



Childkind, Inc.

FINANCIAL STATEMENTS

December 31, 2024 and 2023



	Page
REPORT	
Independent Auditor's Report	1
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses.....	6
Statements of Cash Flows	8
Notes to Financial Statements	9
Single Audit Section	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17
Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance	19
Schedule of Expenditures of Federal Awards	22
Notes to Schedule of Expenditures of Federal Awards.....	23
Schedule of Findings, Questioned Costs and Other Recommendations	24



REPORT





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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
Childkind, Inc.

Opinion

We have audited the accompanying financial statements of Childkind, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2024 and 2023 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Organization, 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards and *Government 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 and *Government 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 the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

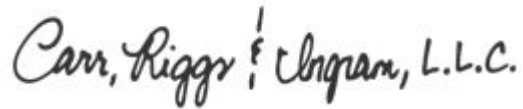
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025, on our consideration of Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." with a stylized flourish at the end.

CARR, RIGGS & INGRAM, L.L.C.

Atlanta, Georgia
March 27, 2025



FINANCIAL STATEMENTS



Childkind, Inc.
Statements of Financial Position

<i>December 31,</i>	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 666,709	\$ 409,233
Accounts receivable, net	490,063	425,038
Investments	1,467	792
Prepaid expenses	19,679	23,583
Total current assets	1,177,918	858,646
Non-current assets		
Furniture, fixtures and equipment, net	11,035	10,236
Operating lease right-of-use assets, net	116,571	177,677
Total non-current assets	127,606	187,913
Total assets	\$ 1,305,524	\$ 1,046,559
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 215,059	\$ 173,745
Accrued expenses	12,474	12,402
Current portion of operating lease liabilities	63,943	61,106
Total current liabilities	291,476	247,253
Long-term liabilities		
Operating lease liabilities, less current portion	53,303	118,232
Total liabilities	344,779	365,485
Net assets		
Without donor restrictions	960,745	681,074
Total liabilities and net assets	\$ 1,305,524	\$ 1,046,559

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

Childkind, Inc.
Statements of Activities

<i>For the years ended December 31,</i>	2024	2023
Revenue and Other Support		
State and federal awards	\$ 4,904,896	\$ 4,412,831
Contributions	28,320	66,315
Other income	6,756	3,461
Total revenues and other support	4,939,972	4,482,607
Expenses		
Program services	4,549,015	4,176,258
Fundraising	18,983	28,876
General and administrative	92,303	46,612
Total expenses	4,660,301	4,251,746
Change in net assets	279,671	230,861
Net assets at beginning of year, without donor restrictions	681,074	450,213
Net assets at end of year, without donor restrictions	\$ 960,745	\$ 681,074

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

Childkind, Inc.
Statements of Functional Expenses

For the year ended December 31, 2024

	Program Services	Fund-Raising	General and Administrative	2024	2023 Summarized Total
Personnel costs					
Salaries	\$ 1,449,646	\$ 10,476	\$ 28,418	\$ 1,488,540	\$ 1,384,429
Employee benefits	426,896	2,007	11,454	440,357	402,019
Total personnel costs	1,876,542	12,483	39,872	1,928,897	1,786,448
Foster care, family services and transition services - food, shelter, clothing and counseling	2,334,223	10	42,643	2,376,876	2,080,272
Rent	67,555	1,355	2,053	70,963	114,089
Auto expense	62,375	19	437	62,831	-
Office	42,611	353	91	43,055	56,982
Insurance	52,290	1,056	1,588	54,934	52,850
Staff development	27,408	-	3,471	30,879	51,640
Communications	27,646	896	236	28,778	23,894
Professional fees	25,324	555	728	26,607	22,964
Memberships	10,347	2,167	19	12,533	20,092
Public relations and marketing	9,684	-	-	9,684	14,564
Repairs and maintenance	7,229	30	313	7,572	10,658
Depreciation	3,544	-	168	3,712	10,615
Bank service charges	806	59	582	1,447	2,904
Bad debt expense	785	-	-	785	2,292
Postage and delivery	646	-	102	748	1,482
Total expenses	\$ 4,549,015	\$ 18,983	\$ 92,303	\$ 4,660,301	\$ 4,251,746

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

Childkind, Inc.
Statements of Functional Expenses (Continued)

For the year ended December 31, 2023

	Program Services	Fund-Raising	General and Administrative	Total
Personnel costs				
Salaries	\$ 1,341,618	\$ 16,678	\$ 26,133	\$ 1,384,429
Employee benefits	387,488	3,179	11,352	402,019
Total personnel costs	1,729,106	19,857	37,485	1,786,448
Foster care, family services and transition services - food, shelter, clothing and counseling	2,080,272	-	-	2,080,272
Rent	107,569	3,203	3,317	114,089
Office	56,696	-	286	56,982
Insurance	50,643	734	1,473	52,850
Auto expense	48,264	1,688	1,688	51,640
Professional fees	23,724	47	123	23,894
Staff development	21,489	659	816	22,964
Public relations and marketing	19,973	-	119	20,092
Memberships	14,034	19	511	14,564
Repairs and maintenance	8,425	2,158	75	10,658
Communications	10,128	153	334	10,615
Depreciation	2,708	-	196	2,904
Postage and delivery	1,856	351	85	2,292
Bank service charges	1,371	7	104	1,482
Total expenses	\$ 4,176,258	\$ 28,876	\$ 46,612	\$ 4,251,746

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

Childkind, Inc.
Statements of Cash Flows

<i>For the years ended December 31,</i>	2024	2023
Operating Activities		
Change in net assets	\$ 279,671	\$ 230,861
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,712	2,904
Amortization of operating lease right-of-use asset	61,106	110,786
Bad debt expense	785	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(65,810)	79,969
Prepaid expenses	3,904	4,756
Accounts payable	41,314	(12,824)
Accrued expenses	72	1,903
Operating lease liabilities	(62,092)	(118,254)
Net cash provided by (used in) operating activities	262,662	300,101
Investing activities		
Payments on line of credit	-	(120,000)
Proceeds on line of credit	-	120,000
Proceeds from sale of investments	-	1,451
Purchase of investments	(675)	-
Purchase of furniture, fixtures and equipment	(4,511)	(3,930)
Net cash provided by (used in) investing activities	(5,186)	(2,479)
Net change in cash and cash equivalents	257,476	297,622
Cash and cash equivalents, at beginning of year	409,233	111,611
Cash and cash equivalents, at end of year	\$ 666,709	\$ 409,233
Schedule of Noncash Transactions		
Lease liabilities arising from obtaining right-of-use assets		
Operating leases	\$ -	\$ 233,902

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

Note 1: DESCRIPTION OF THE ORGANIZATION

Childkind, Inc. (the Organization) was created for the purpose of providing foster care and support services for medically fragile children, including providing foster placement, adoption conversion, family reunification and other supportive programs. The Organization's principal means of support is from governmental agencies. The Organization conducts the following programs:

Social services – The Organization provides services to families and children in the foster care system which can include medically fragile children and children with behavioral and developmental challenges.

Community based services – The Organization provides services to families and children in home based care and kinship care.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for credit losses, amortization of right-of-use asset, discount rate for lease liability, depreciable lives of furniture, fixtures and equipment, and the allocation of functional expenses.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Accounts Receivable

Accounts receivable represent amounts owed to the Organization which are expected to be collected within twelve months and are presented in the statements of financial position net of the allowance for credit losses.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. The allowance for credit losses was \$5,800 at December 31, 2024 and 2023, respectively.

Investments

The Organization reports investments in equity securities with readily determinable fair values at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Furniture, Fixtures and Equipment

All acquisitions of furniture, fixtures and equipment in excess of \$1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Furniture, fixtures and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Leases

The Organization leases office space and equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, and operating lease liabilities within the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses its risk free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. The Organization has no donor restricted net assets at December 31, 2024 and 2023 .

Revenue Recognition

A significant portion of the Organization's grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Contributions and local grants are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to salaries, benefits and rent are allocated based on actual percentages of time spent in each functional area. Expenses related to foster care, family services, transition services, auto expense, office, insurance, staff development, communications, professional fees, memberships, public relations, marketing, repairs and maintenance, depreciation, bank service charges, bad debt expense, postage and delivery are allocated across functional areas based on a fixed percentage.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Under section 501(c)(6) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. The Organization was not subject to unrelated business income tax for the years ended December 31, 2024 or 2023.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2024 and 2023, the Organization has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 27, 2025, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents and accounts receivable to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<u>December 31,</u>	<u>2024</u>	<u>2023</u>
Total assets at year end	\$ 1,305,524	\$ 1,046,559
Less non-financial assets		
Prepaid expenses	(19,679)	(23,583)
Furniture, fixtures and equipment, net	(11,035)	(10,236)
Operating lease right-of-use assets, net	(116,571)	(177,677)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,158,239</u>	<u>\$ 835,063</u>

The goal of the Organization is to maintain available financial assets to meet its next 60 days of operating expenses. In the event of unanticipated liquidity needs, the Organization has a line of credit with available borrowings of \$200,000 as further described in Note 7.

Note 4: ACCOUNTS RECEIVABLES, NET

Accounts receivables consist of amounts due from federal and state agencies in the amount of \$494,087 and \$431,398 for the years ended December 31, 2024 and 2023, respectively.

The Organization recognizes an allowance for credit losses equal to the estimated losses that will be incurred in the collection of all receivables. The allowance is based on prior years' experience and management's analysis of specific contracts.

The allowance for credit losses as of December 31, 2024 and 2023 was \$5,800.

Bad debt expense totaled \$785 and \$0 for the years ended December 31, 2024 and 2023, respectively.

Note 5: FURNITURE, FIXTURES AND EQUIPMENT

The components of furniture, fixtures and equipment are as follows:

<i>December 31,</i>	Estimated Useful Lives (in years)		2024		2023
Furniture and fixtures	5 - 7	\$	64,238	\$	64,238
Equipment	5		56,739		52,228
Total furniture, fixtures and equipment			120,977		116,466
Less accumulated depreciation			109,942		106,230
<u>Total furniture, fixtures and equipment, net</u>		<u>\$</u>	<u>11,035</u>	<u>\$</u>	<u>10,236</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$3,712 and \$2,904, respectively.

Note 6: LEASES

The Organization has operating leases for office space and equipment. The leases have remaining lease terms of less than five years.

The components of lease expense consist of the following:

<i>For the years ended December 31,</i>		2024		2023
Operating lease cost	\$	67,906	\$	113,525
Short-term lease cost	\$	3,056	\$	563

Note 6: LEASES (Continued)

Weighted average remaining lease term and discount rates consist of the following:

<i>For the years ended December 31,</i>	2024	2023
Weighted average remaining lease term		
Operating leases	2.86 years	2.83 years
Weighted average discount rate		
Operating leases	4.53%	4.54%

Future minimum lease payments under non-cancellable leases as of December 31, 2024, are as follows:

<i>For the years ending December 31,</i>	Operating Leases
2025	\$ 67,906
2026	47,906
2027	5,929
Total future minimum lease payments	121,741
Less imputed interest	(4,495)
Present value of lease liabilities	\$ 117,246

Present value of lease liabilities are recorded as follows:

<i>December 31,</i>	2024	2023
Current portion of operating lease liabilities	\$ 63,943	\$ 61,106
Operating lease liabilities, less current portion	53,303	118,232
Present value of lease liabilities	\$ 117,246	\$ 179,338

Note 7: LINE OF CREDIT

The Organization maintains a line of credit agreement with a financial institution. Available borrowings related to the agreement are \$200,000, with an interest rate of 5.50%, secured by certain assets of the Organization. The credit line renews annually. There was no outstanding balance as of December 31, 2024 and 2023.

Note 8: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - Observable; or
 - Can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets and liabilities measured at fair value on a recurring basis, are summarized for the years ended December 30, 2024 and 2023 :

<i>December 31, 2024</i>	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,467	\$ -	\$ -	\$ 1,467
<i>December 31, 2023</i>	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 792	\$ -	\$ -	\$ 792

Note 8: FAIR VALUE MEASUREMENTS (Continued)

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2024 and 2023, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 9: CONCENTRATIONS

The Organization maintains cash deposits with financial institutions at December 31, 2024 and 2023 in excess of federally insured limits of \$208,244 and \$85,321, respectively.

The Organization received revenue and support from governmental agencies that amounted to 99% of total revenue for the years ended December 31, 2024 and 2023, respectively.

Note 10: EMPLOYEE BENEFIT PLAN

The Organization sponsors a defined contribution plan (the Plan) covering all non-union employees with at least three months of service who agree to make contributions to the Plan. Effective August 15, 2023, the Organization matches participants' contributions to the Plan up to 3% of the individual participant's compensation. Prior to August 15, 2023, the Organization matched participants' contributions to the Plan up to 2% of the individual participant's compensation. Total expense for the years ended December 31, 2024 and 2023 was \$26,161 and \$18,504, respectively.



SINGLE AUDIT SECTION





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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors and Management of
Childkind, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Childkind, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated March 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

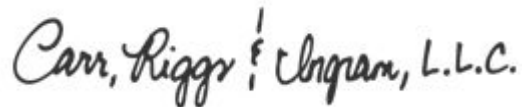
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." with a stylized flourish at the end.

CARR, RIGGS & INGRAM, L.L.C.

Atlanta, Georgia

March 27, 2025



CARR, RIGGS & INGRAM, L.L.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors and Management of
Childkind, Inc.

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Childkind, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2024. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Unqualified Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

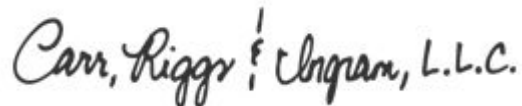
Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

CARR, RIGGS & INGRAM, L.L.C.

Atlanta, Georgia
March 27, 2025

Childkind, Inc.
Schedule of Expenditures of Federal Awards

For the year ended December 31, 2024

	Federal Assistance Listing Number	Contract Number	Federal Expenditures
Department of Health and Human Services			
<i>Passed through the Georgia Department of Human Resources</i>			
Foster Care - Title IV-E	93.658	42700-040-0000110635	\$ 1,808,989
Foster Care - Title IV-E	93.658	42700-040C-25-000478	2,067,057
Total Foster Care - Title IV-E			3,876,046
<i>Passed through the Georgia Department of Community Health</i>			
Block Grants for Community Mental Health Services	93.958	N/A	943
Maternal and Child Health Federal Consolidated Programs	93.110	5 UM2MC45790-03-00	316,211
Total Expenditures of Federal Awards			\$ 4,193,200

The Organization did not provide any federal funds to subrecipients for the year ended December 31, 2024.

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Childkind, Inc.
Notes to Schedule of Expenditures of Federal Awards
Year ended December 31, 2024

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Childkind, Inc. under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through identifying numbers are presented where available.

Note 3: CONTINGENCIES

Grant monies received and disbursed are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Management does not believe that such disallowance, if any, would have a material effect on its financial position. As of December 31, 2024, there were no material questioned or disallowed costs as a result of the grant audits in process or completed.

Note 4: INDIRECT COST

Childkind, Inc. has not elected to use the 10% de minimis indirect cost rate.

Note 5: OTHER INFORMATION

There were no endowments, insurance in effect, noncash assistance, or loan balances or guarantee programs for the year ended December 31, 2024.

Childkind, Inc.

Schedule of Findings, Questioned Costs and Other Recommendations

For the year ended December 31, 2024

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None noted |
| c. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|------------|
| 1. Type of auditor's report issued on compliance for major programs | Unmodified |
| 2. Internal control over major program: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |
| 4. Identification of the major program: | |

Name of Federal Awards (or Cluster)	Listing No.
Foster Care - Title IV -E	93.658
5. Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
6. Auditee qualified as a low-risk auditee?	Yes

Childkind, Inc.

Schedule of Findings, Questioned Costs and Other Recommendations
(Continued)

SECTION I - FINANCIAL STATEMENT FINDINGS

None reported for the year ended December 31, 2024

SECTION II - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported for the year ended December 31, 2024

SCHEDULE OF FINDINGS, QUESTIONED COSTS AND OTHER RECOMMENDATIONS - PRIOR YEAR AUDITS

None reported for the year ended December 31, 2023.