

**ACTION FOR HEALTHY KIDS, INC.
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND
2023**

TOGETHER WITH AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
Action for Healthy Kids, Inc. and Affiliate:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Action for Healthy Kids, Inc. and Affiliate (an Illinois nonprofit) (collectively, the Organization) which comprise the consolidated statement of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 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 Consolidated 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 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 Consolidated Financial Statements

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

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgement made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

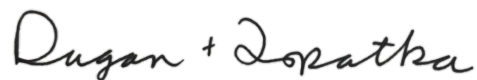
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) 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 consolidated financial statements. The consolidating schedule of financial position and activities is also presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 24, 2025, on our consideration of the Organization's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.



DUGAN & LOPATKA

Warrenville, Illinois
March 24, 2025

ACTION FOR HEALTHY KIDS, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 944,791	\$ 1,426,006
Receivables - Government grants	3,059,301	545,590
- Contributions	6,622	141,908
- Program services	347,573	131,977
- Other	1,665	83,871
Investments	1,185,567	1,531,756
Inventory	19,903	36,228
Prepaid expenses	109,609	60,575
Total current assets	5,675,031	3,957,911
PROPERTY AND EQUIPMENT, net	33,360	26,927
OTHER ASSETS:		
Right of use asset - Operating	474,181	30,669
Security deposits	5,928	5,928
Total other assets	480,109	36,597
Total assets	\$ 6,188,500	\$ 4,021,435
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 2,570,471	\$ 284,312
Operating lease liability, current	98,384	23,230
Deferred revenue	47,743	56,920
Total current liabilities	2,716,598	364,462
NON-CURRENT LIABILITIES:		
Operating lease liability, net of current	383,818	9,642
Total liabilities	3,100,416	374,104
NET ASSETS:		
Without donor restrictions - Designated	1,615,471	1,615,471
- Undesignated	112,498	104,811
Total net assets without donor restrictions	1,727,969	1,720,282
With donor restrictions	1,360,115	1,927,049
Total net assets	3,088,084	3,647,331
Total liabilities and net assets	\$ 6,188,500	\$ 4,021,435

The accompanying notes are an integral part of this statement.

ACTION FOR HEALTHY KIDS, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 395,483	\$ 1,119,000	\$ 1,514,483	\$ 318,780	\$ 2,221,460	\$ 2,540,240
Government grants	14,337,749	-	14,337,749	1,057,151	-	1,057,151
Conferences and other	14,885	-	14,885	88,410	-	88,410
Consulting income	814,620	-	814,620	346,797	-	346,797
Employee Retention Credit	-	-	-	124,287	-	124,287
Product sales	34,976	-	34,976	42,798	-	42,798
Investment income	150,159	-	150,159	143,865	-	143,865
Other income	1,715	-	1,715	16,002	-	16,002
Total support and revenue	15,749,587	1,119,000	16,868,587	2,138,090	2,221,460	4,359,550
Net assets released from restrictions - Satisfaction of program restrictions	1,685,934	(1,685,934)	-	2,370,749	(2,370,749)	-
Net support and revenue	17,435,521	(566,934)	16,868,587	4,508,839	(149,289)	4,359,550
EXPENSES:						
Program services	15,789,150	-	15,789,150	3,724,389	-	3,724,389
Management and general	853,378	-	853,378	700,316	-	700,316
Fundraising and marketing	785,306	-	785,306	546,088	-	546,088
Total expenses	17,427,834	-	17,427,834	4,970,793	-	4,970,793
CHANGE IN NET ASSETS	7,687	(566,934)	(559,247)	(461,954)	(149,289)	(611,243)
NET ASSETS, Beginning of year	1,720,282	1,927,049	3,647,331	768,890	2,076,338	2,845,228
EXCESS OF ASSETS OVER LIABILITIES ASSUMED IN BECOMING SOLE MEMBER OF ROCKY MOUNTAIN CENTER	-	-	-	1,413,346	-	1,413,346
NET ASSETS, End of year	\$ 1,727,969	\$ 1,360,115	\$ 3,088,084	\$ 1,720,282	\$ 1,927,049	\$ 3,647,331

The accompanying notes are an integral part of this statement.

ACTION FOR HEALTHY KIDS, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (559,247)	\$ (611,243)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation	17,802	16,685
Net realized and unrealized (gain) on investments	(68,196)	(46,774)
Non-cash portion of lease expense for operating leases	103,980	116,718
Changes in assets and liabilities -		
(Increase) in receivables	(2,511,815)	(399,332)
(Increase) decrease in inventory	16,325	(13,932)
(Increase) decrease in prepaid expenses	(49,034)	31,887
Increase in accounts payable and accrued liabilities	2,286,159	59,947
(Decrease) in operating lease liabilities	(98,162)	(114,515)
Increase (decrease) in deferred revenue	(9,177)	56,920
	<u>(871,365)</u>	<u>(903,639)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(191,384)	(311,077)
Proceeds from sale of investments	605,769	1,593,000
Cash received from member	-	79,026
Purchase of property and equipment	(24,235)	(25,890)
	<u>390,150</u>	<u>1,335,059</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(481,215)	431,420
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,426,006</u>	<u>994,586</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 944,791</u>	<u>\$ 1,426,006</u>
NON-CASH TRANSACTIONS:		
Right of use assets acquired through operating lease	<u>\$ 547,492</u>	<u>\$ 147,387</u>

The accompanying notes are an integral part of this statement.

ACTION FOR HEALTHY KIDS, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023				
	Program Services	Management and General	Fundraising and Marketing	Total	Program Services	Management and General	Fundraising and Marketing	Total
Accounting and legal fees	\$ -	\$ 134,927	\$ -	\$ 134,927	\$ -	\$ 192,338	\$ -	\$ 192,338
Board meetings and expense	-	21,759	-	21,759	-	22,981	-	22,981
Consulting fees	177,686	620	99,426	277,732	67,014	3,606	96,300	166,920
Insurance	27,152	1,508	1,508	30,168	22,408	1,245	1,245	24,898
Office expenses	438,633	21,137	61,169	520,939	271,463	13,608	32,211	317,282
Personnel	2,715,966	635,259	548,507	3,899,732	1,718,394	440,827	350,310	2,509,531
Postage and delivery	5,747	320	2,482	8,549	5,683	316	316	6,315
Grant and project expenses	12,035,891	-	47,576	12,083,467	1,449,646	-	50,100	1,499,746
Occupancy	103,921	5,773	5,773	115,467	111,503	6,195	6,195	123,893
Travel and conference costs	268,132	31,185	17,975	317,292	63,261	18,366	8,577	90,204
Depreciation	16,022	890	890	17,802	15,017	834	834	16,685
Total functional expenses	\$ 15,789,150	\$ 853,378	\$ 785,306	\$ 17,427,834	\$ 3,724,389	\$ 700,316	\$ 546,088	\$ 4,970,793

The accompanying notes are an integral part of this statement.

ACTION FOR HEALTHY KIDS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(1) NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Action for Healthy Kids, Inc. (AFHK) is a charitable organization incorporated in Washington, D.C. in September 2002. AFHK is a nationwide grassroots network that mobilizes school professionals, parents, and communities to activate school-based programs that are in support of children's physical, social and emotional health, and well-being. Through training, funding, wellness programs and a shared determination to see all children become healthy, successful adults, AFHK provides the comprehensive support and resources needed to build healthy schools in every community.

Effective October 2022, AFHK entered into an affiliation agreement with Rocky Mountain Center for Health Promotion and Education (RMC), a Colorado nonprofit organization. The affiliation intends to advance both the organization's missions and charitable and educational purposes by furthering their collective goal of reaching more school champions, families, and youth with better programs and services. As part of the agreement, AFHK and RMC will operate under common governance and consolidate programs.

The consolidated financial statements were available to be issued on March 24, 2025 with subsequent events being evaluated through this date.

The following summarizes the significant accounting policies and practices reflected in the accompanying consolidated financial statements:

Principles of Consolidation -

The accompanying consolidated financial statements include the accounts of Action for Healthy Kids, Inc. and its affiliate under common control, Rocky Mountain Center for Health Promotion and Education (collectively, the Organization). AFHK is the sole corporate member of RMC and has the ability to approve the election of directors and remove the Board of Directors for the entity. All significant intercompany transactions have been eliminated.

Accounting Method -

The Organization records its financial transactions and maintains its books and records on the accrual basis of accounting, which recognizes revenues as they are earned and expenses as they are incurred.

Basis of Presentation -

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the board of directors.

(1) NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Basis of Presentation - (Continued)

With donor restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Financial Instruments -

The carrying values of cash and cash equivalents, receivables, prepaid expenses and other assets, and accounts payable and accrued liabilities are reasonable estimates of fair value due to the short-term nature of these financial instruments.

Concentrations of Credit Risk -

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash and deposits with high credit quality financial institutions; however, deposits may exceed the federally insured limits in various banks from time to time.

Government Grants Receivable -

Grants receivable represent grants due to the Organization from federal and state governmental agencies. The Organization considers government grants receivable to be fully collectible.

Program Services Receivable -

Program services receivables are carried at original invoice amount, less an estimate made for expected current credit losses. Receivables are measured at amortized cost. An allowance for credit losses that are expected to be incurred is recorded as of the date that a receivable is originated. The allowance reduces the carrying amount of the receivables to the net amount expected to be collected over the assets' contractual term. The determination of the allowance requires the Organization to collectively evaluate receivables by classifying them into pools that share similar risk characteristics such as risk rating, type of receivable, size of the receivable, contractual term, industry type of the debtor, geographic location of the debtor, or date of origination while individually evaluating such assets, if any, that do not possess risk characteristics similar to those in the identified pools.

(1) NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Program Services Receivable - (Continued)

Management determines the allowance for credit losses based on:

- Available and relevant internal and/or external information about historical loss experience with similar assets;
- Current conditions;
- Reasonable and supportable forecasts that affect the expected collectability of the reported amount of financial assets that have an extended contractual term.

The Organization considers a receivable to be past due when the normal invoice terms have been exceeded. Receivables are written off once they are deemed uncollectable. Write offs are recognized as a deduction from the allowance for credit losses. Amounts previously written off that are now expected to be recovered are included in the determination of the allowance for credit losses. The Organization has determined that due to the nature of their program service revenue, an allowance would be immaterial as of June 30, 2024.

Contributions Receivable -

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the contributions are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. All contributions receivables are considered fully collectible based on past experience and management's judgment; therefore, no allowance for doubtful pledge receivables is needed.

Investments -

The Organization invests in certificates of deposit (CDs), mutual funds, and exchange traded funds. The CDs are guaranteed by the FDIC and are recorded at cost due to low market volatility and tradability of the securities. Mutual funds and exchange traded funds are carried at fair value. Net realized and unrealized gains and losses are reflected in the statement of activities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of market risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Inventory -

Inventory consists of educational materials and poster sets and is valued at the lower of cost, on a first-in, first-out basis (FIFO), or market.

(1) NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Property and Equipment -

The Organization follows the practice of capitalizing all expenditures for property and equipment having a useful life in excess of one year. Property and equipment are recorded at cost or, if donated, at the estimated fair market value at the date of donation and are depreciated over their estimated useful lives, which range from three to seven years, using the straight-line method. Any purchases over \$1,000 are capitalized.

Revenue Recognition for Contributions and Grants -

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or 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.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

A portion of the Organization's revenue is derived from a federal cost-reimbursable grant, which is conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized when the Organization has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Revenue Recognition for Program Fees -

The Organization receives program revenue from consulting contracts with schools, districts, health-related organizations and government entities. These services are considered a single performance obligation which is satisfied at a point in time. The performance obligation is met, and revenue recognized, when the services are provided to a client.

Product Sales -

The Organization recognizes product sales revenue from its inventory. The performance obligation is met, and revenue is recognized when the sale has occurred.

(1) NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Deferred Revenue -

Contract liabilities include deferred revenue related to advanced payments for consulting revenue for future periods. These deposits are deferred until the performance obligation is completed.

In-Kind Contributions -

The Organization receives contributed nonfinancial assets that include donated assets, supplies and services. Gifts in-kind revenue is recorded at the respective fair values of the goods or services received at the time of the donation. The Organization did not receive any in-kind contributions during the years ended June 30, 2024 and 2023.

In addition, volunteers contribute significant amounts of time to program services, administration, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles that prohibits the recording of donated services unless they create or enhance a nonfinancial asset or are specialized skills that would have been purchased if they were not donated.

Estimates -

The Organization prepares its financial statements according to generally accepted accounting principles which require the use of estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Income Taxes -

The Organization has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated business income. Accordingly, no provision for income tax has been established.

The Organization files income tax returns in the U.S. federal jurisdiction and Illinois. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2021. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

Leases -

The Organization determines if an arrangement is a lease or contains a lease at inception of the contract. The Organization's operating leases are presented in operating lease right-of-use assets, and current and long-term portion of operating lease liabilities in the accompanying consolidated statement of financial position.

(1) NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Leases - (Continued)

Operating lease right-of-use assets and lease liabilities are measured based on the present value of future lease payments over the lease term at each lease's commencement date. As most of the Organization's leases do not specify their implicit rate, the Organization has elected a practical expedient to use the nominal yield, at lease inception, applicable to U.S. Treasury instruments with a maturity of similar length of the lease term.

Operating lease right-of-use assets include all fixed contractual lease payments and initial direct costs incurred by the Organization, less any lease incentives the Organization receives from the lessor. The Organization has elected a practical expedient to account for lease and non-lease components together as a single lease component. The terms of the Organization's leases generally contain lease payments and reimbursements to the lessor of the Organization's proportionate share of common area maintenance (CAM), real estate taxes and other pass-through charges. Only the fixed lease components are included in the right-of-use assets and lease liabilities. Additionally, the Organization has elected not to apply these lease accounting policies to leases with a term of one year or less at the commencement date.

Operating lease expense for lease payments is recognized on a straight-line basis over the terms of each lease. Variable lease components include CAM, real estate taxes and other charges and are recorded as lease expense as incurred.

The Organization's leases can contain options granting the right to renew or extend the term of the lease for specified option periods. The decision as to whether the Organization will exercise the renewal options is generally at the Organization's sole discretion. The Organization includes lease extensions in the lease term when it is reasonably certain that the Organization will exercise the extension.

Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, occupancy, depreciation and other, which are allocated on the basis of estimates of time and effort.

Adoption of New Accounting Principle with Respect to Credit Losses -

Effective July 1, 2023, the Organization adopted a new accounting standard under US GAAP that replaced the incurred loss model for measuring the allowance for credit losses with a new model that reflects current expected credit losses (CECL) that are expected to occur over the lifetime of the underlying accounts and notes receivable. The CECL methodology is applicable to financial assets that the Organization measures at amortized cost, including accounts and program services receivable. The Organization adopted CECL using the modified retrospective method. Upon implementation of the standard, there was no adjustment to beginning net assets.

(2) CONTRIBUTIONS RECEIVABLE:

Contributions receivable representing outstanding promises to give made by donors to the Organization are as follows as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Receivable in less than one year	\$ 6,622	\$ 141,908
Receivable in greater than one year and less than five years	<u>-</u>	<u>-</u>
Total contributions receivable	6,622	141,908
Less unamortized discounts	<u>-</u>	<u>-</u>
Net contributions receivable	<u>\$ 6,622</u>	<u>\$ 141,908</u>

(3) INVESTMENTS:

Investments consisted of the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Mutual funds	\$ 694,862	\$ 532,310
Exchange traded funds	490,705	753,446
Certificate of deposits – at cost	<u>-</u>	<u>246,000</u>
Total investments	<u>\$ 1,185,567</u>	<u>\$ 1,531,756</u>

Investment income consists of the following for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 82,907	\$ 99,503
Unrealized gain on investments	68,196	46,774
Investment fees	<u>(944)</u>	<u>(2,412)</u>
Total investment income	<u>\$ 150,159</u>	<u>\$ 143,865</u>

(4) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2:

Inputs to the valuation methodology include:

- 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 for the asset or liability;
- inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The 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 June 30, 2024 and 2023.

Mutual Funds and Exchange Traded Funds: Valued at the closing price (net asset value) reported on the active market on which the individual funds are traded.

The preceding methods 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 Foundation believes their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(4) FAIR VALUE MEASUREMENTS: (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2024:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 694,862	\$ -	\$ -	\$ 694,862
Exchange traded funds	<u>490,705</u>	<u>-</u>	<u>-</u>	<u>490,705</u>
Total assets at fair value	<u>\$ 1,185,567</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,185,567</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2023:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 532,310	\$ -	\$ -	\$ 532,310
Exchange traded funds	<u>753,446</u>	<u>-</u>	<u>-</u>	<u>753,446</u>
Total assets at fair value	<u>\$ 1,285,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,285,756</u>

(5) PROPERTY AND EQUIPMENT:

Property and equipment consist of the following on June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Computer equipment	\$ 185,307	161,071
Furniture and equipment	67,626	84,632
Leasehold improvements	<u>61,187</u>	<u>61,187</u>
	314,120	306,890
Less - Accumulated depreciation	<u>280,760</u>	<u>279,963</u>
	<u>\$ 33,360</u>	<u>\$ 26,927</u>

Depreciation expense was \$17,802 and \$16,685 for the years ended June 30, 2024 and 2023.

(6) NET ASSETS:

Board designated net assets are as follows as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating reserve	\$ 1,365,471	\$ 1,365,471
Program development fund	<u>250,000</u>	<u>250,000</u>
	<u>\$ 1,615,471</u>	<u>\$ 1,615,471</u>

Net assets with donor restrictions are as follows as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Family School Partnership	\$ 225,031	\$ 550,079
NourishEd Programming	845,245	868,890
EnergizEd Programming	-	925
Active Schools	19,188	155,085
Healthy Active Living Boston Programming	-	50,455
Healthy Schools Coalition – El Paso	87,585	142,208
Parents for Healthy Kids	-	5,378
Texas Family School Partnership Programming	1,184	2,878
Maryland Family School Partnership Programming	18,697	18,697
Vaping Education Programming – El Paso TX	163,185	127,454
National School District Wellness Coalition	<u>-</u>	<u>5,000</u>
	<u>\$ 1,360,115</u>	<u>\$ 1,927,049</u>

(7) CONTRACT LIABILITIES:

The following table provides information about significant changes in deferred revenue (or contract liabilities) as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Deferred revenue, beginning of the year	\$ 56,920	\$ -
Revenue recognized that was included in deferred revenue at the beginning of the year	(56,920)	-
Increase in deferred revenue due to cash received during the year	<u>47,743</u>	<u>56,920</u>
Deferred revenue, end of the year	<u>\$ 47,743</u>	<u>\$ 56,920</u>

(8) LEASES:

The Organization leases its office under an operating lease with a non-related party. The Organization is also responsible for its share of real estate taxes, insurance and maintenance costs for the building. Additionally, the Organization has an operating lease for a printer. The operating leases will expire at various dates through February 2029.

The components of lease expense for the years ending June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 110,051	\$ 108,832
Variable lease cost	5,416	5,148
Short term cost	<u>-</u>	<u>9,913</u>
Total lease expense	<u>\$ 115,467</u>	<u>\$ 123,893</u>

Future minimum lease payments under noncancelable leases as of June 30, 2024 are as follows:

2025	\$ 104,849
2026	107,843
2027	107,461
2028	109,507
2029	<u>81,866</u>
Total future minimum lease payments	511,526
Less imputed interest included	<u>(29,324)</u>
Present value of net minimum lease payments	<u>\$ 482,202</u>

The following provides additional information related to the Organization's leases as of and for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Current portion of lease liabilities	\$ 98,384	\$ 23,230
Long-term portion of lease liabilities	<u>383,818</u>	<u>9,642</u>
Total lease liabilities	<u>\$ 482,202</u>	<u>\$ 32,872</u>
Weighted average lease term	4.62 years	1.51 years
Weighted average discount rate	2.14%	3.25%

(8) LEASES: (Continued)

Cash paid for amounts included in the measurements of the Organization's leases for the years ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Operating cash from operating leases	\$ <u>104,233</u>	\$ <u>118,612</u>

(9) LIQUIDITY AND AVAILABILITY:

The following represents the Organization's financial assets on June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial assets -		
Cash and cash equivalents	\$ 944,791	1,426,006
Investments	1,185,567	1,531,756
Receivables	<u>3,415,161</u>	<u>903,346</u>
Total financial assets	5,545,519	3,861,108
Less - Donor imposed restrictions	<u>1,360,115</u>	<u>1,927,049</u>
Net financial assets after donor-imposed restrictions	4,185,404	1,934,059
Internal designations -		
Board advised funds	<u>1,615,471</u>	<u>1,615,471</u>
Financial assets available to meet cash needs for general expenditures that are without donor or other restrictions limiting their use within one year	<u>\$ 2,569,933</u>	<u>\$ 318,588</u>

The Organization receives significant contributions, some of which are restricted by donors to fund specific programs or projects. Such restricted funds are tracked for use for the identified program or project. Restricted contributions of \$1,119,000 and \$2,221,460 were received during the years ended June 30, 2024 and 2023, respectively.

The Organization has certain board designated assets that are designated for future expenditures and are not available for general expenditure within the next year. However, the board designated amounts could be made available for general expenditure, if necessary.

(9) LIQUIDITY AND AVAILABILITY: (Continued)

The Organization manages its liquidity and reserves following three guiding principles:

- operating within a prudent range of financial soundness and stability
- maintaining adequate liquid assets to fund near-term operating needs
- maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

(10) REVENUE CONCENTRATION:

The Organization received approximately 82% of its total support and revenue from one grantor for the year ended June 30, 2024.

The Organization received approximately 28% of its total support and revenue from two donors for the year ended June 30, 2023. Additionally, the Organization received approximately 18% of its total support and revenue from one grantor for the year ended June 30, 2023.

(11) RETIREMENT PLAN:

The Organization has a retirement accumulation 403(b) plan for all employees working more than 1,000 hours in the plan year. Employee contributions are voluntary and are made on a pre-tax basis. The Organization made matching contributions totaling \$84,325 and \$48,641 for the years ended June 30, 2024 and 2023, respectively.



Certified Public Accountants

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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*

To the Board of Directors and Management of
Action for Healthy Kids, Inc. and Affiliate:

We have audited, 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, the consolidated financial statements of Action for Healthy Kids, Inc and Affiliate (collectively, the Organization) which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated 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 entity's consolidated 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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.

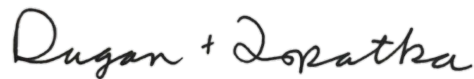
Independent Auditor's Report on
Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an
Audit of Financial Statements
Performed in Accordance with
Government Auditing Standards
To the Board of Directors and Management of
Action for Healthy Kids, Inc. and Affiliate
Page two

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of 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 statement. 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 results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DUGAN & LOPATKA

Warrenville, Illinois
March 24, 2025



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

To the Board of Directors and Management of
Action for Healthy Kids, Inc. and Affiliate

Report on Compliance for Each Major Program

Opinion on Each Major Federal Program

We have audited Action for Healthy Kids, Inc and Affiliate's (collectively, the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2024. The Organization's major federal programs are 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 each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each 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 each 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 the 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 programs.

Independent Auditor's Report on
Compliance for Each Major Federal Program and on
Internal Control Over Compliance Required by the
Uniform Guidance
To the Board of Directors and Management of
Action for Healthy Kids, Inc. and Affiliate
Page two

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 each 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.

Independent Auditor's Report on
Compliance for each Major Federal Program and on
Internal Control Over Compliance Required by the
Uniform Guidance
To the Board of Directors and Management of
Action for Healthy Kids, Inc. and Affiliate
Page three

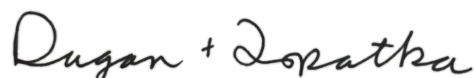
Report on Internal Control over Compliance

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.



DUGAN & LOPATKA

Warrenville, Illinois
March 24, 2025

ACTION FOR HEALTHY KIDS, INC. AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor</u>	<u>Pass-Through Number</u>	<u>Passed Through to Sub-Recipients</u>	<u>Total Program Expenditures</u>
Department of Agriculture:					
Child Nutrition Discretionary Grants	10.579			<u>\$10,082,274</u>	<u>\$14,058,778*</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$10,082,274</u>	<u>\$14,058,778</u>

* Major Program

ACTION FOR HEALTHY KIDS, INC. AND AFFILIATE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Note A - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal award activity of Action for Healthy Kids, Inc and Affiliate (collectively, the Organization) under programs of the federal government for the year ended June 30, 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, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to, and does not represent, the financial position, changes in net assets, or cash flows of the Organization.

Note B - 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C - Indirect Cost Rates:

The Organization has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note D - Non-Cash Awards:

The Organization did not have any outstanding federal loans or loan guarantees or insurance at June 30, 2024, and did not receive any federal non-cash awards during the year ended June 30, 2024.

ACTION FOR HEALTHY KIDS, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

PART 1: SUMMARY OF AUDIT RESULTS -

1. The auditor's report expresses an unmodified opinion on the consolidated financial statements of Action for Healthy Kids, Inc and Affiliate.
2. There were no material weaknesses disclosed during the audit of the consolidated financial statements. No significant deficiencies related to the audit of the consolidated financial statements are reported.
3. No instances of noncompliance material to the consolidated financial statements Action for Healthy Kids, Inc and Affiliate were disclosed during the audit.
4. There were no material weaknesses disclosed during the audit of the major federal award programs. No significant deficiencies related to the audit of the major federal award program are reported.
5. The auditor's report on compliance for the major federal award programs for Action for Healthy Kids, Inc and Affiliate expresses an unmodified opinion on all major federal programs.
6. There were no audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The program tested as major programs included:

Child Nutrition Discretionary Grants	10.579
--------------------------------------	--------
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Action for Healthy Kids, Inc and Affiliate was determined not to be a low-risk auditee.

PART 2: FINDINGS - FINANCIAL STATEMENTS AUDIT (GAGAS) -

There are no audit findings.

PART 3: FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT -

There are no audit findings or questioned costs.

PART 4: SUMMARY SCHEDULE OF PRIOR FINDINGS -

There are no prior audit findings.

ACTION FOR HEALTHY KIDS, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2024

	AFHK	RMC	Elimination	Consolidated Total
<u>A S S E T S</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 643,937	\$ 300,854	\$ -	\$ 944,791
Receivables - Government grants	2,968,472	90,829	-	3,059,301
- Contributions	6,622	-	-	6,622
- Program services	131,848	315,138	(99,413)	347,573
- Other	1,665	-	-	1,665
- Related party	338,260	(338,260)	-	-
Investments	-	1,185,567	-	1,185,567
Inventory	-	19,903	-	19,903
Prepaid expenses	85,081	24,528	-	109,609
 Total current assets	 4,175,885	 1,598,559	 (99,413)	 5,675,031
PROPERTY AND EQUIPMENT, net	29,327	4,033	-	33,360
OTHER ASSETS:				
Operating lease right-of-use asset	474,181	-	-	474,181
Security deposits	5,928	-	-	5,928
 Total other assets	 480,109	 -	 -	 480,109
 Total assets	 \$ 4,685,321	 \$ 1,602,592	 \$ (99,413)	 \$ 6,188,500
<u>L I A B I L I T I E S A N D N E T A S S E T S</u>				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	\$ 2,624,698	\$ 45,186	\$ (99,413)	\$ 2,570,471
Operating lease liability, current	98,384	-	-	98,384
Deferred revenue	4,818	42,925	-	47,743
 Total current liabilities	 2,727,900	 88,111	 (99,413)	 2,716,598
NON-CURRENT LIABILITIES				
Operating lease liability, net of current	383,818	-	-	383,818
 Total liabilities	 3,111,718	 88,111	 (99,413)	 3,100,416
NET ASSETS:				
Without donor restrictions - Designated	425,000	1,190,471	-	1,615,471
- Undesignated	(211,512)	324,010	-	112,498
 Total net assets without donor restrictions	 213,488	 1,514,481	 -	 1,727,969
With donor restrictions	1,360,115	-	-	1,360,115
 Total net assets	 1,573,603	 1,514,481	 -	 3,088,084
 Total liabilities and net assets	 \$ 4,685,321	 \$ 1,602,592	 \$ (99,413)	 \$ 6,188,500

ACTION FOR HEALTHY KIDS, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>AFHK</u>	<u>RMC</u>	<u>Elimination</u>	<u>Total</u>
SUPPORT AND REVENUE:				
Contributions	\$ 1,514,483	\$ -	\$ -	\$ 1,514,483
Government grants	14,058,778	278,971	-	14,337,749
Conferences and other	14,885	-	-	14,885
Consulting income	442,853	685,349	(313,582)	814,620
Product sales	-	34,976	-	34,976
Investment income	34,146	116,013	-	150,159
Other income	300	1,415	-	1,715
	<u>16,065,445</u>	<u>1,116,724</u>	<u>(313,582)</u>	<u>16,868,587</u>
EXPENSES:				
Program services	15,255,420	847,312	(313,582)	15,789,150
Management and general	742,565	110,813	-	853,378
Fundraising and marketing	618,390	166,916	-	785,306
	<u>16,616,375</u>	<u>1,125,041</u>	<u>(313,582)</u>	<u>17,427,834</u>
CHANGE IN NET ASSETS	(550,930)	(8,317)	-	(559,247)
NET ASSETS, Beginning of year	<u>2,124,533</u>	<u>1,522,798</u>	<u>-</u>	<u>3,647,331</u>
NET ASSETS, End of year	<u>\$ 1,573,603</u>	<u>\$ 1,514,481</u>	<u>\$ -</u>	<u>\$ 3,088,084</u>