RAISE the FUTURE

Connect Youth. Support Families. Create Hope.

Financial Statements

June 30, 2023

Raise the Future
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Independent Auditor's Report

Board of Directors
Raise the Future

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Raise the Future (the Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Summarized Comparative Information
The June 30, 2022 financial statements were audited by other auditors whose report dated December 14, 2022 expressed an unmodified opinion on those statements. The summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Change in Accounting Principle
As discussed in Note 1 to the financial statements, the Organization adopted new accounting guidance related to Financial Accounting Standards Board Accounting Standards Codification Topic 842: *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these 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 for one year after the date that the financial statements were 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 GAAS 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 GAAS 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* (Uniform Guidance) 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 14, 2024, on our consideration of the 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 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 the 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.

BerganKDV, Ltd.

Waterloo, Iowa
March 14, 2024

Raise the Future
Statement of Financial Position
As of June 30, 2023
With Comparative Totals for 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	$ 2,235,863	$ 1,919,648
Receivables	1,573,675	1,515,109
Prepaid expenses and other assets	121,531	145,405
Total current assets	3,931,069	3,580,162
Receivables	14,483	257,306
Investments	492,979	455,760
Interest in net assets of Community First Foundation	43,270	42,989
Right-of-use assets - operating leases	1,012,875	-
Right-of-use assets - finance lease	74,680	-
Property and equipment, net	132,657	154,283
Total assets	$ 5,702,013	$ 4,490,500
Liabilities and Net Assets		
Current liabilities		
Current portion of operating lease liabilities	$ 277,726	$ -
Current portion of finance lease liabilities	14,243	-
Accounts payable	105,587	107,372
Accrued liabilities	587,667	454,601
Refundable advance	111,827	92,541
Total current liabilities	1,097,050	654,514
Long-term liabilities		
Operating lease liabilities	745,867	-
Finance lease liabilities	60,559	-
Total long-term liabilities	806,426	-
Total liabilities	1,903,476	654,514
Net assets		
Without donor restrictions	2,531,088	2,725,695
With donor restrictions	1,267,449	1,110,291
Total net assets	3,798,537	3,835,986
Total liabilities and net assets	$ 5,702,013	$ 4,490,500

Raise the Future
Statement of Activities
Year Ended June 30, 2023
With Comparative Totals for 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue, gains and public support				
Government support	$ 4,505,945	$ -	$ 4,505,945	$ 3,998,498
Foundations	2,482,053	480,784	2,962,837	3,021,382
Corporations and individuals	1,235,020	-	1,235,020	770,752
In-kind contributions	516,289	-	516,289	304,788
Special events, less direct expenses	541,101	-	541,101	438,468
Investment return, net	37,866	31,652	69,518	(59,547)
Other income	19,128	-	19,128	28,953
Net assets released from restrictions	355,278	(355,278)	-	-
Total revenue, gains and public support	9,692,680	157,158	9,849,838	8,503,294
Expenses				
Program services				
Media-based recruitment	585,481	-	585,481	732,784
Intensive recruitment	3,493,287	-	3,493,287	3,333,296
Mentoring program	-	-	-	146,594
Family support	2,703,787	-	2,703,787	1,750,421
National systems change	451,794	-	451,794	396,148
Total program services	7,234,349	-	7,234,349	6,359,243
Support services				
General and administrative	1,441,363	-	1,441,363	1,545,144
Funds development	1,211,575	-	1,211,575	725,471
Total expenses	9,887,287	-	9,887,287	8,629,858
Change in net assets	(194,607)	157,158	(37,449)	(126,564)
Net assets, beginning of year	2,725,695	1,110,291	3,835,986	3,962,550
Net assets, end of year	$ 2,531,088	$ 1,267,449	$ 3,798,537	$ 3,835,986

Raise the Future
Statement of Functional Expenses
Year Ended June 30, 2023
With Comparative Totals for 2022

	Program Services					Support Services		2023	2022
	Media-Based Recruitment	Intensive Recruitment	Family Support	National Systems Change	Total Program	General and Administrative	Funds Development	Total Expenses	Total Expenses
Compensation and related benefits	$ 471,477	$ 2,587,166	$ 2,029,475	$ 334,069	$ 5,422,187	$ 792,157	$ 831,104	$ 7,045,448	$ 6,200,896
Professional fees	-	142,073	-	7,255	149,328	367,479	159,428	676,235	385,628
Office expenses	2,366	42,810	58,363	4,325	107,864	66,086	6,125	180,075	73,661
Printing and publication	43,027	3,365	17,697	-	64,089	4,488	25,377	93,954	69,718
Information technology	24,927	88,766	63,549	16,685	193,927	81,159	61,351	336,437	363,955
Occupancy	18,839	127,143	93,005	14,425	253,412	70,630	32,537	356,579	394,719
Supplies and other program costs	10,099	95,858	139,455	51,402	296,814	-	-	296,814	382,328
Travel	4,514	223,412	106,569	15,879	350,374	19,833	16,597	386,804	268,924
Conferences and meetings	-	-	-	-	-	-	-	-	2,281
Insurance	6,066	37,431	29,163	4,645	77,305	16,668	10,474	104,447	79,578
Other expenses	106	120,209	146,991	-	267,306	11,706	191,121	470,133	463,342
Depreciation	4,060	25,054	19,520	3,109	51,743	11,157	7,011	69,911	64,420
Total expenses	$ 585,481	$ 3,493,287	$ 2,703,787	$ 451,794	$ 7,234,349	$ 1,441,363	$ 1,341,125	$ 10,016,837	$ 8,749,450
Less expenses netted against revenues on the statement of activities									
Cost of direct benefit to donors	-	-	-	-	-	-	129,550	129,550	119,592
Total expenses included in the expense section of the statement of activities	$ 585,481	$ 3,493,287	$ 2,703,787	$ 451,794	$ 7,234,349	$ 1,441,363	$ 1,211,575	$ 9,887,287	$ 8,629,858

See notes to financial statements.

Raise the Future
Statement of Cash Flows
Year Ended June 30, 2023
With Comparative Totals for 2022

	2023	2022
Cash Flows - Operating Activities		
Change in net assets	$ (37,449)	$ (126,564)
Adjustments to reconcile change in net assets to net cash flows - operating activities		
Depreciation	69,911	60,462
Donated property and equipment	(48,285)	-
Amortization of ROU assets - operating	319,384	-
Amortization of ROU assets - finance	1,266	-
Net unrealized/realized gain on investments	(2,061)	65,206
Change in value of beneficial interest	(2,740)	-
Changes in operating assets and liabilities		
Receivables	184,257	(171,010)
Prepaid expenses and other assets	23,874	8,012
Accounts payable	(1,785)	(67,235)
Accrued liabilities	133,066	16,453
Refundable advance	19,286	27,136
Conditional contributions	-	(165,815)
Operating lease liabilities	(308,666)	-
Net cash flows - operating activities	350,058	(353,355)
Cash Flows - Investing Activities		
Proceeds from sale of investments	51,463	-
Purchases of investments	(86,621)	(10,682)
Distributions from beneficial interest	2,459	2,297
Net cash flows - investing activities	(32,699)	(8,385)
Cash Flows - Financing Activities		
Principal payments on finance lease liability	(1,144)	-
Net change in cash and cash equivalents	316,215	(361,740)
Cash and Cash Equivalents		
Beginning of year	1,919,648	2,281,388
End of year	$ 2,235,863	$ 1,919,648

See notes to financial statements.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Raise the Future (the Organization) is a not-for-profit organization created to ensure all children have a family today and for the rest of their lives. The Organization assists thousands of youth in foster care each year and supports hundreds of families across the United States by providing resources to assist families before, during, and after adoption to ensure permanency for the child.

Summarized Comparative Information

The financial information presented for comparative purposes as of and for the year ended June 30, 2022, is not intended to be a complete financial statement presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's 2022 financial statements, from which the summarized information was derived.

Program Services

The Organization's program services include:

Media-Based Recruitment Services – The Organization identifies and cultivates potential adoptive families for waiting children using child-centric recruitment methods and tools. Recruitment activities used to identify potential families include hosting adoption networking events, partnering with local news stations to broadcast WCF profiles, featuring registered children in the Children's Gallery on the Organization's website, conducting monthly adoption orientation and information classes, and using print and electronic media to create awareness of and support for the adoption of waiting children.

Additionally, the Organization works to help prospective adoptive families across the country understand the adoption process, connect with county human services agencies and child placement agencies to begin the adoption process, gain access to resources and professionals, and respond to questions and inquiries on specific children.

One of the most popular ways families learn more about waiting youth is through the Heart Gallery. The Heart Gallery is a collaborative photographic exhibit designed to increase the number of adoptive families for children needing homes in Colorado, Missouri, Nevada, and Utah. The Heart Gallery helps waiting youth find loving families and permanency through images that bring the children's personalities and beauty into focus.

In addition, small matching events are held that allow prospective families and waiting children to interact in small, facilitated events that include activities fun for all.

Intensive Recruitment Services – Intensive recruitment services build positive, healthy relationships with youth to understand their strengths, interests, needs, and family preferences, which inevitably enhances the ability of the youth to find strength and feel empowered through the process. The program follows an evidence-based model that increases the likelihood of finding that parental resource by as much as three times. The model has been shown to be a net cost savings to the community, as the program reduces congregate care and foster care costs.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Services (Continued)

Family Support Program – Family preparation and support begins before a family has ever adopted. The family support program is geared toward education, support, and coaching. Hands-on, individualized, tailored, and supportive services are offered to families throughout their entire adoption journey. By developing relationships with families early, family commitment to adoption is maintained, and adoption disruptions are often minimized.

Classes and training opportunities are offered to families and professionals and are geared toward providing information, support, and guidance in creating healthy and stable adoptive relationships. All children have entered the foster care system as a result of trauma, abuse, or neglect. The goal of many trainings is to help parents understand how these events may impact children and to recognize behaviors as symptoms of those experiences. The ultimate outcome for many of the training courses is for families to have the knowledge and tools they need to help their children become securely attached, successful, and healthy adults. Other postadoption resources, including helpful articles and videos, were offered to adoptive families via bimonthly e-newsletters.

National Systems Change – The Organization provides capacity-building and engagement services for states, tribes, and territories as part of the AdoptUSKids project. This can be through in-person trainings, webinars, consultation, coaching, resource sharing, peer connections, and media tools. System-specific capacity building is designed to meet the unique needs of the state, tribe, or territory, and services are provided free of charge.

Accounting Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents
Cash equivalents include highly liquid investments, with original maturities of three months or less, that are recorded at cost plus accrued interest, which approximates market.

Receivables
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Pledges that are expected to be collected within one year are recorded at net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amount expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledge is received. The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance for uncollectible contributions receivable is determined by management's best estimate considering type, age, history and any other factors considered appropriate. As of June 30, 2023, the Organization has determined that no allowance for promises to give receivable was necessary.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables (Continued)

Grants receivable are reported at the amount management expects to collect from outstanding balances. The Organization considers all grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary.

Concentrations

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash, cash equivalents, and receivables. The Organization maintains its cash and cash equivalents with a limited number of financial institutions which, at times, are in excess of the FDIC insurance limit.

The Organization receives a substantial amount of its support and contributions from federal and state governments. A significant reduction in the level of this support, if it were to occur, may have a significant effect on the Organization's programs and activities. For the year ended June 30, 2023, the Organization received approximately 88% of its government support from five government agencies. As of June 30, 2023, these agencies accounted for 93% of grants receivable.

Investments

Investments consist of money market funds, exchange traded funds and mutual funds. The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values, with unrealized gains and losses, dividends, interest, and investment management fees included in net investment return on the statement of activities.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balance.

Leases

The Organization classifies leases as either operating or finance leases at the commencement date of the lease. A lease is classified as a finance lease if any of the five criteria are met: (1) ownership transfers at the end of the lease term, (2) there is an option to purchase the underlying assets and the lessee is reasonably certain to exercise the option, (3) the term of the lease is for a major part of the remaining economic life of the underlying assets, (4) the present value of the sum of the lease payments and any residual value guaranteed by the lessee equals or exceeds substantially all of the fair value of the underlying assets or (5) the underlying assets are of such a specialized nature that they are expected to have no alternative use to the lessor at the end of the lease term. Leases that do not meet any of the five criteria above for a finance lease are classified as operating leases.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Organization recognizes a right-of-use (ROU) asset and lease liability for each operating and finance lease with a term greater than 12 months at the time of lease inception. The Organization does not record a ROU asset or lease liability for leases with an initial term of 12 months or less but continues to record rent expense on a straight-line basis over the lease term. Options to extend or terminate at the sole discretion of the Organization are included in the determination of lease term when they are reasonably certain to be exercised. The lease liability represents the present value of future lease payments over the lease term. The Organization has elected the practical expedient that allows for private companies to utilize the risk-free rate based on asset class.

Property and Equipment

Property and equipment are carried at cost, or fair value if donated, with depreciation computed primarily under the straight-line method over the economic useful lives of the assets, ranging from five to seven years. All property and equipment in excess of $5,000 and a useful life of greater than a year is considered for capitalization.

Net Assets

Net assets, revenues, gains, and public support are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions – Unconditional contributions, including promises to give, are recognized as revenues in the period received and reported as increases in the appropriate categories of net assets in accordance with donor stipulations. Conditional contributions, 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 substantially met. Contributions of assets other than cash are recorded at the estimated fair value on the date of contribution. As of June 30, 2023, the Organization had conditional promises to give of $12,113,808 for future programs.

Grants – A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. Amounts received are recognized when the Organization has incurred expenditures in compliance with the grant provisions. Qualifying expenditures that have been incurred, but for which reimbursement has not yet been received, are reported as grants receivable. Grants and revenues received but not yet earned are recorded as a refundable advance.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The financial statements report certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Substantially all expenses are allocated based on employee numbers and time and effort.

Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes pursuant to Section 501(a) of the Code.

Recently Adopted Accounting Pronouncement

Effective July 1, 2022, the Organization adopted the new lease accounting guidance in Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, utilizing the modified retrospective optional method, where the cumulative catch-up adjustment is recorded at the date of adoption. Operating leases with a duration greater than 12 months are included in right-of-use assets and lease liabilities in the statement of financial position as of June 30, 2023. The Organization has elected the package of practical expedients permitted in Topic 842. Accordingly, the Organization did not reassess at adoption (a) whether the contract contains a lease under Topic 842, (b) whether classification of leases would be different in accordance with Topic 842, or (c) initial direct costs for existing leases. The Organization also elected the practical expedients (1) to discount the lease liability using the risk-free rate, (2) to use hindsight for assessing the lease term and impairment of the ROU asset, and (3) to not separate lease and non-lease components.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncement (Continued)
As of result of the adoption of the new lease accounting standard, the Organization's statement of financial position was materially impacted by the recognition of its ROU assets and lease liabilities of $1,332,259 as of July 1, 2022. There was no significant impact on the statements of activities, functional expenses, or cash flows as a result of the adoption.

Subsequent Events
Management has evaluated subsequent events through March 14, 2024, the date which the financial statements were available to be issued.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30, 2023:

Cash and cash equivalents	$ 2,235,863
Contributions and grants receivable, net	664,000
Grants receivable	837,250
Other receivables	86,908
Investments	492,979
Total financial assets available	4,317,000
Less donor-imposed restrictions on financial assets	1,267,449
Financial assets available within one year	$ 3,049,551

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's board of director's meets regularly to adjust policies regarding liquidity as needed.

The Organization's finance committee makes decisions concerning the use, investment strategy, and allocation of the Organization's financial assets and monitors investment performance in compliance with the board-approved investment policy.

To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of $400,000 which it can draw upon.

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give consist of the following as of June 30, 2023:

Gross promises to give before unamortized discount	$ 669,517
Less net present value discount	(5,517)
Promises to give, net	$ 664,000
Amounts due in	
Within one year	$ 649,517
One to five years	20,000
Total	$ 669,517

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The fair value measurement accounting literature establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.
Level 3: Inputs are unobservable inputs based on the Organization's own assumptions used to measure assets and liabilities at fair value.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The Organization participated in the nonprofit Preservation Challenge Grant Program established by the Community First Foundation (CFF). The purpose of this program is to assist charitable organizations with the formation of perpetual endowment funds. Under the terms and conditions of the grant award, the Organization made irrevocable transfers of donor-restricted funds to CFF, and CFF matched contributions received by the Organization.

Funds held by CFF for the benefit of the Organization are recorded as interest in net assets of CFF on the statement of financial position. Values are reported to the Organization by CFF and corroborated by management using CFF's audited financial statements. The main input is the fair value of the underlying investments held at the CFF and includes Level 1, 2, and 3 classifications; however, the Organization's share of the pooled investments is not quoted in active markets and is, therefore, classified within Level 3 in the fair value hierarchy.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth by level within the fair value hierarchy of the Organization's financial assets measured at fair value on a recurring basis is as of June 30, 2023, and indicates the fair value hierarchy of the valuation techniques utilized by the Organization to determine such fair value.

	Level 1	Level 2	Level 3	Total
Money market funds	$ 17,147	$ -	$ -	$ 17,147
Mutual funds - fixed income	465,621	-	-	465,621
Exchange traded funds - equities	10,211	-	-	10,211
Total investments	492,979	-	-	492,979
Beneficial interest in assets held by Community Foundation	-	-	43,270	43,270
Total assets measured at fair value	$ 492,979	$ -	$ 43,270	$ 536,249

Exchange traded funds are valued at the closing price in the active markets in which they are traded. Mutual funds are valued at the net assets value, based on quoted market prices in active markets, of shares held by the Organization at year end.

NOTE 5 – LINE OF CREDIT

The Organization has available an unsecured $400,000 variable interest rate (8.25% as of June 30, 2023) bank line of credit which expires March 14, 2024. There were no amounts outstanding under this line of credit as of June 30, 2023.

NOTE 6 – LEASES

The Organization conducts a portion of its operations from leased facilities and leases equipment under noncancellable leases with remaining lease terms of one to five years.

Future minimum lease payment under non-cancellable leases are as follows as of June 30, 2023:

Year Ending June 30	Operating	Finance
2024	$ 300,730	$ 16,740
2025	269,416	16,740
2026	275,128	16,740
2027	233,240	16,740
2028	-	15,345
Total lease payments	1,078,514	82,305
Less amounts representing interest	54,921	7,503
Total minimum payments required	$ 1,023,593	$ 74,802

Lease costs for the year ended June 30, 2023, were as follows:

Finance lease cost, amortization	$ 1,266
Finance lease cost, interest	250
Operating lease costs	352,719
Short-term and variable lease costs	39,611
Total lease costs	$ 393,846

As of June 30, 2023, operating leases and finance leases had weighted-average remaining lease terms of 45 and 59 months, respectively, and the weighted-average discount rates were 2.87% and 4.03%, respectively.

The following table presents supplemental information relating to the cash flows from lease transactions. Cash payments related to short-term and variable leases are not included in the measurement of operating and finance lease liabilities and, as such, are excluded from the amounts below.

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash outflows from operating leases	$ 342,000
Financing cash outflows from finance lease	$ 1,395
ROU assets obtained in exchange for operating lease liabilities, at adoption	$ 1,332,259
ROU asset obtained in exchange for finance lease liability	$ 75,946

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2023:

Subject to expenditure for a specified programmatic purpose	$ 501,473
Subject to passage of time	
Promises to give	229,727
Endowment assets	
Accumulated endowment earnings	219,697
Net assets to be held in perpetuity	316,552
Total endowment assets	536,249
Total net assets with donor restrictions	$ 1,267,449

NOTE 8 – DONOR RESTRICTED ENDOWMENTS

The Organization's endowments consist of two donor-restricted funds established for long-term support of the Organization. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The State of Colorado has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective September 1, 2008.

The Organization is subject to UPMIFA and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the Organization had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds a) the duration and preservation of the fund, b) the purpose of the Organization and the donor-restricted endowment fund, c) general economic conditions, d) the possible effect of inflation and deflation, e) the expected total return from income and the appreciation of investments, f) other resources of the Organization, and g) the investment policies of the Organization.

NOTE 8 – DONOR RESTRICTED ENDOWMENTS (CONTINUED)

The Organization's endowment net assets are composed of the following funds as of June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Accumulated endowment earnings	$ -	$ 219,697	$ 219,697
Net assets to be held in perpetuity	-	316,552	316,552
Endowment net assets, June 30, 2023	$ -	$ 536,249	$ 536,249

Changes in endowment net assets for the year ended June 30, 2023, follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ -	$ 498,749	$ 498,749
Contributions	-	53,307	53,307
Investment return, net	-	31,652	31,652
Amounts appropriated for expenditure	-	(47,459)	(47,459)
Endowment net assets - End of year	$ -	$ 536,249	$ 536,249

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature would be reported in net assets with donor restrictions. There were no such deficiencies as of June 30, 2023.

Investment Strategy and Return Objectives - The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce a long-term rate of return that is, net of spending, greater than the rate of inflation.

Certain endowment assets are kept at CFF. CFF has discretion in selecting the asset mix and managers for the endowments of the Organization. The target asset allocation is as follows: (a) 5 percent in money markets, (b) 45 percent in fixed income, and (c) 50 percent in equities. The remaining endowment assets are allocated based on the board-approved investment policy to satisfy its long-term rate-of-return objectives. That policy's target allocation is (a) 40 percent in equities and (b) 60 percent in fixed income.

NOTE 8 – DONOR RESTRICTED ENDOWMENTS (CONTINUED)

Spending Policy - The Organization has a policy of appropriating for distribution each year no more than 5 percent of its endowment fund's monthly average fair value in any given year. In establishing this policy, the Organization considered the long-term expected rate of return on its endowment.

NOTE 9 – IN-KIND CONTRIBUTIONS

Contributed technical assistance is valued based on what the Organization could expect to pay for various services, including technical assistance, training, database and performance management, and outcome reporting. These services, which are received without donor restriction, provide support for various program and support service. For the year ended June 30, 2023, the Organization received $140,000 in contributed technical assistance.

Donated materials include supplies, food, furniture, gift cards and gift baskets, and auction items that are valued at the estimated fair value for the materials that the Organization might incur under normal operating activities. These materials, which are received without donor restriction, are used as prizes during fundraising events that generate funds to support the programs offered as well as are used for the families served. The Organization received $376,289 in donated materials for the year ended June 30, 2023.

Volunteer services have been performed by a substantial number of volunteers who have contributed significant amounts of their time to the Organization. These volunteers assist in providing program services. These services were not recognized in the accompanying financial statements because they did not meet the criteria for recognition.

NOTE 10 – RETIREMENT PLAN

The Organization sponsors a 401(k) plan which covers employees who meeting certain eligibility requirements. The Organization makes discretionary matching contributions to the plan for those eligible employees who defer a portion of their compensation. For the year ended June 30, 2023, the Organization contributed $48,549 in matching funds.

SUPPLEMENTARY INFORMATION

Raise the Future
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title or Cluster	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed through State of Nevada Division of Child and Family Services			
Adoption and Legal Guardianship Incentive Payments	93.603	93603-20-002	$ 21,902
Stephanie Tubbs Jones Child Welfare Services Program	93.645	93645-21-003	101,251
Stephanie Tubbs Jones Child Welfare Services Program	93.645	93645-20-001	201,083
Total for Assistance Listing # 93.645			302,334
MaryLee Allen Promoting Safe and Stable Families Program	93.556	93556-19-001	182,231
Passed through Clark County, Nevada			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	93566-19-009	379,000
Passed through State of Colorado Department of Human Services			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	22 IHIA 170698	35,830
MaryLee Allen Promoting Safe and Stable Families Program	93.556	23 QAAA 178123	129,456
Total for Assistance Listing # 93.556			726,517
Passed through State of Utah Division of Child and Family Services			
Adoption Opportunities	93.652	A02777	216,456
Passed through National Adoption Association			
Adoption Opportunities	93.652	HHS-2017-ACF-ACYF-CO-1237	132,377
Adoption Opportunities	93.652	HHS-2022-ACF-ACYF-CO-0095	323,113
Total for Assistance Listing # 93.652			671,946
Total U.S. Department of Health and Human Services			1,722,699
U.S. Department of Justice			
Passed through State of Colorado Division of Criminal Justice			
Crime Victim Assistance	16.575	2022GF2314902	43,760
Passed through Clark County, Nevada			
Crime Victim Assistance	16.575	4610007492	939,343
Total for U.S. Department of Justice and # 16.575			983,103
U.S. Department of Treasury			
Passed through City of Las Vegas, Nevada			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	22-1301.002	228,057
Total expenditures of federal awards			$ 2,933,859

See notes to schedule of expenditures of federal awards.

Raise the Future
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Raise the Future (the Organization) under programs of the federal government for the year ended June 30, 2023. 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 present the financial position, changes in net assets, or cash flows of the Organization.

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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

NOTE 3 - INDIRECT COST RATE

The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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
Raise the Future

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 *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of Raise the Future (the Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements 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 14, 2024.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered Organization's internal control over financial reporting (internal control) as a basis for designing 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 financial statements will not be prevented or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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 may exist that have not been identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether 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 determination of financial statement amounts. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BerganKDV, LTD.

Waterloo, Iowa
March 14, 2024

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
Raise the Future

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited Raise the Future'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 programs for the year ended June 30, 2023. 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, 2023.

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 (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); 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.

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 Organizations 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 GAAS, *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 GAAS, *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 Organizations 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 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.

BerganKDV, Ltd.

Waterloo, Iowa
March 14, 2024

Raise the Future
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs

Assistance Listing Numbers and Names of Federal Programs or Clusters	16.575 – Crime Victim Assistance 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds
Dollar threshold used to distinguish between type A and type B programs	$750,000
Auditee qualified as a low-risk auditee?	Yes

SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None for the current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None for the current year.