

**AMERICA'S KIDS BELONG, INC.
AND SUBSIDIARIES**

**CONSOLIDATED
FINANCIAL STATEMENTS**

DECEMBER 31, 2024

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Independent Auditors' Report

Board of Directors
America's Kids Belong, Inc. and Subsidiaries
Loveland, Colorado

Opinion

We have audited the accompanying consolidated financial statements of America's Kids Belong, Inc., and Subsidiaries (the "Organization"), a nonprofit organization, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of America's Kids Belong, Inc. as of December 31, 2024, and the changes in its net assets, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of America's Kids Belong, Inc. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 America's Kids Belong, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about America's Kids Belong, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of financial position and the consolidating schedule of activities are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The Adams Group, LLC

Greenwood Village, Colorado
April 29, 2025

AMERICA'S KIDS BELONG, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31,	2024
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<u>Assets</u>	
Cash and cash equivalents	\$ 1,952,558
Accounts receivable	28,410
Prepaid expenses	13,749
Property held for sale	784,000
Property and equipment, net	<u>18,800</u>
 Total Assets	 \$ <u>2,797,517</u>
 <u>Liabilities and Net Assets</u>	
Liabilities	
Accounts payable and accrued expenses	<u>\$ 134,053</u>
 Net assets	
Without donor restriction	1,435,714
With donor restriction	<u>1,227,750</u>
 Total net assets	 <u>2,663,464</u>
 Total Liabilities and Net Assets	 \$ <u>2,797,517</u>

The accompanying notes are an integral part of these consolidated financial statements.

AMERICA'S KIDS BELONG, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31,

2024

	Without Donor Restriction	With Donor Restriction	Total
<u>Support, Revenues, and Other Gains</u>			
Contributions	\$ 2,674,511	\$ 183,342	\$ 2,857,853
Special event revenue, net	46,494	-	46,494
Contributed non-financial assets	86,155	784,000	870,155
Other income	23,907	-	23,907
Net assets released from restrictions	159,741	(159,741)	-
Total support, revenues, and other gains	<u>2,990,808</u>	<u>807,601</u>	<u>3,798,409</u>
<u>Expenses</u>			
Program services	<u>1,701,044</u>		<u>1,701,044</u>
Supporting services			
General and administrative	877,155		877,155
Fundraising	<u>262,018</u>		<u>262,018</u>
Total supporting services	<u>1,139,173</u>		<u>1,139,173</u>
Total expenses	<u>2,840,217</u>		<u>2,840,217</u>
Changes in net assets	150,591	807,601	958,192
Net assets - beginning of year	<u>1,285,123</u>	<u>420,149</u>	<u>1,705,272</u>
Net assets - end of year	<u><u>\$ 1,435,714</u></u>	<u><u>\$ 1,227,750</u></u>	<u><u>\$ 2,663,464</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

AMERICA'S KIDS BELONG, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31,

2024

	Program Services			Supporting Services			
	I Belong Project	Collective Impact	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 541,962	\$ 705,611	\$ 1,247,573	\$ 323,588	\$ 186,178	\$ 509,766	\$ 1,757,339
Taxes	43,384	46,710	90,094	47,521	13,349	60,870	150,964
Benefits	-	-	-	16,180	-	16,180	16,180
Total personnel	585,346	752,321	1,337,667	387,289	199,527	586,816	1,924,483
Direct cost of program	146,864	20,064	166,928	8,686	10,613	19,299	186,227
Travel	22,907	26,678	49,585	26,532	8,758	35,290	84,875
Office	4,275	10,747	15,022	136,531	2,137	138,668	153,690
Volunteer and staff related	14,553	11,155	25,708	14,919	4,921	19,840	45,548
Dues and subscriptions	1,778	840	2,618	6,209	40	6,249	8,867
Marketing and promotional	24,330	46,887	71,217	141,128	4,194	145,322	216,539
Legal and professional	700	22,732	23,432	124,249	31,497	155,746	179,178
Merchants fees	-	-	-	22,533	-	22,533	22,533
Meals and entertainment	3,741	3,615	7,356	4,080	331	4,411	11,767
Conferences	-	1,511	1,511	299	-	299	1,810
Depreciation	-	-	-	4,700	-	4,700	4,700
Event expenses	11,188	29,494	40,682	381	65,931	66,312	106,994
	815,682	926,044	1,741,726	877,536	327,949	1,205,485	2,947,211
Less: event expenses	(11,188)	(29,494)	(40,682)	(381)	(65,931)	(66,312)	(106,994)
Total Expenses	\$ 804,494	\$ 896,550	\$ 1,701,044	\$ 877,155	\$ 262,018	\$ 1,139,173	\$ 2,840,217

The accompanying notes are an integral part of these consolidated financial statements.

AMERICA'S KIDS BELONG, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31,	2024
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Cash flows from operating activities	
Received from contributions	\$ 2,840,025
Interest and dividends received	27,469
Other receipts	153,489
Cash paid to suppliers and employees	(2,841,836)
Net cash provided by operating activities	<u>179,147</u>
 Cash and cash equivalents - beginning of year	 <u>1,773,411</u>
 Cash and cash equivalents - end of year	 <u><u>\$ 1,952,558</u></u>
 Supplemental cash flow information of noncash transactions:	
Donation of property	<u>\$ 784,000</u>
Other in-kind donations	<u><u>\$ 86,155</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

AMERICA'S KIDS BELONG, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – DESCRIPTION OF THE ORGANIZATION

America's Kids Belong equips communities to dramatically improve the experiences and outcomes of kids in foster care so they find and thrive in safe, loving families, supported by Foster Friendly communities where they belong. America's Kids Belong currently operates in 10 states including: California, Colorado, Georgia, Indiana, Kansas, Kentucky, South Dakota, Tennessee, Utah and Virginia. America's Kids Belong achieves its mission in three key areas of focus: Family Recruiting, Community Engagement, and Sustainable Change.

Oklahoma's Kids Belong, Inc. (Oklahoma's Kids Belong) was incorporated on August 10, 2016 as a subsidiary of America's Kids Belong to continue the mission of America's Kids Belong in addressing the foster and adoption crisis in the state of Oklahoma. America's Kids Belong is the sole voting member of Oklahoma's Kids Belong and appoints members to the Oklahoma's Kids Belong Board of Directors. For the year ended December 31, 2024, Oklahoma's Kids Belong had no activity.

Tennessee Kids Belong, Inc. (Tennessee Kids Belong) was incorporated on February 14, 2018 as a subsidiary of America's Kids Belong to continue the mission of America's Kids Belong in addressing the foster and adoption crisis in the state of Tennessee. America's Kids Belong is the sole voting member of Tennessee Kids Belong and appoints members to the Tennessee Kids Belong Board of Directors.

South Dakota Kids Belong, Inc. (South Dakota Kids Belong) was incorporated on August 25, 2020 as a subsidiary of America's Kids Belong to continue the mission of America's Kids Belong in addressing the foster and adoption crisis in the state of South Dakota. America's Kids Belong is the sole voting member of South Dakota Kids Belong and appoints members to the South Dakota Kids Belong Board of Directors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of America's Kids Belong, Oklahoma's Kids Belong, Tennessee Kids Belong, and South Dakota Kids Belong, (collectively, the "Organization"). All intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

The consolidated financial statements of the Organization have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements. Actual results could differ from those estimates.

AMERICA'S KIDS BELONG, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. The Organization does not currently have net assets to be maintained in perpetuity.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. The Organization has determined that current operational cash needs will occasionally result in cash balances in excess of FDIC limits. The Organization does not believe it is exposed to any significant credit risk on these balances and has not experienced any losses on such accounts.

Promises to Give

Promises to give are recognized as support and revenue when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized only when the related conditions are met and the promises become unconditional.

Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

The allowance method is used to determine uncollectible, unconditional promises to give. The allowance is based on management's analysis of specific promises to give. As of December 31, 2024, there were no allowances on promises to give.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on historical collection rates, experience, and other circumstances. It is the Organization's policy to write off uncollectible receivables when management determines the receivable will not be collected. As of December 31, 2024, there were no allowance on outstanding receivables.

AMERICA'S KIDS BELONG, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment acquired by the Organization are recorded at cost. Donated fixed assets are capitalized at fair value at the date of donation. Depreciation is provided utilizing the straight-line method based upon the estimated useful lives of the assets, which are approximately five years.

Contributions

Unconditional promises to give cash and other assets to the Organization are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. The gifts are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the period in which the gift is received are both reported as contributions without donor restrictions.

Special Events

The Organization hosts special events and generally collects funds in advance of the event. Funds received in advance are initially recorded as deferred revenue and recognized when the event occurs.

Contributed Non-Financial Assets

Contributions of goods and services are recorded at their estimated fair value at the time of receipt. Donated services are only recorded if the services create or enhance a nonfinancial asset or require specialized skills that the Organization would need to otherwise purchase. Many individuals volunteer their time to perform a variety of tasks, however no amounts are reflected in the accompanying financial statements as the volunteer time does not meet the criteria for recognition under generally accepted accounting principles.

The Organization's policy related to contributed non-financial assets is to utilize the assets given to carry out its mission. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Leases

Leases with an initial term of twelve months or less are not recorded in the statement of financial. Long-term leases are reflected as right-of-use (ROU) assets and operating lease liabilities in the statement of financial position. As of December 31, 2024, the Organization only has short-term leases for office equipment. During the year ended

AMERICA'S KIDS BELONG, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

December 31, 2024, the Organization recognized lease expense of approximately \$35,200, which is included in office expenses in the accompanying statement of functional expenses.

Functional Allocation of Expenses

Expenses incurred directly for a program are charged to such program. Certain costs have been allocated between program and support services on several bases and estimates. Salaries, taxes, and benefits have been allocated based on time and effort. Other expenses are generally charged directly to the underlying purpose and do not require allocation. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes

The Organization is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). The Organization has been classified as publicly supported organization which is not a private foundation under Section 509(a) of the Code. The Organization did not have any material unrelated business income tax liability for the year ended December 31, 2024. The Organization files its Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2021.

Advertising Costs

Advertising costs are expensed as incurred.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including April 29, 2025, which is the date the consolidated financial statements were available to be issued.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of December 31, 2024 for general expenditure are as follows:

Cash and cash equivalents	\$ 1,952,558
Accounts receivable	28,410
Less: Net assets with donor restriction	<u>(1,227,750)</u>
	<u>\$ 753,218</u>

The Organization has a goal to maintain cash on hand to meet 45 days of normal operating expenses. Excess cash is invested in short-term investments, including money market accounts.

AMERICA'S KIDS BELONG, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2024:

Vehicles	\$ 23,500
Accumulated depreciation	<u>(4,700)</u>
Net property and equipment	<u><u>\$ 18,800</u></u>

NOTE 5 – NET ASSETS WITH DONOR RESTRICTION

Net assets were released from donor restriction by incurring expenses satisfying the restricted purposes specified by donors as follows for the year ended December 31, 2024:

Colorado - general operations	\$ 48,399
Colorado - family recruiting	86,119
Georgia - general operations	<u>25,223</u>
	<u><u>\$ 159,741</u></u>

Net assets with donor restriction are available for the following purposes as of December 31, 2024:

Colorado - general operations	\$ 71,057
South Dakota - general operations	939,256
Tennessee - general operations	59,115
Other States - general operations	<u>158,322</u>
	<u><u>\$ 1,227,750</u></u>

NOTE 6 – CONTRIBUTED NON-FINANCIAL ASSETS

During the year ended December 31, 2024, the Organization recognized contributed non-financial assets of:

Goods	\$ 42,687
Services	43,468
Property	<u>784,000</u>
	<u><u>\$ 870,155</u></u>

The value of the services was estimated based on rates that the vendor or third-party charges to other customers. The value of goods was estimated based on prices for comparable items.

Property was donated to the Organization during 2024. The property was held for sale during 2024 and sold subsequent to year-end for \$784,000, which is the value assigned to the donated property at the date of donation.

AMERICA'S KIDS BELONG, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 – CONCENTRATION

During the year ended December 31, 2024, two donors comprised approximately 32% of total contributions.

SUPPLEMENTARY INFORMATION

AMERICA'S KIDS BELONG, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31,

2024

	America's Kids Belong, Inc.	Tennessee Kids Belong, Inc.	South Dakota Kids Belong, Inc.	Eliminating Entries	Total
<u>Assets</u>					
Cash	\$ 714,080	\$ 1,156,424	\$ 82,054	\$ -	\$ 1,952,558
Accounts receivable	3,400	25,010	-	-	28,410
Prepaid expenses	12,720	1,029	-	-	13,749
Property held for sale	-	-	784,000	-	784,000
Property and equipment, net	-	-	18,800	-	18,800
Total Assets	<u>\$ 730,200</u>	<u>\$ 1,182,463</u>	<u>\$ 884,854</u>	<u>\$ -</u>	<u>\$ 2,797,517</u>
<u>Liabilities and Net Assets</u>					
<u>Liabilities</u>					
Accounts payable accrued expenses	\$ 84,617	\$ 39,694	\$ 9,742	\$ -	\$ 134,053
<u>Net assets</u>					
Without donor restriction	(582,167)	1,142,769	875,112	-	1,435,714
With donor restriction	1,227,750	-	-	-	1,227,750
Total net assets	<u>645,583</u>	<u>1,142,769</u>	<u>875,112</u>	<u>-</u>	<u>2,663,464</u>
Total Liabilities and Net Assets	<u>\$ 730,200</u>	<u>\$ 1,182,463</u>	<u>\$ 884,854</u>	<u>\$ -</u>	<u>\$ 2,797,517</u>

See independent auditors' report.

AMERICA'S KIDS BELONG, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31,

2024

	America's Kids Belong, Inc.	Tennessee Kids Belong, Inc.	South Dakota Kids Belong, Inc.	Eliminating Entries	Total
Changes in net assets without donor restriction					
<u>Support, revenues, and other gains</u>					
Contributions	\$ 568,837	\$ 1,102,062	\$ 315,367	\$ (95,755)	\$ 1,890,511
Special event revenue, net of expenses	111,643	(36,554)	(28,595)	-	46,494
Contributed non-financial assets	58,215	21,520	790,420	-	870,155
Other income	23,075	832	-	-	23,907
Net assets released from restrictions	159,741	-	-	-	159,741
Total support, revenues, and other gains	921,511	1,087,860	1,077,192	(95,755)	2,990,808
<u>Expenses</u>					
Program services	753,615	765,282	182,147	-	1,701,044
Supporting services					
General and administrative	662,620	225,532	84,758	(95,755)	877,155
Fundraising	205,070	37,101	19,847	-	262,018
Total supporting services	867,690	262,633	104,605	(95,755)	1,139,173
Total expenses	1,621,305	1,027,915	286,752	(95,755)	2,840,217
Changes in net assets without donor restriction	(699,794)	59,945	790,440	-	150,591
Changes in net assets with donor restriction					
Contributions	967,342	-	-	-	967,342
Net assets released from restrictions	(159,741)	-	-	-	(159,741)
Changes in net assets with donor restrictions	807,601	-	-	-	807,601
Changes in net assets	\$ 107,807	\$ 59,945	\$ 790,440	\$ -	\$ 958,192

See independent auditors' report.