

**Audited Financial Statements**



**December 31, 2021**

**Quigley & Miron**

**Kidsave International, Inc.**  
**Audited Financial Statements**  
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Suite 1660  
3550 Wilshire Boulevard  
Los Angeles, California 90010

Telephone: (213) 639-3550  
Facsimile: (213) 639-3555

Suite 700  
1999 South Bascom Avenue  
Campbell, California 95008

Telephone: (408) 614-0100  
Facsimile: (213) 639-3555

## 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, 2021, 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, 2021, 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, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 7, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Los Angeles, California  
December 2, 2022

Kidsave International, Inc.  
Statement of Financial Position  
December 31, 2021  
(with comparative totals for 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash, cash equivalents, and restricted cash—Notes 2	\$ 2,316,934	\$ 123,284	\$ 2,440,218	\$ 1,755,607
Contributions and grants receivable, net—Note		142,350	142,350	280,988
Prepaid expenses and other assets	43,924		43,924	28,763
Security deposits	3,041		3,041	3,041
<b>Total Current Assets</b>	<b>2,363,899</b>	<b>265,634</b>	<b>2,629,533</b>	<b>2,068,399</b>
<b>Non-Current Assets</b>				
Contributions and grants receivable—Note 6		176,665	176,665	206,665
<b>Total Non-Current Assets</b>		<b>176,665</b>	<b>176,665</b>	<b>206,665</b>
<b>Total Assets</b>	<b>\$ 2,363,899</b>	<b>\$ 442,299</b>	<b>\$ 2,806,198</b>	<b>\$ 2,275,064</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 37,215	\$	\$ 37,215	\$ 44,291
PPP advance—Note 8				216,000
<b>Total Current Liabilities</b>	<b>37,215</b>		<b>37,215</b>	<b>260,291</b>
<b>Long Term Liabilities</b>				
EIDL loan—Note 9				150,000
<b>Total Long Term Liabilities</b>				<b>150,000</b>
<b>Total Liabilities</b>	<b>37,215</b>		<b>37,215</b>	<b>410,291</b>
<b>Net Assets</b>				
Without donor restrictions	2,326,684		2,326,684	1,218,948
With donor restrictions—Note 10				
Purpose-restricted		123,284	123,284	158,172
Time-restricted		319,015	319,015	487,653
<b>Total Net Assets</b>	<b>2,326,684</b>	<b>442,299</b>	<b>2,768,983</b>	<b>1,864,773</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,363,899</b>	<b>\$ 442,299</b>	<b>\$ 2,806,198</b>	<b>\$ 2,275,064</b>

See notes to financial statements.

Kidsave International, Inc.  
Statement of Activities  
Year Ended December 31, 2021  
(with comparative totals for 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
<b>Operating Activities</b>				
<b>Support and Revenues</b>				
Contributions and grants	\$ 1,101,302	\$ 1,328,449	\$ 2,429,751	\$ 2,218,290
PPP grant income	432,000		432,000	
Summer Miracles host fees	154,700		154,700	
Government contracts	27,500		27,500	70,000
In-kind contributions—Note 14	11,997		11,997	36,877
Interest and dividends	2,069		2,069	
Miscellaneous income	296		296	6,077
Net assets released from restrictions	1,531,975	(1,531,975)		
<b>Total Support and Revenues</b>	<b>3,261,839</b>	<b>(203,526)</b>	<b>3,058,313</b>	<b>2,331,244</b>
<b>Expenses</b>				
Program services				
Weekend Miracles	636,729		636,729	394,767
Summer Miracles	455,751		455,751	315,239
International In-Country Permanency Programs	113,348		113,348	134,233
Permanency Initiatives	483,345		483,345	369,985
Public Education	173,470		173,470	150,974
<b>Total Program Expenses</b>	<b>1,862,643</b>		<b>1,862,643</b>	<b>1,365,198</b>
Supporting services				
Management and general	223,071		223,071	184,495
Fundraising	68,389		68,389	110,067
<b>Total Expenses</b>	<b>2,154,103</b>		<b>2,154,103</b>	<b>1,659,760</b>
<b>Change in Net Assets from Operations</b>	<b>1,107,736</b>	<b>(203,526)</b>	<b>904,210</b>	<b>671,484</b>
<b>Nonoperating Activities</b>				
Income on Lake Show investment—Note 5				129,810
<b>Total Nonoperating Activities</b>				<b>129,810</b>
<b>Change in Net Assets</b>	<b>1,107,736</b>	<b>(203,526)</b>	<b>904,210</b>	<b>801,294</b>
<b>Net Assets at Beginning of Year</b>	<b>1,218,948</b>	<b>645,825</b>	<b>1,864,773</b>	<b>1,063,479</b>
<b>Net Assets at End of Year</b>	<b>\$ 2,326,684</b>	<b>\$ 442,299</b>	<b>\$ 2,768,983</b>	<b>\$ 1,864,773</b>

See notes to financial statements.

Kidsave International, Inc.  
Statement of Functional Expenses  
Year Ended December 31, 2021  
(with comparative totals for 2020)

	Program Services					Supporting Services					2021 Total	2020 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			
<b>Expenses</b>												
Salaries	\$ 318,775	\$ 219,159	\$ 12,323	\$ 244,212	\$ 62,016	\$ 856,485	\$ 89,911	\$ 19,389	\$ 109,300	\$ 965,785	\$ 730,265	
Employee benefits	63,708	43,064	2,090	33,218	7,454	149,534	21,308	2,467	23,775	173,309	119,320	
Payroll taxes	23,789	16,395	885	18,381	4,579	64,029	12,993	1,389	14,382	78,411	59,901	
Advertising	11,413	9,865		24,537	365	46,180	2	3,619	3,621	49,801	33,416	
Bank charges	10,729	7,288	378	6,039	5,694	30,128	2,558	1,496	4,054	34,182	39,513	
Conference and meetings	17,663	2,497	58	1,987	44,508	66,713	331	11,183	11,514	78,227	12,907	
Contractors	25,989	21,021	65,065	33,468	12,608	158,151	853	16,181	17,034	175,185	128,070	
Dues and subscriptions	898	156	2	96	26	1,178	8	585	593	1,771	2,449	
Equipment rental and maintenance	42,154	28,315	724	60,328	7,572	139,093	4,612	2,199	6,811	145,904	116,862	
Grants made	8,000	25,699	23,364			57,063				57,063	68,168	
Insurance	5,769	3,590	160	3,819	870	14,208	3,995	310	4,305	18,513	18,489	
Interest	2,524	1,698	76	1,715	507	6,520	915	148	1,063	7,583	2,564	
License, taxes and fees	3,867	1,928	351	2,903	225	9,274	1,277	1,047	2,324	11,598	4,460	
Miscellaneous	10,571	12,388		10,131	680	33,770	261	170	431	34,201	5,149	
Photography and audio visual	1,567	750		863	6,808	9,988		1,702	1,702	11,690		
Postage and shipping	1,462	872	24	1,182	652	4,192	411	235	646	4,838	6,060	
Printing and publications	3,830	1,354	13	570	293	6,060	390	86	476	6,536	2,768	
Professional development	1,285	593	38	531	121	2,568	164	344	508	3,076	325	
Professional fees	18,763	12,335	506	12,349	3,618	47,571	66,809	1,152	67,961	115,532	134,385	
Rent	29,118	19,305	798	19,065	6,100	74,386	5,041	1,784	6,825	81,211	82,162	
Supplies	22,573	6,149	262	4,501	8,306	41,791	470	2,686	3,156	44,947	47,328	
Telephone	1,167	788	2,052	131	42	4,180	9,593	12	9,605	13,785	14,533	
Training and recruitment	8,476	1,180	42	1,251	110	11,059	924	77	1,001	12,060	10,519	
Translation		8,250				8,250				8,250	3,068	
Travel	2,639	11,112	4,137	2,068	316	20,272	245	128	373	20,645	17,079	
<b>2021 Totals</b>	<b>\$ 636,729</b>	<b>\$ 455,751</b>	<b>\$ 113,348</b>	<b>\$ 483,345</b>	<b>\$ 173,470</b>	<b>\$ 1,862,643</b>	<b>\$ 223,071</b>	<b>\$ 68,389</b>	<b>\$ 291,460</b>	<b>\$ 2,154,103</b>	<b>\$ 1,659,760</b>	
<b>2021 Percent Totals</b>	<b>30%</b>	<b>21%</b>	<b>5%</b>	<b>22%</b>	<b>8%</b>	<b>86%</b>	<b>10%</b>	<b>3%</b>	<b>14%</b>	<b>100%</b>		
<b>2020 Totals</b>	<b>\$ 394,767</b>	<b>\$ 315,239</b>	<b>\$ 134,233</b>	<b>\$ 369,985</b>	<b>\$ 150,974</b>	<b>\$ 1,365,198</b>	<b>\$ 184,495</b>	<b>\$ 110,067</b>	<b>\$ 294,562</b>	<b>\$ 1,659,760</b>		
<b>2020 Percent Totals</b>	<b>24%</b>	<b>19%</b>	<b>8%</b>	<b>22%</b>	<b>9%</b>	<b>82%</b>	<b>11%</b>	<b>7%</b>	<b>18%</b>	<b>100%</b>		

See notes to financial statements.

**Kidsave International, Inc.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2021**  
**(with comparative totals for 2020)**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 904,210	\$ 801,294
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Gain on Lake Show investment		(129,810)
Changes in operating assets and liabilities:		
Contributions and grants receivable	168,638	(174,009)
Prepaid expenses	(15,161)	(2,272)
Security deposits		1,801
Accounts payable and accrued expenses	(7,076)	(49,084)
PPP advance	(216,000)	216,000
	<u>834,611</u>	<u>663,920</u>
<b>Net Cash Provided by Operating Activities</b>	<b>834,611</b>	<b>663,920</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from distribution of Lake Show investment		181,475
		<u>181,475</u>
<b>Net Cash Provided by Investing Activities</b>		<b>181,475</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from EIDL loan		150,000
Payment of EIDL loan	(150,000)	
	<u>(150,000)</u>	<u>150,000</u>
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(150,000)</b>	<b>150,000</b>
<b>Increase in Cash, Cash Equivalents, and Restricted Cash</b>	<b>684,611</b>	<b>995,395</b>
<b>Cash, Cash Equivalents, and Restricted Cash at Beginning of Year</b>	<u>1,755,607</u>	<u>760,212</u>
<b>Cash, Cash Equivalents, and Restricted Cash at End of Year</b>	<u><u>\$ 2,440,218</u></u>	<u><u>\$ 1,755,607</u></u>
<b>Supplementary Disclosures</b>		
Interest paid	\$ 7,583	\$ 2,564
Income taxes paid	\$ -	\$ -

See notes to financial statements.

**Kidsave International, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021**  
**(with comparative totals for 2020)**

**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 2021.

**Weekend Miracles**

*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). Kidsave and DCFS work together to help older kids and teens in foster care (ages 9-18) 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 also 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 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.

Weekend Miracles Los Angeles partnered with DCFS, FosterAll, and Expressions 58 to organize and facilitate the first annual Camp Connect, an overnight weekend camp experience. Camp Connect focused on helping 45 older foster youth (ages 11-17) 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 twenty-four (24) youth who were not already participating in Weekend Miracles Los Angeles, 91% of the youth (21) who were ambivalent about building adult connections became more open. Fifteen (15) of these twenty-one (21) youth (71%) were referred to Weekend Miracles Los Angeles.

**Kidsave International, Inc.**  
**Notes to Financial Statements**

**Note 1—Organization—Continued**

Three youth were subsequently matched with families pursuing adoption, four youth found permanency with a relative, and we continue to advocate for four youth. Based on the success of this first camp effort, Kidsave and its partners began planning a second Camp Connect for 2022.

Due to the impact of COVID-19, in 2021, Kidsave continued to hold “Meet the Kids” events via Zoom until June, when Kidsave resumed connection events outdoors. At these outdoor events masks were required for all participating children, families, staff, volunteers and other guests; proof of COVID-19 vaccinations or negative COVID-19 PCR test results were required for all adults in attendance. Of the 83 children and teens served in 2021, 58 remained active through the year, 52% 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 538 children and teens; 74% of the active participants have found a connection through an adoptive match, legal guardianship, family reunification, or a lasting relationship.

***Houston***

Kidsave officially launched its Weekend Miracles Houston program in 2020 and 2021 was the first full fiscal year of operations for the program. In 2021, Weekend Miracles Houston worked with partner organizations, Hearts With Hope, Embracing Destiny, L’Amor Village and Hold My Hand. In 2021 Weekend Miracles Houston served 20 foster youth, connected seven with mentors and hosts, and three foster youth moved into permanent placements with their host families. Thirty-seven percent (37%) of participating youth moved to a lower level of care. Weekend Miracles Houston held six in-person connection events and 40 virtual connection events via Zoom.

**Summer Miracles**

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

In 2021 Kidsave facilitated three family visit programs in the spring, summer, and winter bringing a total of 86 children, (including eight who returned for a second visit), from Colombia, South America to stay with host families in the U.S. As of December 31, 2021, of the children who traveled, 74% (64 children) were matched for adoption. Since the program’s inception in 1999, two thousand and forty-five (2,045) older children have participated in Kidsave’s *Summer Miracles* program; 76% of these children have found permanent families.

Prior to the spring, summer and winter visits in 2021, Kidsave helped the Colombian child welfare agency, Instituto Colombiano 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 were introduced to their host families via Zoom. The visits were filled with events where the children met families interested in adoption. The children enjoyed activities—they visited amusement parks, went swimming, attended baseball games, and during summer, attended summer camps—all while getting to know their host families.

**Kidsave International, Inc.**  
**Notes to Financial Statements**

**Note 1—Organization—Continued**

After the children returned to Colombia, Kidsave provided support to prospective adoptive families and worked collaboratively with our partner adoption agencies. Kidsave also began outreach efforts to recruit prospective host families for the summer 2022 program.

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 23 years that *Summer Miracles* has been in operation, more than 65 placement agencies and nonprofits have operated summer hosting visits.

Kidsave’s *Summer Miracles* communities in the New York Tri-State Area (New York, New Jersey, and Connecticut), New England (Massachusetts), Washington, DC Metro Area (District of Columbia, Maryland, and Virginia), Chicago, Illinois, and Southern California all did significant outreach about the need for all children, and each individual child visiting their communities, to grow up in families.

**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.

Russia—Childhood Keepers became fully self-sustainable in 2019, and continued to successfully operate Kidsave’s corporate mentoring program in Russia in 2021. Childhood Keepers is an indigenous Russian organization that focuses on promoting mentoring connections and life skills development for older children growing up in or recently emancipated from Russia’s child welfare system. Kidsave continued in 2021 to provide Childhood Keepers with training and support as needed, which served our joint commitment of finding mentors, and assisting with the development of life skills, for older orphaned and abandoned children in Russia.

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.

Ukraine—Kidsave has been working in Ukraine since 2016 and is part of that country’s Deinstitutionalization Group aimed at reducing the number of children living in orphanages. 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. Kidsave’s corporate mentoring program 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 non-governmental 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.

In 2021 Kidsave’s Family Visit Pilot Program in Ukraine served 20 new youth, and 41 youth from prior years. Of the 61 children in the pilot program 36 (59%) moved out of orphanages and into permanent family care. Another 15 (25%) were matched with dedicated hosts/mentors. The pilot program ended in December 2021.

**Kidsave International, Inc.**  
**Notes to Financial Statements**

**Note 1—Organization—Continued**

In addition, as a result of Kidsave’s training of partners, another 108 children were placed in families: 44 children with kin/extended family members, 62 in family group homes, and two with adoptive families.

Kidsave also continued its Employment Pathways to Success program that serves youth ages 14-21, who will soon or have already aged out of government care. Pathways to Success provides assistance to these youth in developing essential life skills, emotional literacy, and workforce readiness, as well as finding them mentors, internships and jobs. The program served 30 new youth in 2021, and 45 youth from prior years.

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 2021 Kidsave conducted family-tracing and case-mining for older orphans who believed they had living relatives who could raise them. As a result, 52 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 one hundred ninety-one (191) caregivers, social workers and stakeholders were trained about the rights of children, their proper care, and how to monitor and protect them. Community connections events were held to find host families for five children find host who could not be reunited with kin.

**Support for Permanency Initiatives**

As a voice for global change, Kidsave works to build awareness among the public and in 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.

In 2021 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

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**Notes to Financial Statements**

**Note 1—Organization—Continued**

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 2021 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 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 is able to bring a unique strength-based perspective to advocacy for these kids at matching events.

In 2021 in Texas, Kidsave was a participating member of the Region 6 Foster Care Stakeholder Collaborative, the Texas Alliance of Child and Family Services, the Greater Houston Mentoring Alliance, the Greater Houston Area Women’s Chamber of Commerce, the Texas State Bar’s Child Abuse and Neglect Committee, the Child Welfare section of the Texas State Bar, the Texas Alliance of Child and Family Services, the Texas Foster Care Association, the Child Welfare section of the Texas State Bar, the Texas Alliance/DFPS Region 6 Data Workgroup, the Region 6 CCSS Prevention Workgroup, the Region 6 CCSS Building Workgroup, the Region 6 CCSS Community Advisory Committee, and the Region 6 CCSS Building Capacity Committee. In 2021 Kidsave had MOUs with Hearts With Hope GRO/RTC, Embracing Destiny GRO/RTC, L’Amor Village RTC, and the Texas Department of Family and Protective Services (DFPS). Kidsave collaborated with the following Child Placement Agencies: The Sanctuary, Arrow Child & Family Services, Arms Wide, and Pathways; and the following NGOs: Fostering Family, Harris County Youth Collective, Love Fosters Hope, and We Will Speak.

**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 25,000 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 2021 during the ongoing COVID-19 pandemic, Kidsave supported a second annual virtual gala event viewed by people across the country that brought awareness of the need for older, forgotten children to have family connections and raised funds to support permanency programs. In 2021 during a lull in in the COVID-19 pandemic, Kidsave was able to hold an in-person golf tournament and a hike for foster youth in Los Angeles.

**Fundraising Initiatives**

**Kidsave Guardian Program**—In 2021 Kidsave continued to promote a *Guardian Program* to major donors and individuals who have a strong commitment to Kidsave’s mission. Guardians are given the opportunity to make a multi-year pledge to Kidsave to support core operating (overhead) costs, i.e., Management and Finance, and

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**Notes to Financial Statements**

**Note 1—Organization—Continued**

Fundraising, so that 100% of publicly donated funds can be allocated directly to programs. Since the inception of the Guardian program in 2017 through December 31, 2021, \$2,339,902 in Guardian pledges have been received of which \$2,020,887 has been paid in cash. In 2021, \$680,461 in new or renewal Guardian pledges were received.

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 2021 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, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
<b>Guardian Pledges Receivable, Net at Beginning of the Year</b>	<b>\$ 487,653</b>	<b>\$ 255,344</b>
Contributions, net	680,461	554,441
Cash received	<u>(849,099)</u>	<u>(322,132)</u>
<b>Guardian Pledges Receivable, Net at End of the Year</b>	<b><u>\$ 319,015</u></b>	<b><u>\$ 487,653</u></b>

The Guardian pledge receivable balances of \$319,015 and \$487,653 at December 31, 2021 and 2020, respectively, are included in contributions and grants receivable balances, net at December 31, 2021 and 2020. See Note 6 for more information.

**Note 2—Summary of Significant Accounting Policies**

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

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

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

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



**Kidsave International, Inc.**  
**Notes to Financial Statements**

**Note 2—Summary of Significant Accounting Policies—Continued**

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, 2021 and 2020, grants receivable includes pledges totaling \$319,015 and \$487,653 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.

Concentrations of Credit Risk—Financial instruments which potentially subject Kidsave to concentrations of credit risk consist of cash and cash equivalents, investments in non-traded investment funds, receivables, and deposits. Kidsave maintains its domestic cash and cash equivalents at a high-quality financial institution and a large broker-dealer. Accounts at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000; in the normal course of business, Kidsave’s cash and cash equivalent balances may exceed the FDIC insurance limit. Management regularly reviews the financial stability of its cash and cash equivalents and deems the risk of loss due to these concentrations to be minimal.

Contributions and grants receivable consist of balances from individuals, local foundations and corporations. Management 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.

Kidsave’s management has assessed the credit risk associated with its domestic deposits held at December 31, 2021 and has determined that an allowance for potential losses due to credit risk 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.

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.

In-kind contributions—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. Such recorded donated services are discussed in Note 14 following. 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 and amounted to over 26,000 hours during the year ended December 31, 2021.

Interest and dividends income—Interest and dividends income is recognized when received and is reported under revenues and support in the statement of activities.

**Kidsave International, Inc.**  
**Notes to Financial Statements**

**Note 2—Summary of Significant Accounting Policies—Continued**

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

Functional Expenses—Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Kidsave. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Salaries, employee benefits, payroll taxes and rent are allocated on the basis of estimates of time and effort. All other functional expenses are charged directly to programs.

Advertising Costs—Advertising costs are expensed as incurred and amounted to \$49,801 and \$33,416 for the years ended December 31, 2021 and 2020.

Comparative Totals for 2020—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, 2020, 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 2020 have been reclassified to conform with the 2021 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 \$415,000). 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, 2021 and 2020 to cover operating expenses for the next fiscal year:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,316,934	\$ 1,231,435
Contributions and grants receivable, current portion	142,350	280,988
<b>Current Availability of Financial Assets</b>	<b><u>\$ 2,459,284</u></b>	<b><u>\$ 1,512,423</u></b>

The organization also has a \$200,000 line of credit, which can be drawn down to meet unforeseen financial hurdles. At December 31, 2021, there were no such draws.

**Kidsave International, Inc.**  
**Notes to Financial Statements**

**Note 4—Foreign Office**

Kidsave had an office in Colombia, which closed in 2021. The office has no significant assets and no cash at December 31, 2021 and 2020.

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 5—Investments**

During the year ended December 31, 2016, Kidsave invested \$105,000 in Lake Show 220, LLC, (LLC), a non-traded real estate investment fund. Kidsave’s ownership percentage is 2.5%. An additional \$6,000 was invested during the year ended December 31, 2017. No additional investments were made since 2017. The LLC purchased a commercial building located at 220 Lake Drive, Newark, DE for \$10,800,000, of which \$6,600,000 was financed through Goldman Sachs. The property was sold on October 6, 2020, and a closing distribution was made to Kidsave amounting to \$170,225. Income from the partnership totaled \$129,810 for the year ended December 31, 2020. Kidsave has no investment balance as of the years ended December 31, 2021 and 2020.

**Note 6—Contributions and Grants Receivable**

Contributions and grants receivable, net, consist of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Guardian pledges	\$ 322,350	\$ 490,988
<b>Contributions and Grants Receivable, Gross</b>	<b>322,350</b>	<b>490,988</b>
Less unamortized discount at 1%	(3,335)	(3,335)
<b>Contributions and Grants Receivable, Net</b>	<b><u>\$ 319,015</u></b>	<b><u>\$ 487,653</u></b>

Following is a table of expected future payments of contributions and grants receivable at December 31, 2021:

<u>Year Ending December 31,</u>		
2022	\$	132,350
2023		85,000
2024		75,000
2025		20,000
Thereafter		<u>10,000</u>
<b>Total</b>	<b>\$</b>	<b><u>322,350</u></b>

**Kidsave International, Inc.**  
**Notes to Financial Statements**

**Note 7—Line of Credit**

At December 31, 2021, Kidsave has an available \$200,000 revolving line of credit from a bank, bearing interest at the prime rate as published in the Wall Street Journal (3.25% at December 31, 2021), payable monthly, which expires on November 15, 2022. Kidsave is currently in negotiating the renewal of the line of credit. The credit facility is secured by cash. There were no amounts were outstanding under the line of credit at December 31, 2021 and 2020. In addition, there were no draw-downs of the line of credit during the years ended December 31, 2021 and 2020.

**Note 8—PPP Advance**

On May 4, 2020, Kidsave received a \$216,000 Paycheck Protection Program (PPP) funding from the U.S. Small Business Administration (SBA), in response to the COVID-19 pandemic (see Notes 17 and 18). While these funds carry loan repayment terms, it is the opinion of management that all funds received will be forgiven under the present terms of the PPP. Kidsave elected to record PPP grant revenue only upon receipt of the forgiveness letter from the SBA, which was received on January 13, 2021 for the full advance amount.

On February 6, 2021 Kidsave received a second draw of PPP finding from the SBA in the amount of \$216,000 under the same terms as the first draw. Kidsave received notification of the forgiveness from the SBA on August 19, 2021. As of December 31, 2021, Kidsave recognized a total of \$432,000 in grant revenue based on qualifying expenditures incurred, with no outstanding balance as year-end. PPP grant revenue is reported on the statement of activities under PPP grant income.

**Note 9—EIDL Loan**

On May 19, 2020, Kidsave received a \$150,000 SBA Economic Injury Disaster Loan (EIDL). The loan was funded net of a \$109 bank wire fee and requires monthly payments of principal and interest at \$641, beginning twelve months from the date of the agreement. Interest accrues at a rate of 2.75% per annum and the balance of the loan is payable in thirty years from the date of the agreement. Kidsave repaid the loan prior to the year ending December 31, 2021.

**Note 10—Net Assets with Donor Restrictions**

Net assets with donor restrictions at December 31, 2021 and 2020 are restricted for the following purposes or periods:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Summer Miracles	\$ 39,402	\$ 63,377
Ukraine Programs	55,624	47,875
Weekend Miracles	28,258	46,920
Subject to time restrictions:		
Guardian pledges receivable, net	<u>319,015</u>	<u>487,653</u>
<b>Total Net Assets With Donor Restrictions</b>	<b><u>\$ 442,299</u></b>	<b><u>\$ 645,825</u></b>

**Kidsave International, Inc.**  
**Notes to Financial Statements**

**Note 10—Net Assets with Donor Restrictions—Continued**

Net assets released from donor restrictions for the years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Satisfaction of purpose restrictions:		
Weekend Miracles	\$ 416,395	\$ 318,908
Summer Miracles	176,197	215,543
Ukraine Programs	68,577	85,886
Africa programs	12,257	34,119
Permanency initiatives	9,450	28,919
Satisfaction of time restrictions:		
Guardian pledges receivable, net	849,099	322,132
<b>Total Net Assets Released From Donor Restrictions</b>	<b><u>\$ 1,531,975</u></b>	<b><u>\$ 1,005,507</u></b>

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

	<u>Balance at December 31, 2020</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance at December 31, 2021</u>
Guardian pledges receivable, net	\$ 487,653	\$ 680,461	\$ (849,099)	\$ 319,015
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
Africa programs		12,257	(12,257)	
Permanency initiatives		9,450	(9,450)	
<b>Totals</b>	<b><u>\$ 645,825</u></b>	<b><u>\$ 1,328,449</u></b>	<b><u>\$ (1,531,975)</u></b>	<b><u>\$ 442,299</u></b>

A rollforward of net assets with donor restrictions activity for the year ended December 31, 2020 is as follows:

	<u>Balance at December 31, 2019</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance at December 31, 2020</u>
Guardian pledges receivable, net	\$ 255,344	\$ 554,441	\$ (322,132)	\$ 487,653
Summer Miracles	113,008	164,892	(214,523)	63,377
Ukraine programs	68,081	65,680	(85,886)	47,875
Weekend Miracles	79,207	286,621	(318,908)	46,920
Africa programs	768	33,351	(34,119)	
Permanency initiatives		28,919	(28,919)	
<b>Totals</b>	<b><u>\$ 516,408</u></b>	<b><u>\$ 1,133,904</u></b>	<b><u>\$ (1,004,487)</u></b>	<b><u>\$ 645,825</u></b>

**Note 11—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**

**Note 12—Operating Leases**

Kidsave leases office space in Culver City, California. Kidsave is currently in negotiating the renewal of the office space. Kidsave also leases office equipment under several lease agreements. Minimum future lease payments under these leases as of December 31, 2021, are as follows:

<u>Year Ending December 31,</u>		
2022		\$ 70,973
2023		<u>36,011</u>
<b>Total</b>		<b><u>\$ 106,984</u></b>

Rental expenses for the years ended December 31, 2021 and 2020 are \$81,210 and \$82,161, respectively.

**Note 13—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 \$18,800 and \$17,400 for the years ended December 31, 2021 and 2020, respectively.

**Note 14—In-Kind Contributions**

For the years ended December 31, 2021 and 2020, in-kind contributions included the services of program coordinators, as well as legal and other professional services. The values of these in-kind contributions are recorded as support and expenses in the statements of activities and functional expenses, and are summarized by program as follows:

	<u>2021</u>	<u>2020</u>
Summer Miracles	\$ 7,627	\$ 11,750
General and administrative	4,370	7,627
Weekend Miracles		<u>17,500</u>
<b>Totals</b>	<b><u>\$ 11,997</u></b>	<b><u>\$ 36,877</u></b>

In-kind expenses are included in the following expenses captions in the statement of functional expenses for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Telephone	\$ 7,627	\$ 7,627
Professional fees	4,370	29,250
<b>Totals</b>	<b><u>\$ 11,997</u></b>	<b><u>\$ 36,877</u></b>

**Kidsave International, Inc.**  
**Notes to Financial Statements**

**Note 15—Joint Cost Allocation**

Kidsave incurred joint costs in 2021 and 2020 for informational materials and special events that included fundraising appeals. The costs were allocated as follows:

	<u>2021</u>	<u>2020</u>
Public education	\$ 173,470	\$ 150,974
Fundraising	<u>68,389</u>	<u>110,067</u>
<b>Totals</b>	<b><u>\$ 241,859</u></b>	<b><u>\$ 261,041</u></b>

**Note 16—Recent Accounting Pronouncements**

Leases—In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which 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 for leases with terms exceeding 12 months. 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 will be 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. ASU No. 2016-02 is to be applied using the modified retrospective approach and is effective for nonprofit organizations with fiscal years beginning after December 15, 2021; early adoption is permitted. Kidsave is currently evaluating the impact that the adoption of ASU No. 2016-02 will have on its financial statements.

Gifts-in-Kind—In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity’s policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. ASU No. 2020-07 is to be applied retrospectively and is effective for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption is permitted. Kidsave is currently evaluating the impact that the adoption of ASU 2020-07 will have on its financial statements.

**Note 17—Risks and Uncertainties**

In early March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been, and continues to be, severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. The Organization has continued to conduct its activities, primarily on a remote basis, and to monitor the ongoing impact of the pandemic response on its overall operations. At the time of this reporting, the cumulative financial impact of the pandemic on the Organization, if any, cannot be fully determined, therefore no related adjustment has been made to these financial statements.

**Kidsave International, Inc.**  
**Notes to Financial Statements**

**Note 18— Subsequent Events**

As discussed earlier in Note 1, Kidsave has been working in Ukraine since 2016 and is part of that country's Deinstitutionalization Group aimed at reducing the number of children living in orphanages. When Russia invaded Ukraine on February 24, 2022, Kidsave shifted its resources from programming to humanitarian efforts. Since the first days of the war, Kidsave has provided financial and logistical support for rescue efforts to move children and families from combat areas throughout Ukraine to safety. On the ground, Kidsave's team is led staffers Pavlo and Olena Shulha, of Mikolaiv. The effort started with just a few volunteers and has grown to a team of over 300, with 50 buses to move children and families to safety. The evacuees need food, water, medication, medical first aid, and other necessities while they travel from Ukraine cities and villages to safety in western Ukraine or neighboring countries.

Initially, this rescue operation was aimed to help children, known as the "Angels of Hope" and families who had participated in Kidsave's programs in Mykolaiv and Kherson. Kidsave then expanded rescue efforts to any foster children and families, emancipated orphans, children and mothers and elderly in combat regions. In addition, Kidsave moved the children from all orphanages in the Mykolaiv region to safety in Western Ukraine and continues to support their needs.

Today, Kidsave's "Angels of Hope", team in Ukraine, receives requests from combat regions throughout Ukraine for help. As of October, 2022, the Kidsave team has rescued more than 29,000 people and is the sole food source for 35,000 people each week. Kidsave has raised a total of \$3,355,726 and expensed \$2,487,235 towards the Ukraine efforts as of October 31, 2022.

Management evaluated all activities of Kidsave through December 2, 2022, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustments to the financial statements of disclosure in the notes to the financial statements.