

KIDS ALIVE INTERNATIONAL, INC.

Financial Statements
With Independent Auditor's Report

December 31, 2024



KIDS ALIVE INTERNATIONAL, INC.

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flow	5
Notes to Financial Statements	6

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Kids Alive International, Inc.
Alpharetta, Georgia

Opinion

We have audited the accompanying financial statements of Kids Alive International, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities 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 Kids Alive International, Inc. as of December 31, 2024, and the changes in its net assets and its 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Kids Alive International, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Board of Directors
Kids Alive International, Inc.
Alpharetta, Georgia

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kids Alive International, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kids Alive International, 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.

Capin Crouse LLC

Lawrenceville, Georgia
November 13, 2025

KIDS ALIVE INTERNATIONAL, INC.

Statement of Financial Position

December 31, 2024

ASSETS:

Cash and cash equivalents	\$ 7,514,111
Investments	119,495
Property and equipment—net	8,624,741
Investments held for long-term purposes	<u>136,847</u>

Total Assets \$ 16,395,194

LIABILITIES AND NET ASSETS:

Liabilities:

Accounts payable and accrued expenses	\$ 666,079
Total liabilities	<u>666,079</u>

Net assets:

Without donor restrictions	13,972,069
With donor restrictions	<u>1,757,046</u>
Total net assets	<u>15,729,115</u>

Total Liabilities and Net Assets \$ 16,395,194

See notes to the financial statements

KIDS ALIVE INTERNATIONAL, INC.

Statement of Activities

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:			
Support:			
Contributions	\$ 11,229,215	\$ 8,855,576	\$ 20,084,791
	11,229,215	8,855,576	20,084,791
Revenues:			
Investment income	64,594	10,094	74,688
Loss on disposal of property	(344,196)	-	(344,196)
Rental income	180,625	-	180,625
Other	2,085	-	2,085
	(96,892)	10,094	(86,798)
Total Support and Revenues	11,132,323	8,865,670	19,997,993
RECLASSIFICATIONS:			
Net assets released from restrictions	8,532,038	(8,532,038)	-
EXPENSES:			
Program services	10,791,751	-	10,791,751
Supporting activities:			
General and administrative	1,706,862	-	1,706,862
Fundraising	1,726,936	-	1,726,936
	3,433,798	-	3,433,798
Total Expenses	14,225,549	-	14,225,549
Change in Net Assets	5,438,812	333,632	5,772,444
Net Assets, Beginning of Year	8,533,257	1,423,414	9,956,671
Net Assets, End of Year	\$ 13,972,069	\$ 1,757,046	\$ 15,729,115

See notes to the financial statements

KIDS ALIVE INTERNATIONAL, INC.

Statement of Cash Flows

Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 5,772,444
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	508,903
Loss on disposal of property	344,196
Realized/unrealized gain on investments and investments held for long-term purposes	(10,747)
Changes in operating assets and liabilities:	
Accounts payable and accrued expenses	329,182
Net Cash Provided by Operating Activities	<u>6,943,978</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	(393,010)
Proceeds from sales of property and equipment	59,293
Proceeds from sales of investments and investments held for long-term purposes	6,160
Purchases of investments and investments held for long-term purposes	(565)
Net Cash Used by Investing Activities	<u>(328,122)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on line of credit	(1,000,000)
Net Cash Used by Financing Activities	<u>(1,000,000)</u>

Net Change in Cash and Cash Equivalents	5,615,856
Cash and Cash Equivalents, Beginning of Year	<u>1,898,255</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 7,514,111</u></u>

See notes to the financial statements

KIDS ALIVE INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2024

1. NATURE OF ORGANIZATION:

The mission of Kids Alive International, Inc. (KAI) is to empower communities by helping vulnerable and trauma-impacted children & families. KAI is a faith-based nonprofit dedicated to meeting the physical, emotional, and spiritual needs of vulnerable children and families. KAI believes that every child deserves a chance to live a life free from fear and trauma. Through comprehensive programs and resources, KAI works to transform communities through a holistic approach that melds evidence-based practices with biblical principles.

KAI is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (Code) and comparable state law. Contributions to the Organization are deductible from income taxes within the limitations prescribed by the Code. The Organization is not a private foundation under Section 509(a)(1) of the Code. The primary source of revenue for the Organization is contributions from the general public.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

USE OF ESTIMATES

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes petty cash, checking accounts, and savings accounts. While occasionally deposits may be in excess of federally insured limits, the Organization has not experienced any losses in such accounts. At December 31, 2024, cash balances exceeded federally insured limits by approximately \$6,500,000.

INVESTMENTS AND INVESTMENTS HELD FOR LONG-TERM PURPOSES

Investments in marketable securities with readily determinable fair values and all debt securities are recorded at fair market value based on the last reported sales price on the valuation date. Donated investments are recorded at market value at the date of donation and thereafter carried in conformity with the stated policy. Interest and dividend income and the realized and unrealized gains and losses on marketable securities and other investments are included in investment income in the accompanying statement of activities.

KIDS ALIVE INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT—NET

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. KAI generally capitalizes all property and equipment acquisitions in excess of \$5,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 40 years.

CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets:

Net assets without donor restrictions are currently available for operating purposes under the direction of the board, or invested in property and equipment, net of accumulated depreciation.

Net assets with donor restrictions are stipulated by donors for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

All contributions are considered available for use without donor restrictions unless specifically restricted by the donor or subject to other legal restrictions.

SUPPORT AND REVENUES, RECLASSIFICATIONS, AND EXPENSES

Contributions are recognized when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met.

KAI reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as reclassifications.

Noncash contributions (including securities) are recorded at fair value at the date of the gift.

Rental income is recognized on a straight-line basis over the lease term as the performance obligation is met. Lease terms generally begin on the first day of the month and continue for a fixed term.

KIDS ALIVE INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUES, RECLASSIFICATIONS, AND EXPENSES, continued

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing various program services and supporting activities of KAI have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

CONCENTRATIONS

During the year ended December 31, 2024, one donor contributed 46% of total contributions. The organizational implications of this are understood by management.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects KAI's financial assets as of December 31, 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. KAI considers general expenditures to be all expenditures related to fulfilling its vision as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets:

Cash and cash equivalents	\$ 7,514,111
Investments	119,495
Investments held for long-term purposes	136,847
	<u>7,770,453</u>

Less those unavailable for general expenditures within one year due to:

Endowment funds	(136,847)
Restricted by donor for long-term purposes	(251,199)
	<u>(388,046)</u>

\$ 7,382,407

As part of KAI's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2024, KAI has \$1,700,736 in net assets with donor restrictions for project support. These funds are considered available to meet needs for general expenditures as funds are used for their donor-restricted purpose.

KIDS ALIVE INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2024

4. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net, consist of:

Land	\$ 1,082,660
Buildings and building improvements	11,006,245
Furniture and equipment	1,734,988
Vehicles	1,227,932
	<u>15,051,825</u>
Less accumulated depreciation	<u>(6,569,687)</u>
	8,482,138
Construction in process	<u>142,603</u>
	<u><u>\$ 8,624,741</u></u>

5. EXPENSES BY BOTH NATURE AND FUNCTION:

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Payroll and benefits are allocated on an analysis of employee time and effort for the employees incurring the expense. All other expenses are allocated based on an analysis of the employee or event incurring the expense.

Functional expenses by natural classification for the year ended December 31, 2024:

	Supporting Activities			Total Supporting Activities	Total
	Program Services	General and Administrative	Fundraising		
Ministry and mission support	\$ 7,966,044	\$ 514	\$ 653	\$ 1,167	\$ 7,967,211
Salaries and benefits	2,006,957	1,178,050	1,062,961	2,241,011	4,247,968
Depreciation	506,574	1,226	1,103	2,329	508,903
Fees and professional services	69,103	236,781	345,920	582,701	651,804
Information technology	39,075	82,737	58,573	141,310	180,385
Travel	116,603	47,220	104,179	151,399	268,002
Office expenses	51,532	90,955	64,907	155,862	207,394
Other	33,465	41,646	37,431	79,077	112,542
Advertising and promotion	434	16,249	48,807	65,056	65,490
Occupancy	1,964	11,484	2,402	13,886	15,850
	<u>\$ 10,791,751</u>	<u>\$ 1,706,862</u>	<u>\$ 1,726,936</u>	<u>\$ 3,433,798</u>	<u>\$ 14,225,549</u>

KIDS ALIVE INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2024

6. FAIR VALUE MEASUREMENTS:

FASB Accounting Standards Codification (FASB ASC) topic 820, *Fair Value Measurements and Disclosure*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 consists of unobservable inputs in which there is little or no market data, which requires KAI to develop its own assumptions. KAI uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, KAI measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. There were no changes in methods or assumptions from prior year.

	Fair Value Measurements at December 31, 2024			
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds	\$ 109,199	\$ -	\$ -	\$ 109,199
Exchange traded funds	5,776	-	-	5,776
	<u>\$ 114,975</u>	<u>\$ -</u>	<u>\$ -</u>	<u>114,975</u>
Reconciling items at cost:				
Cash and cash equivalents				<u>4,520</u>
Total investments				<u>\$ 119,495</u>
Investments held for long-term purposes:				
Interest investment pools held by community foundation	<u>\$ -</u>	<u>\$ 136,847</u>	<u>\$ -</u>	<u>\$ 136,847</u>

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Mutual and exchange traded funds—The fair value of these financial instruments is based upon quoted market prices or dealer quotes in an active market.

Interest in investment pools held by community foundation—The fair value is based upon the fair value of the underlying assets as represented by the foundation.

Changes in valuation techniques—None.

KIDS ALIVE INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2024

7. ENDOWMENT FUND:

KAI's endowments consist of a fund established for support for homes, schools and care centers for orphaned, homeless and abused children around the world as a result of donor contributions. As required by GAAP, net assets associated with endowment funds, including funds designated by the board of trust to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of KAI has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, KAI classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions for purpose until those amounts are appropriated for expenditure by KAI in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, KAI considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of KAI and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of KAI
7. The investment policies of KAI

Endowment net asset composition by type of fund as of December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains	Original Gift	
Donor-restricted endowment funds	\$ -	\$ 80,537	\$ 56,310	\$ 136,847
	<u>\$ -</u>	<u>\$ 80,537</u>	<u>\$ 56,310</u>	<u>\$ 136,847</u>

KIDS ALIVE INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2024

7. ENDOWMENT FUND, continued:

Changes in endowment net assets for the year ended December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains	Original Gift	
Endowment net assets, January 1, 2024	\$ -	\$ 76,603	\$ 56,310	\$ 132,913
Investment income	-	10,094	-	10,094
Contributions	-	-	-	-
Amounts appropriated for expenditure	-	(6,160)	-	(6,160)
	-	3,934	-	3,934
Endowment net assets, December 31, 2024	\$ -	\$ 80,537	\$ 56,310	\$ 136,847

Return Objectives and Risk Parameters:

KAI has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that KAI must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce an inflation adjusted income stream to grow the corpus above the inflation rate. KAI expects its endowment funds, over time, to provide an average rate of return of approximately 4% to 5% annually. Actual returns in any given year may vary from this amount.

Funds with Deficiencies:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires KAI to retain as a fund of perpetual duration. In accordance with GAAP, there were no deficiencies of this nature that are reported in net assets with donor restrictions as of December 31, 2024.

Strategies Employed for Achieving Objectives:

To satisfy its long-term rate-of-return objectives, KAI relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). KAI targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

KIDS ALIVE INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2024

7. ENDOWMENT FUND, continued:

Spending Policy and How the Investment Objectives Related to Spending Policy:

KAI has a policy of appropriating for distribution each year a percentage using the moving average method based on a 3-year moving average of monthly portfolio market value, with a budgeting lead of one year seeking a 4.5% annual spending limit on the endowment. In establishing this policy, KAI considered long-term expected return on its endowment. This is consistent with KAI's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified time as well as to provide additional real growth through new gifts and investment returns.

8. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

Missionary support	\$ 523,963
Country program services	719,608
Building and vehicle funds	251,199
Service team funds	125,429
Unappropriated endowment fund earnings	80,537
Endowment fund corpus-restricted in perpetuity	56,310
	\$ 1,757,046

9. RENTAL INCOME:

Rental income from leases are estimated as follows:

Year Ended December 31,	Amounts
2025	\$ 325,000
2026	325,000
2027	325,000
2028	325,000
2029	325,000
Thereafter	1,489,583
	\$ 3,114,583

KIDS ALIVE INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2024

10. SUBSEQUENT EVENTS:

Effective in February 2025, the Organization entered into a line of credit agreement with a certain financial institution for up to \$1,000,000 with an interest rate based on the Secured Overnight Financing Rate and maturing in February 2026. As of the date of these financial statements, there were no outstanding borrowings on this line of credit.

Subsequent events have been evaluated through November 13, 2025, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.