient during the years ended December 31, 2023 and 2022.

Fair values of assets measured on a recurring basis at December 31, 2023 consist of investments in U.S. treasury bills and equity securities, which are considered to have Level 1 inputs.

Investment activity for the year ended December 31, 2023 is as follows:

Realized losses on investment	\$	(272)
Unrealized gains on investment		<u>20,587</u>
	Investment Return, Net	20,315
Interest and dividend income		<u>129,299</u>
	Total Return on Investment	<u>\$ 149,614</u>

There was no investment activity during the year ended December 31, 2022.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 5—Contributions and Grants Receivable

Net contributions and grants receivable consist of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Guardian pledges	\$ 174,827	\$ 245,000
Ukraine pledges	40,000	
Other receivables	<u>34,466</u>	<u>36,500</u>
Contributions and Grants Receivable, Gross	249,293	281,500
Less unamortized discount at 5% and 1% at December 31, 2023 and 2022, respectively	<u>(8,064)</u>	<u>(3,831)</u>
Contributions and Grants Receivable, Net	<u>\$ 241,229</u>	<u>\$ 277,669</u>

The current and non-current portions of contributions and grants receivable at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Current Assets		
Contributions and grants receivable, net	\$ 149,293	\$ 181,500
Non-Current Assets		
Contributions and grants receivable, net	<u>91,936</u>	<u>96,169</u>
Total Contributions and Grants Receivable, Net	<u>\$ 241,229</u>	<u>\$ 277,669</u>

Expected future payments of contributions and grants receivable at December 31, 2023 are as follows:

<u>Year Ending December 31,</u>	
2024	\$ 149,293
2025	45,000
2026	45,000
2027	<u>10,000</u>
Total	<u>\$ 249,293</u>

Note 6—Operating Leases

In July 1, 2023, Kidsave signed a lease agreement for office space, under an operating lease agreement which expires in December 2025. With the adoption of ASU 2016-02, an operating lease right-of-use asset and an offsetting operating lease liability were recorded in relation to this lease, using a discount rate of 4.42% per year, amounting to \$136,644 at December 31, 2023. The total expense under this lease agreement for the year ended December 31, 2023 is \$35,756.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 6—Operating Leases—Continued

Future minimum annual rental commitments by year for this lease are as follows:

<u>Year Ending December 31,</u>		
2024		\$ 71,512
2025		<u>71,512</u>
	Total Operating Liability	143,024
Less discounting at 4.42%		<u>(6,380)</u>
	Total Operating Liability, Net	<u>\$ 136,644</u>

Note 7—Line of Credit

At December 31, 2022, Kidsave had an available \$200,000 revolving line of credit from a bank, bearing interest at prime rate as published in the Wall Street Journal (8.5% at December 31, 2022), which expired on November 14, 2023. The credit facility was unsecured and there were no outstanding amounts under the line of credit at December 31, 2022. At March 8, 2024, subsequent to year end, the line of credit was renewed through March 15, 2025.

Note 8—Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2023 and 2022 are restricted for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Ukraine Programs	\$ 593,572	\$ 900,414
Permanency initiatives		462,899
Fundraising	410,485	
Weekend Miracles	55,262	53,466
Summer Miracles	<u>38,701</u>	<u>52,438</u>
Total Subject to Purpose Restrictions	1,098,020	1,469,217
Subject to time restrictions:		
Guardian pledges receivable, net	169,664	241,169
General pledges	55,000	
Ukraine Programs	<u>37,099</u>	
Total Subject to Time Restrictions	<u>261,763</u>	<u>241,169</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,359,783</u>	<u>\$ 1,710,386</u>

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 8—Net Assets with Donor Restrictions—Continued

Net assets released from donor restrictions for the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Satisfaction of purpose restrictions:		
Ukraine Programs	\$ 1,111,929	\$ 2,735,763
Permanency initiatives	745,083	200,889
Weekend Miracles	446,285	574,265
Summer Miracles	331,392	396,163
Africa Programs	<u>2,494</u>	<u>37,112</u>
Total Assets With Donor Specific Restrictions	2,637,183	3,944,192
Satisfaction of time restrictions:		
Guardian pledges receivable, net	<u>680,173</u>	<u>862,350</u>
Total Assets With Time Specific Restrictions	<u>680,173</u>	<u>862,350</u>
Total Net Assets Released From Donor Restrictions	<u>\$ 3,317,356</u>	<u>\$ 4,806,542</u>

A roll forward of net assets with donor restrictions activity for the year ended December 31, 2023 is as follows:

	<u>December 31,</u> <u>2022</u>	<u>Contributions</u>	<u>Releases</u>	<u>December 31,</u> <u>2023</u>
Ukraine Programs	\$ 900,414	\$ 842,186	\$ (1,111,929)	\$ 630,671
Permanency initiatives	462,899	282,184	(745,083)	
Guardian pledges receivable, net	241,169	608,668	(680,173)	169,664
General pledges		55,000		55,000
Weekend Miracles	53,466	448,081	(446,285)	55,262
Summer Miracles	52,438	317,655	(331,392)	38,701
Advertising		410,485		410,485
Africa programs		<u>2,494</u>	<u>(2,494)</u>	
Totals	<u>\$ 1,710,386</u>	<u>\$ 2,966,753</u>	<u>\$ (3,317,356)</u>	<u>\$ 1,359,783</u>

A roll forward of net assets with donor restrictions activity for the year ended December 31, 2022 is as follows:

	<u>December 31,</u> <u>2021</u>	<u>Contributions</u>	<u>Releases</u>	<u>December 31,</u> <u>2022</u>
Guardian pledges receivable, net	\$ 319,015	\$ 784,504	\$ (862,350)	\$ 241,169
Ukraine Programs	55,624	3,580,553	(2,735,763)	900,414
Summer Miracles	39,402	409,199	(396,163)	52,438
Weekend Miracles	28,258	599,473	(574,265)	53,466
Africa Programs		37,112	(37,112)	
Permanency initiatives		<u>663,788</u>	<u>(200,889)</u>	<u>462,899</u>
Totals	<u>\$ 442,299</u>	<u>\$ 6,074,629</u>	<u>\$ (4,806,542)</u>	<u>\$ 1,710,386</u>

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 9—Contingencies

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantor. Although that is a possibility, Kidsave deems the contingency remote, since it has made its best efforts to comply in all material respects with the provisions of each grant.

Note 10—Retirement Plan

Kidsave has a defined contribution 401(k) savings plan (Plan) which covers all eligible full-time employees who have completed one year of service and have attained age 21. Participants may elect to make voluntary contributions to the Plan. Kidsave makes a safe harbor matching contribution of the lesser of 100% of a participant's aggregate deferral contribution for the entire Plan year, or 4% of eligible compensation for the Plan year.

Kidsave may also make additional discretionary contributions which vest over a period of six years. Contributions made by Kidsave were approximately \$27,700 and \$24,700 for the years ended December 31, 2023 and 2022, respectively.

Note 11—In-Kind Contributions

For the years ended December 31, 2023 and 2022, in-kind contributions are reported in the statement of activities under support and revenues, and in the statement of functional expenses under the following expense captions:

	<u>2023</u>	<u>2022</u>
Travel	\$ 141,000	\$ 162,000
Telephone	18,144	8,262
Supplies	14,400	
Professional fees	8,668	7,438
Totals	<u>\$ 182,212</u>	<u>\$ 177,700</u>

In-kind telephone contributions consist of cellular phones and service, which is valued at estimated fair value. Donated program coordinator services and other professional services are valued based on comparable market rates. During the years ended December 31, 2023 and 2022, legal services are valued based on current rates of legal services provided by a law firm averaging an hourly rate of \$475. Travel consists of airfare, lodging expenses, bus rental, and bus driver services which are valued at the fair market value. Supplies consist of pairs of shoes donated which are valued at the fair market value. All in-kind contributions were received without donor restrictions and used for the Summer Miracles program.

Note 12—Joint Cost Allocation

Kidsave incurred joint costs in 2023 and 2022 for informational materials and special events that included fundraising appeals. The costs were allocated as follows:

	<u>2023</u>	<u>2022</u>
Public education	\$ 318,605	\$ 264,567
Fundraising	411,985	111,601
Totals	<u>\$ 730,590</u>	<u>\$ 376,168</u>

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 13—Risks and Uncertainties

In March 2023, the shut-down of certain financial institutions raised economic concerns over disruption in the U.S. banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system, however, there can be no certainty that the actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy, which may include limits on access to short-term liquidity in the near term or other adverse effects. In response to this, Kidsave transferred all funds in excess of the \$250,000 FDIC insured limits, to an ICS sweep account that disburses funds to other FDIC insured banks.

As a result, all of Kidsave cash balances are now FDIC insured. In addition, Kidsave transferred \$1,000,000 of cash to laddered Treasury Bills through Blue Bell Private Wealth Management.

Kidsave has offices in Ukraine. The offices have Raiffeisen bank accounts as of December 31, 2023. Management is aware of and monitors potential risks that may occur to U.S. organizations operating in foreign countries due to changes in government leadership or government policies regarding foreign entities. Based on this process, Kidsave has determined that, while the likelihood or probability of such occurrences is difficult to predict, the impact on the overall Kidsave organization would not be material.

Note 14—Subsequent Events

Subsequent events were evaluated through August 9, 2024, which is the date the financial statements were available to be issued, and concluded that, no other material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.