

Audited Financial Statements



December 31, 2022

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, 2022, 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, 2022, 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.

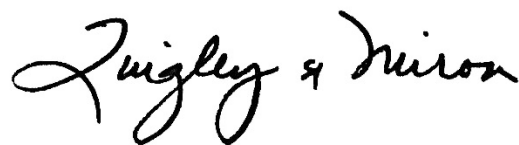
In performing an audit in accordance with GAAS, we:

- 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, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 2, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Los Angeles, California
October 3, 2023

Kidsave International, Inc.
Statement of Financial Position
December 31, 2022
(with comparative totals for 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>2021 Total</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ 2,729,626	\$ 1,469,217	\$ 4,198,843	\$ 2,440,218
Contributions and grants receivable, net—Note 4	36,500	145,000	181,500	142,350
Prepaid expenses and other assets	96,414		96,414	43,924
Security deposits	3,041		3,041	3,041
Total Current Assets	2,865,581	1,614,217	4,479,798	2,629,533
Non-Current Assets				
Contributions and grants receivable—Note 4		96,169	96,169	176,665
Total Non-Current Assets		96,169	96,169	176,665
Total Assets	\$ 2,865,581	\$ 1,710,386	\$ 4,575,967	\$ 2,806,198
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	\$ 66,667	\$	\$ 66,667	\$ 37,215
Total Current Liabilities	66,667		66,667	37,215
Net Assets				
Without donor restrictions	2,798,914		2,798,914	2,326,684
With donor restrictions—Note 6				
Purpose-restricted		1,565,386	1,565,386	123,284
Time-restricted		145,000	145,000	319,015
Total Net Assets	2,798,914	1,710,386	4,509,300	2,768,983
Total Liabilities and Net Assets	\$ 2,865,581	\$ 1,710,386	\$ 4,575,967	\$ 2,806,198

See notes to financial statements.

Kidsave International, Inc.
Statement of Activities
Year Ended December 31, 2022
(with comparative totals for 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>2021 Total</u>
Operating Activities				
Support and Revenues				
Contributions and grants	\$ 1,417,516	\$ 6,074,629	\$ 7,492,145	\$ 2,429,751
PPP grant income				432,000
Summer Miracles host fees	122,475		122,475	154,700
Government contracts	34,160		34,160	27,500
In-kind contributions—Note 10	177,700		177,700	11,997
Interest income	38,599		38,599	2,069
Miscellaneous income	24,579		24,579	296
Net assets released from restrictions	4,806,542	(4,806,542)		
Total Support and Revenues	6,621,571	1,268,087	7,889,658	3,058,313
Expenses				
Program services				
Weekend Miracles	890,643		890,643	636,729
Summer Miracles	707,185		707,185	455,751
International In-Country				
Permanency Programs	2,839,911		2,839,911	113,348
Permanency Initiatives	1,106,526		1,106,526	483,345
Public Education	264,567		264,567	173,470
Total Program Expenses	5,808,832		5,808,832	1,862,643
Supporting services				
Management and general	228,908		228,908	223,071
Fundraising	111,601		111,601	68,389
Total Expenses	6,149,341		6,149,341	2,154,103
Change in Net Assets	472,230	1,268,087	1,740,317	904,210
Net Assets at				
Beginning of Year	2,326,684	442,299	2,768,983	1,864,773
Net Assets at				
End of Year	\$ 2,798,914	\$ 1,710,386	\$ 4,509,300	\$ 2,768,983

See notes to financial statements.

Kidsave International, Inc.
Statement of Functional Expenses
Year Ended December 31, 2022
(with comparative totals for 2021)

	Program Services					Supporting Services					2022 Total	2021 Total
	Weekend Miracles	Summer Miracles	International In-Country Permanency Programs	Permanency Initiatives	Public Education and Outreach	Total Program Services	Management and General	Fundraising	Total Supporting Services			
Expenses												
Salaries	\$ 402,951	\$ 228,301	\$ 140,002	\$ 363,901	\$ 80,031	\$ 1,215,186	\$ 76,936	\$ 22,308	\$ 99,244	\$ 1,314,430	\$ 965,785	
Employee benefits	82,545	41,534	16,923	51,499	9,362	201,863	27,875	2,836	30,711	232,574	136,896	
Payroll taxes	28,833	15,719	9,212	24,804	6,324	84,892	15,123	1,758	16,881	101,773	78,411	
Advertising	30,173	21,113	6,255	111,990	1,306	170,837	943	20,243	21,186	192,023	49,801	
Bank charges	23,775	10,967	8,708	16,731	3,938	64,119	2,243	1,189	3,432	67,551	34,182	
Conference and meetings	38,930	4,426	1,520	6,368	77,845	129,089	680	19,496	20,176	149,265	78,227	
Contractors	21,463	38,214	242,544	174,776	28,439	505,436	574	23,851	24,425	529,861	175,185	
Dues and subscriptions	988	47	5,119	1,343		7,497		548	548	8,045	1,771	
Equipment rental and maintenance	61,344	32,255	22,649	103,072	9,787	229,107	4,820	2,740	7,560	236,667	145,904	
Grants made		65,572	56,417			121,989	141		141	122,130	57,063	
Humanitarian Aid—Note 1			2,224,147			2,224,147				2,224,147		
Insurance	6,907	3,214	1,476	4,863	918	17,378	850	278	1,128	18,506	18,513	
Interest											7,583	
License, taxes and fees	1,550	623	567	933	186	3,859		1,174	1,174	5,033	11,598	
Miscellaneous	11,826	12,764	22,365	4,678		51,633				51,633	34,201	
Photography and audio visual	13,590	6,762	8,460	7,636	11,990	48,438		2,998	2,998	51,436	11,690	
Postage and shipping	1,833	732	1,306	1,765	623	6,259	259	164	423	6,682	4,838	
Printing and publications	1,805	164	585	1,547	2,939	7,040	26	736	762	7,802	6,536	
Professional development	31,005	4,724	2,677	12,865	1,559	52,830	2,990	3,421	6,411	59,241	3,076	
Professional fees	22,214	10,522	9,014	16,205	2,792	60,747	71,263	865	72,128	132,875	151,945	
Rent	31,369	14,374	6,224	22,780	3,966	78,713	4,140	1,215	5,355	84,068	81,211	
Research funding—Note 1				149,250		149,250				149,250		
Supplies	48,737	4,200	22,636	4,893	19,309	99,775	328	4,868	5,196	104,971	44,947	
Telephone	2,120	690	4,234	207	44	7,295	10,530	13	10,543	17,838	13,785	
Training and recruitment	12,723	1,233	357	17,386	173	31,872	7,697	54	7,751	39,623	12,060	
Translation		5,550	5,840			11,390				11,390	8,250	
Travel	13,962	183,485	20,674	7,034	3,036	228,191	1,490	846	2,336	230,527	20,645	
2022 Totals	\$ 890,643	\$ 707,185	\$ 2,839,911	\$ 1,106,526	\$ 264,567	\$ 5,808,832	\$ 228,908	\$ 111,601	\$ 340,509	\$ 6,149,341	\$ 2,154,103	
2022 Percent Totals	<u>14%</u>	<u>12%</u>	<u>46%</u>	<u>18%</u>	<u>4%</u>	<u>94%</u>	<u>4%</u>	<u>2%</u>	<u>6%</u>	<u>100%</u>		
2021 Totals	\$ 636,729	\$ 455,751	\$ 113,348	\$ 483,345	\$ 173,470	\$ 1,862,643	\$ 223,071	\$ 68,389	\$ 291,460	\$ 2,154,103		
2021 Percent Totals	<u>30%</u>	<u>21%</u>	<u>5%</u>	<u>22%</u>	<u>8%</u>	<u>86%</u>	<u>10%</u>	<u>4%</u>	<u>14%</u>	<u>100%</u>		
Percent Change	<u>40%</u>	<u>55%</u>	<u>2405%</u>	<u>129%</u>	<u>53%</u>	<u>212%</u>	<u>3%</u>	<u>63%</u>	<u>17%</u>	<u>185%</u>		

See notes to financial statements.

Kidsave International, Inc.
Statement of Cash Flows
Year Ended December 31, 2022
(with comparative totals for 2021)

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 1,740,317	\$ 904,210
Changes in operating assets and liabilities:		
Contributions and grants receivable	41,346	168,638
Prepaid expenses and other assets	(52,490)	(15,161)
Accounts payable and accrued expenses	29,452	(7,076)
PPP advance		(216,000)
	<u>1,758,625</u>	<u>834,611</u>
Net Cash Provided by Operating Activities	1,758,625	834,611
Cash Flows from Financing Activities		
Payment of EIDL loan		(150,000)
		<u>(150,000)</u>
Net Cash Used in Financing Activities		(150,000)
Increase in Cash and Cash Equivalents	1,758,625	684,611
Cash and Cash Equivalents at Beginning of Year	<u>2,440,218</u>	<u>1,755,607</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,198,843</u>	<u>\$ 2,440,218</u>
Supplementary Disclosures		
Interest paid	\$ -	\$ 7,583
Income taxes paid	\$ -	\$ -

See notes to financial statements.

Kidsave International, Inc.
Notes to Financial Statements
December 31, 2022
(with comparative totals for 2021)

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.

Following is a summary of Kidsave’s work in 2022.

Weekend Miracles

Kidsave’s Weekend Miracles program helps older kids and teens in foster care (ages 9-17) find committed adults called 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 champion on a youth’s behalf for an adoptive family. 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 kids who would otherwise not have the opportunity.

Los Angeles County

Weekend Miracles Los Angeles 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 2022 Weekend Miracles Los Angeles hosted monthly events where 104 kids were in attendance. Of the 104 children and teens served in 2022, seventy-eight (78) actively participated through the year; 46% of these youth were connected to weekend hosts, adoptive matches, legal guardians, or Nonrelated Extended Family Members.

Since October 2005 Weekend Miracles Los Angeles has served 574 children and teens; 72% of the active participants have found a connection through an adoptive match, legal guardianship, family reunification, or a lasting relationship.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 1—Organization—Continued

During 2022, Weekend Miracles Los Angeles 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 26 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 of the sixteen (16) youth who were not already participating in Weekend Miracles Los Angeles, 13 of the youth (81%) who were closed or ambivalent about building long-lasting adult connections became more open. Eleven (11) of these 16 youth, 69% were referred to Weekend Miracles Los Angeles.

Out of the 26 participants, seven youth were subsequently matched with families pursuing adoption, three youth found permanency with a legal guardian, and one met his host at camp. Based on the success of this second camp effort, Kidsave and its partners began planning a third Camp Connect for 2023.

Houston

Weekend Miracles Houston hosted its first connection event in October 2020. Since then, 86 children and teens have been served by this program. In 2022 Weekend Miracles Houston served 56 foster youth, 38 of whom remained active throughout the year. Eighteen (18) active youth (47%) were connected to weekend hosts, adoptive matches, legal guardians or Nonrelated Extended Family Members. Weekend Miracles Houston held 12 in-person connection events in 2022. The children served by Weekend Miracles Houston in 2022 come from more than 15 counties across Texas, spanning nine DFPS regions.

Summer 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 who 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 2022 Kidsave facilitated two family visit programs in the summer and winter bringing a total of 63 children from Colombia, to stay with host families in the U.S. Of the 63 kids who traveled, 54 were found to be ready for adoption in the U.S. As of December 31, 2022, of those 54 children, 89% (48 children) have a family pursuing adoption. Since the program's inception in 1999, two thousand one hundred and eight (2,108) older children have participated in Kidsave's Summer Miracles program; 77% of these children have found permanent families.

Prior to the summer and winter visits in 2022, 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 were in the U.S., they enjoyed events filled with fun activities, and experienced 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 2023 program.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 1—Organization—Continued

Kidsave’s Summer Miracles communities are led by volunteer coordinators in the New York Tri-State Area (New York, New Jersey, and Connecticut), Washington, DC Metro Area (District of Columbia, Maryland, and Virginia), Chicago, Minnesota (Twin Cities), Northern California 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 located in Western Ukraine, at the Kidsave Miracles Center property in the Carpathian Mountains.

Ukraine

Ukraine Kidsave began working in Ukraine in 2016 as part of a movement to reform Ukraine's child welfare system. Kidsave has a Memorandum of Understanding with the Office of the Ombudsman for Children and the faith-based Ukraine Without Orphans. Kidsave is also a founding member of the Ukraine National Mentoring Association, 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, Pathways to Success, for older children who will soon age out of government care, has been at work in Kiev since 2016. In addition to the mentoring work, Kidsave’s Family Visit Program, in partnership with nongovernmental organizations, Sunrise of Dreams and Moi Dom, operated in Kherson and Mykolaiv since 2019. 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, 2022 when Russia invaded Ukraine, Kidsave acted quickly to get orphans and other children to safety. Under the leadership of Pavlo Shulha, our team began evacuating orphanages and families from Mykolaiv and Kherson to safety in western Ukraine. In 2022 its dedicated team of three Kidsave leaders and over 300 volunteers rescued over 30,000 people and provided nearly 2,000 tons of much-needed humanitarian aid. Kidsave’s Angels of Hope team in Ukraine was one of the few groups that still traveled into active combat zones to rescue people and provide aid throughout 2022.

In response to the dire food shortage in Ukraine, the Angels of Hope developed a food distribution system that fed over 25,000 people regularly. And as winter approached, Kidsave’s Angels of Hope partnered with We Stand With Ukraine to implement Project Warmth: an initiative to provide generators and winter essentials to 500 people in Mykolaiv, Zaporizhzhia, Kharkiv, and the newly liberated Kherson region.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 1—Organization—Continued

During this time, Kidsave’s team also worked diligently to ensure its core programs continued in Ukraine. Our Corporate Mentoring program, Pathways to Success, provided mentorship and career-readiness training to teens exiting or soon-to-exit institutional care. During 2022 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. Kidsave plans to expand these efforts with the development of the Kidsave Miracles Center. In 2022 two hundred and seven (207) teens participated in Pathways to Success, and 24 orphaned children were placed in families. Eight hundred five (805) teens have participated in Pathways to Success since 2018.

In fall of 2022, one of Kidsave’s Ukrainian partners was gifted 4.5 acres of land in the Carpathian Mountains of western Ukraine. In December of 2022, Kidsave and its Ukrainian partner organizations began construction of the Kidsave Miracles Center. This multi-functional space will be used to provide safe refuge, train child welfare professionals on trauma therapy and Kidsave program models, provide a connection space for children to meet foster and adoptive families, and become a place of healing, offering trauma therapy and counseling services. Moreover, it will serve as a place for the teens in Kidsave’s Pathways to Success program to receive job training and develop professional skills. Phase 1, training and safe housing facilities, is planned for completion in 2023.

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 Programme 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 home, 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, the Foundation for Integrated Development (FID). FID provides family tracing, case mining, reunification, training of families and para-social workers, and monitoring of children placed with kin or host families.

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

In 2022, Kidsave conducted family-tracing and case-mining for older orphans who believed they had living relatives who could raise them. As a result, 117 children were placed with kin or host families. Thirty-four (34) of these children and their families were provided with school and agricultural support. Kidsave and FID trained 1,380 caregivers, social workers and stakeholders about the rights of children, their proper care, and how to monitor and protect them. Kidsave and FID also developed 20 acres of inland valley swamps for rice and vegetable production in four communities in the Pujehun district. This development is an expansion of an economic strengthening program Kidsave started in 2019 for 40 households in this district.

Note 1—Organization—Continued

Support for Permanency Initiatives

As a voice for global change, Kidsave works to build awareness among the public and in US Congress about the challenges that children in government care face, and possible 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 greater use of permanency for older youth.

DEI Initiative – EMBRACE

In 2022 Kidsave began developing the EMBRACE Project, which stands for Expanding Meaningful Black Relationships And Creating Equity, to address the disproportionate rate at which Black youth are overrepresented in U.S. foster care and underrepresented in adoption. In the 3rd quarter of 2022, Kidsave began conducting preliminary research in the form of a literature review to evaluate the existing research on the overrepresentation of Black youth in foster care, and to identify any research examining barriers or causes preventing Black families from providing foster care or adopting. Kidsave’s preliminary research found that, while there is much existing research about the overrepresentation of Black youth in U.S. foster care and the negative impacts associated with their time in care, there is limited research on potential adoptive families or others who could provide support to these children and barriers preventing Black Americans from providing foster care or adopting.

In the 4th quarter of 2022, Kidsave established a partnership with the Gallup Center on Black Voices and the Dave Thomas Foundation for Adoption to launch a national study using quantitative and qualitative data collection methods to better understand perceptions and barriers preventing Black Americans from providing foster care or adopting. Kidsave assembled a task force of child welfare practitioners, industry leaders, activists, and individuals with experience in the child welfare system to oversee the project; we began developing instrumentation to begin data collection in the 1st quarter of 2023.

Collaborative Partnerships

In 2022 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 Equity Committee, a subcommittee formed to increase and enhance the provision of culturally responsive and competent care for Black children, in effort to facilitate well-being and improve their life outcomes; and (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.

In 2022 Kidsave also worked with (1) the Los Angeles County Office of Child Protection, an independent office reporting to the Los Angeles County Board of Supervisors whose overarching goal is to work with a wide variety of partners to improve the child welfare system; (2) the following foster family agencies: Extraordinary Families, Allies for Every Child, Koinonia and Penny Lane; and (3) RaiseAChild, a leader in the recruitment and support of LGBTQIA and all prospective parents interested in building families through fostering and fostering-to-adopt, to

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 1—Organization—Continued

meet the needs of the children in foster care, and building loving families for foster children. Kidsave continued to partner with RaiseAChild at their monthly Parent Matching events, where foster youth who participate in the Weekend Miracles program are frequently presented for adoption. Because Kidsave and the host families who participate in Weekend Miracles engage with and learn about participating kids in a way that their social workers and caregivers seldom do, Kidsave can bring a unique strength-based perspective to advocacy for these kids at matching events.

In 2022 in Texas, Kidsave was a member of the Region 6 Foster Care Stakeholder Collaborative, the Texas Alliance of Child and Family Services, Greater Houston Area Women’s Chamber of Commerce, the Conroe Chamber of Commerce, 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. In 2022 Kidsave had MOUs 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 2022: The Sanctuary, Arrow Child & Family Services, and Arms Wide, and the following NGOs: Riverside Project, Harris County Youth Collective, Love Fosters Hope, and BEAR. Kidsave also collaborated with numerous additional GRO/RTC organizations, NGOs, and Child Placement Agencies.

Public Education and Outreach

Kidsave’s website, blog and social media posts focused on sharing information about children in need of families and bolstered engagement and support for the children through hosting, volunteering, donating, and adopting. Through Kidsave’s social media platforms more than 34,000 people regularly saw advocacy images of specific children, which generated 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. In 2022 Kidsave held two in-person galas – one in Los Angeles and the other in Washington, DC. These galas brought awareness of the need for older, forgotten children to have family connections and raised funds to support permanency programs. In 2022 Kidsave also held an in-person golf tournament and a hike for foster youth in Los Angeles.

Fundraising Initiatives

Guardian program donors 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 2022 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, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Guardian Pledges Receivable, Net at Beginning of the Year	\$ 319,015	\$ 487,653
Contributions, net	784,504	680,461
Cash received	<u>(862,350)</u>	<u>(849,099)</u>
Guardian Pledges Receivable, Net at End of the Year	<u>\$ 241,169</u>	<u>\$ 319,015</u>

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 1—Organization—Continued

The Guardian pledge receivable balances of \$241,665 and \$319,015 at December 31, 2022 and 2021, respectively, are included in contributions and grants receivable balances, net at December 31, 2022 and 2021. See Note 4 for more information.

Note 2—Summary of Significant Accounting Policies

Recently Adopted Accounting Principles

Gifts In-Kind—In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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, and 2021.

Leases— In February 2016, FASB issued 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.

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.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

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, 2022. 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.

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, 2022 and 2021, grants receivable includes pledges totaling \$277,669 and \$319,015 respectively, from donors to provide support without purpose restrictions.

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, 2022 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 12), 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 from selected receivable balances is not necessary.

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.

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

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.

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

Interest income—Interest is recognized when received and is reported under support and revenues 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, 2022 and 2021.

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.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

Advertising Costs—Advertising costs are expensed as incurred and amounted to \$192,023 and \$49,801, respectively, for the years ended December 31, 2022 and 2021.

Comparative Totals for 2021—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, 2021, 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 2021 have been reclassified to conform with the 2022 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, 2022 and 2021 to cover operating expenses for the next fiscal year:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,729,626	\$ 2,316,934
Contributions and grants receivable, current portion	181,500	142,350
Current Availability of Financial Assets	<u>\$ 2,911,126</u>	<u>\$ 2,459,284</u>

Kidsave also has a \$200,000 line of credit (Note 5), which can be drawn down to meet unforeseen financial hurdles.

Note 4—Contributions and Grants Receivable

Net contributions and grants receivable consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Guardian pledges	\$ 245,000	\$ 322,350
Other receivables	36,500	
Contributions and Grants Receivable, Gross	281,500	322,350
Less unamortized discount at 1%	(3,831)	(3,335)
Contributions and Grants Receivable, Net	<u>\$ 277,669</u>	<u>\$ 319,015</u>

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 4—Contributions and Grants Receivable—Continued

The current and non-current portions of contributions and grants receivable at December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Current Assets		
Contributions and grants receivable, net	\$ 181,500	\$ 142,350
Non-Current Assets		
Contributions and grants receivable, net	<u>96,169</u>	<u>176,665</u>
Total Contributions and Grants Receivable, Net	<u>\$ 277,669</u>	<u>\$ 319,015</u>

Expected future payments of contributions and grants receivable at December 31, 2022 are as follows:

<u>Year Ending December 31,</u>		
2023		\$ 181,500
2024		70,000
2025		20,000
2026		<u>10,000</u>
Total		<u>\$ 281,500</u>

Note 5—Line of Credit

At December 31, 2022, Kidsave has 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 expires on November 14, 2023. The credit facility is unsecured. There were no outstanding amounts under the line of credit at December 31, 2022 and 2021. In addition, there were no draw-downs of the line of credit during the years ended December 31, 2022 and 2021.

Note 6—Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2022 and 2021 are restricted for the following purposes or periods:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Ukraine Programs	\$ 900,414	\$ 55,624
Permanency initiatives	462,899	
Weekend Miracles	53,466	28,258
Summer Miracles	52,438	39,402
Subject to time restrictions:		
Guardian pledges receivable, net	<u>241,169</u>	<u>319,015</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,710,386</u>	<u>\$ 442,299</u>

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 6—Net Assets with Donor Restrictions—Continued

Net assets released from donor restrictions for the years ended December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions:		
Ukraine Programs	\$ 2,735,763	\$ 68,577
Weekend Miracles	574,265	416,395
Summer Miracles	396,163	176,197
Permanency initiatives	200,889	9,450
Africa Programs	37,112	12,257
Satisfaction of time restrictions:		
Guardian pledges receivable, net	862,350	849,099
Total Net Assets Released From Donor Restrictions	<u>\$ 4,806,542</u>	<u>\$ 1,531,975</u>

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

A rollforward of net assets with donor restrictions activity for the year ended December 31, 2021 is as follows:

	<u>December 31,</u> <u>2020</u>	<u>Contributions</u>	<u>Releases</u>	<u>December 31,</u> <u>2021</u>
Africa Programs	\$	\$ 12,257	\$ (12,257)	\$
Guardian pledges receivable, net	487,653	680,461	(849,099)	319,015
Permanency initiatives		9,450	(9,450)	
Summer Miracles	63,377	152,222	(176,197)	39,402
Ukraine Programs	47,875	76,326	(68,577)	55,624
Weekend Miracles	46,920	397,733	(416,395)	28,258
Totals	<u>\$ 645,825</u>	<u>\$ 1,328,449</u>	<u>\$ (1,531,975)</u>	<u>\$ 442,299</u>

Note 7—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.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 8—Operating Leases

Kidsave leased office space in Culver City, California, initially under a multi-year lease which expired September 30, 2022; after which, Kidsave operated under a month-to-month agreement through June 30, 2023. Kidsave entered into a new lease agreement on July 1, 2023 which runs through December 31, 2025.

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

<u>Year Ending December 31,</u>		
2023	\$	64,526
2024		71,512
2025		<u>71,512</u>
	Total	<u>\$ 207,551</u>

Rental expenses for the years ended December 31, 2022 and 2021 are \$84,068 and \$81,210, respectively.

Note 9—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 \$24,700 and \$18,800 for the years ended December 31, 2022 and 2021, respectively.

Note 10—In-Kind Contributions

For the years ended December 31, 2022 and 2021, 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>2022</u>	<u>2021</u>
Travel	\$ 162,000	\$
Telephone	8,262	7,627
Professional fees	<u>7,438</u>	<u>4,370</u>
Totals	<u>\$ 177,700</u>	<u>\$ 11,997</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, 2022 and 2021, legal services are valued based by management 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. The in-kind contributions were received without donor restrictions.

Kidsave International, Inc.
Notes to Financial Statements—Continued

Note 11—Joint Cost Allocation

Kidsave incurred joint costs in 2022 and 2021 for informational materials and special events that included fundraising appeals. The costs were allocated as follows:

	<u>2022</u>	<u>2021</u>
Public education	\$ 264,567	\$ 173,470
Fundraising	<u>111,601</u>	<u>68,389</u>
Totals	<u>\$ 376,168</u>	<u>\$ 241,859</u>

Note 12—Risks and Uncertainties

In March 2023, subsequent to year-end, 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 no significant assets and no cash at December 31, 2022 and 2021. 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 13—Subsequent Events

Subsequent events were evaluated through October 3, 2023, which is the date the financial statements were available to be issued, and concluded that, other than the banking crisis described in Note 12, no other material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.