KIDVANTAGE

FINANCIAL STATEMENTS
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2025 AND 2024

KIDVANTAGE

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
KidVantage
Issaquah, Washington

Opinion
We have audited the accompanying financial statements of KidVantage (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KidVantage as of December 31, 2025 and 2024, 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. 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 KidVantage and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

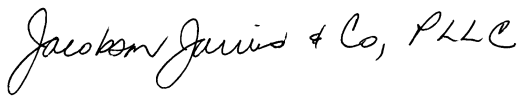
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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KidVantage'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 KidVantage'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.



Jacobson Jarvis & Co, PLLC
Seattle, Washington
June 23, 2026

KIDVANTAGE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

ASSETS

	2025	2024
Current Assets		
Cash and cash equivalents	$ 812,997	$ 389,015
Investments	868,772	820,068
Government grants receivable	46,372	57,700
Other receivables	36,074	-
Prepaids and deposits	72,521	67,845
Inventory for distribution	2,482,091	2,567,241
Total Current Assets	4,318,827	3,901,869
Right of Use Assets	199,280	353,532
Property and Equipment, net	262,039	308,347
	$ 4,780,146	$ 4,563,748

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	$ 62,172	$ 35,249
Accrued payroll liabilities	38,065	26,281
Operating lease liabilities	152,058	168,254
Total Current Liabilities	252,295	229,784
Operating Lease Liabilities, net of current	64,670	209,072
Total Liabilities	316,965	438,856
Net Assets		
Without donor restrictions - undesignated	3,686,244	3,308,037
Without donor restrictions - Board designated	745,614	808,971
	4,431,858	4,117,008
With donor restrictions	31,323	7,884
Total Net Assets	4,463,181	4,124,892
	$ 4,780,146	$ 4,563,748

See notes to financial statements.

KIDVANTAGE

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025				2024			
	Without Donor Restrictions				Without Donor Restrictions			
	Undesignated	Board Designated	With Donor Restrictions	Total	Undesignated	Board Designated	With Donor Restrictions	Total
Public Support								
Contributions	$ 1,874,571	$ -	$ 81,618	$ 1,956,189	$ 1,434,096	$ -	$ 44,444	$ 1,478,540
Government grants	533,271	-	-	533,271	743,735	-	-	743,735
Special events	32,106	-	-	32,106	27,692	-	-	27,692
Donated use of space and other goods	160,619	-	-	160,619	183,445	-	-	183,445
Investment return	50,840	-	-	50,840	56,902	-	-	56,902
Other revenue	14,214	-	-	14,214	553	-	-	553
	2,665,621	-	81,618	2,747,239	2,446,423	-	44,444	2,490,867
Net assets released from restrictions	58,179	-	(58,179)	-	41,753	-	(41,753)	-
Transfers of board designated funds	63,357	(63,357)	-	-	151,938	(151,938)	-	-
Total Support and Revenue	2,787,157	(63,357)	23,439	2,747,239	2,640,114	(151,938)	2,691	2,490,867
Expenses								
Program services	925,334	-	-	925,334	1,041,219	-	-	1,041,219
Management and general	300,862	-	-	300,862	341,366	-	-	341,366
Fundraising	538,782	-	-	538,782	535,289	-	-	535,289
Total Expenses	1,764,978	-	-	1,764,978	1,917,874	-	-	1,917,874
Change in Net Assets Before Products For Kids Revenue and Expense	1,022,179	(63,357)	23,439	982,261	722,240	(151,938)	2,691	572,993
Products for Kids Revenue and Expense								
Contributions, in-kind products for kids	6,736,882	-	-	6,736,882	5,562,787	-	-	5,562,787
Distributions, products for kids	(7,380,854)	-	-	(7,380,854)	(5,486,362)	-	-	(5,486,362)
Net Products for Kids	(643,972)	-	-	(643,972)	76,425	-	-	76,425
Total Change in Net Assets	378,207	(63,357)	23,439	338,289	798,665	(151,938)	2,691	649,418
Net Assets - Beginning of Year	3,308,037	808,971	7,884	4,124,892	2,509,372	960,909	5,193	3,475,474
Net Assets - End of Year	$ 3,686,244	$ 745,614	$ 31,323	$ 4,463,181	$ 3,308,037	$ 808,971	$ 7,884	$ 4,124,892

See notes to financial statements.

KIDVANTAGE

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025				2024			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 340,767	$ 192,722	$ 285,951	$ 819,440	$ 390,172	$ 221,787	$ 278,952	$ 890,911
Payroll taxes and benefits	44,341	13,394	39,335	97,070	46,757	28,484	47,177	122,418
Total personnel costs	385,108	206,116	325,286	916,510	436,929	250,271	326,129	1,013,329
Occupancy	381,504	16,050	55,950	453,504	447,795	22,973	36,521	507,289
Professional services	49,618	45,678	23,868	119,164	50,709	36,491	23,144	110,344
Events	-	-	83,807	83,807	-	-	95,916	95,916
Depreciation	45,743	1,387	279	47,409	46,376	1,259	1,128	48,763
Office expense	16,459	13,435	16,864	46,758	12,548	12,841	20,856	46,245
Supplies	23,317	2,977	2,210	28,504	16,353	3,824	2,272	22,449
Software	8,396	2,545	12,403	23,344	10,638	2,151	11,585	24,374
Miscellaneous	1,771	2,878	13,724	18,373	3,982	2,456	12,776	19,214
Insurance	9,107	7,620	433	17,160	8,409	7,037	400	15,846
Conferences and travel	4,311	2,141	215	6,667	4,687	1,336	692	6,715
Publications and events	-	35	3,423	3,458	-	18	3,870	3,888
Equipment	-	-	320	320	2,793	709	-	3,502
Total expenses, excluding products for kids distribution	925,334	300,862	538,782	1,764,978	1,041,219	341,366	535,289	1,917,874
Distributions, products for kids	7,380,854	-	-	7,380,854	5,486,362	-	-	5,486,362
Total Expenses	$ 8,306,188	$ 300,862	$ 538,782	$ 9,145,832	$ 6,527,581	$ 341,366	$ 535,289	$ 7,404,236

See notes to financial statements.

KIDVANTAGE

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows from Operating Activities		
Cash received from:		
Donors	$ 1,988,295	$ 1,506,232
Government agencies	508,525	817,101
Other revenue	14,214	553
Cash paid for:		
Personnel	(904,726)	(1,020,729)
Services and supplies	(1,183,361)	(1,424,213)
Net Cash Provided (Used) by Operating Activities	422,947	(121,056)
Cash Flows from Investing Activities		
Proceeds from the sale of investments	2,136	214,248
Purchases of property and equipment	(1,101)	-
Net Cash Provided by Investing Activities	1,035	214,248
Changes in Cash and Cash Equivalents	423,982	93,192
Cash and Cash Equivalents - beginning of year	389,015	295,823
Cash and Cash Equivalents - end of year	$ 812,997	$ 389,015
Supplemental non-cash activities:		
Additions to right-of-use assets obtained from:		
Operating lease obligations	$ -	$ 181,673

See notes to financial statements.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – KidVantage (the Organization or KidVantage) is a nonprofit organization headquartered in Issaquah, Washington. KidVantage was previously known as Eastside Baby Corner and formally changed its name to KidVantage in 2022.

KidVantage's mission is to help kids reach their full potential tomorrow by meeting basic needs today. KidVantage keeps kids well-nourished, safe and healthy by providing children's essentials such as diapers, formula, car seats, clothing, safe sleep and home items, school supplies, books and more.

KidVantage strengthens families, builds resiliency in children, reduces inequities, and creates stronger communities through our mission of helping kids reach their full potential tomorrow by meeting basic needs today. The Organization provides concrete assistance at no cost to families who are in difficulty, reducing the distress felt by children, and their parents.

Through partnerships with over 80 health and human service organizations, early learning centers and food banks to get an average of 3,437 unique children each month with what they need to grow, play, learn and thrive. Kids have the stress of living in economic insecurity reduced, their healthy development promoted, and they are better prepared for success in school and life. Partner agencies can concentrate their resources and expertise on supporting families, increasing their opportunities for success. Parents and caregivers have what they need to care for their families.

At KidVantage, members of the community connect with each other while caring for their neighbors. They donate goods, volunteer, or give financial support to make sure kids are getting what they need, when they need it. What KidVantage does seems simple, but the goods families receive relieves stress, reduces financial burdens, and provides the support caregivers need to ensure the safety and well-being of their children.

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and 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.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board has designated certain otherwise net assets without donor restrictions as a Board designated operating reserve fund. These funds are approved by the Board to be held for specific purposes and require Board approval to designate for any other purpose.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain 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. There were no perpetually restricted net assets at December 31, 2025 and 2024.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. At December 31, 2025 and 2024, cash and cash equivalents consist of checking and savings accounts. At times, cash and cash equivalents may exceed federally insured limits. The Organization has not experienced a loss due to this risk.

Government Grants Receivable

Government grants receivable consist of amounts due from governmental contracts earned. All balances are unsecured and expected to be collected within the next fiscal year. No allowance for uncollectible balances has been established by management based upon the Organization's historical experience in the collection of balances due.

Investments

The Organization carries investments with readily determinable fair values at their fair values in the statements of financial position. Investment return is included in the accompanying statements of activities.

Fair Value Measurements

Fair value is defined as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Accounting standards establish a hierarchy for measuring fair value that gives the highest priority to unadjusted quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1	Unadjusted quoted prices for identical assets or liabilities in active markets.
Level 2	Quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or other inputs that can be corroborated by observable market data.
Level 3	Inputs that are not observable that reflect management's assumptions and estimates.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurements apply to the Organization's investments in money market and mutual funds, which are all classified within Level 1 of the fair value hierarchy.

Inventory, Revenue and Expense

Inventory for distribution consists of new and used clothing and equipment for children and babies, and is recognized at estimated fair value. Purchased inventory is used to supplement donated goods inventory and is recorded at the date of purchase.

Property and Equipment

Property and equipment is carried at cost. Depreciation is computed using the straight-line method over a period of five to fifteen years. The Organization follows a policy whereby it capitalizes purchases of property and equipment with a value in excess of $1,000 that provide future benefits over a period longer than one year.

Revenue Recognition

Contributions and special events are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. 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 restriction. For conditional contributions and grants with donor restrictions, it is the Organization's policy to recognize restricted conditional contributions in the net assets without donor restrictions class if the restrictions have been met in the same year. Contributions with donor restrictions for the purchase of property and equipment are released from restriction when the property and equipment is placed in service.

Revenue from government grants is recognized based on billings submitted for reimbursement and are subject to audit and retroactive adjustment made by the funding agencies. There were no adjustments resulting from government audits during the years ended December 31, 2025 and 2024. Amounts received in advance are deferred to the applicable period in which the related expenditures are incurred.

In-Kind Contributions

The Organization receives in-kind contributions of inventory, use of space and services. Donated goods are recorded at fair value when distributed. Contributions of use of space are recognized on a monthly basis when the lease is a month-to-month lease, and recognized when promised for a long-term lease. Donated services are recognized as revenue and expenses, at fair value, if the services received (i) create or enhance nonfinancial assets or (ii) require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Payroll and related costs are allocated based on estimates of time and effort spent. Occupancy and related costs are allocated based on percentage of full-time equivalent employees for program and other activities. Other costs are charged directly to the affected programs and supporting services.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

Reclassifications

Certain amounts in the 2024 financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These reclassifications had no effect on the net assets or change in net assets as of or for the year ended December 31, 2025.

NOTE B - LIQUIDITY AND AVAILABILITY

The Organization's financial assets have seasonal variations during the year attributed to the timing of receipts from the major fundraising event. The Organization has an operating reserve that the governing board has dedicated with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need. Distress or a liquidity need could result from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. In the event of an unanticipated liquidity need, the Organization could also draw upon $100,000 of an available line of credit.

NOTE B - LIQUIDITY AND AVAILABILITY (Continued)

Financial assets available for general expenditure use over the next year of the statement of financial position date are as follows at December 31:

	2025	2024
Financial Assets		
Cash and cash equivalents	$ 812,997	$ 389,015
Investments	868,772	820,068
Government grants receivable	46,372	57,700
Other receivables	36,074	-
Total financial assets	1,764,215	1,266,783
Less those unavailable for general expenditures within one year:		
Board reserve fund (unavailable without Board approval)	(745,614)	(808,971)
	$ 1,018,601	$ 457,812

NOTE C - FAIR VALUE MEASUREMENTS

The following tables summarizes the valuation of the Organization's investments in the fair value hierarchy:

As of December 31, 2025:	Level 1	Level 2	Level 3	Total
Money market funds	$ 667,922	$ -	$ -	$ 667,922
Mutual funds:				
Short-term investments	72,222	-	-	72,222
Small cap	48,157	-	-	48,157
Index	59,214	-	-	59,214
International	13,508	-	-	13,508
Emerging markets	7,749	-	-	7,749
	$ 868,772	$ -	$ -	$ 868,772

As of December 31, 2024:	Level 1	Level 2	Level 3	Total
Money market funds	$ 640,876	$ -	$ -	$ 640,876
Mutual funds:				
Short-term investments	67,595	-	-	67,595
Small cap	44,272	-	-	44,272
Index	50,721	-	-	50,721
International	10,392	-	-	10,392
Emerging markets	6,212	-	-	6,212
	$ 820,068	$ -	$ -	$ 820,068

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2025	2024
Ordering system	$ 146,621	$ 146,621
Warehouse improvements	220,473	215,983
Vehicles	111,688	111,688
Furniture and shelving	39,248	43,738
Equipment	63,432	62,331
	581,462	580,361
Less accumulated depreciation	(319,423)	(272,014)
	$ 262,039	$ 308,347

NOTE E - LINE OF CREDIT

In July 2018, the Organization opened a revolving line of credit with a bank with a maximum borrowing amount of $100,000. Interest is calculated at a rate of 2.25% over the Wall Street Journal Prime Rate, less a 0.50% preferred rate reduction, resulting in an annual rate of 9.00% and 9.25% at December 31, 2025 and 2024, respectively. The Organization did not use the line of credit in 2025 or 2024.

NOTE F - IN-KIND CONTRIBUTIONS

In-kind contributions consist of the following for the years ended December 31:

	2025	2024
Inventory	$ 6,736,882	$ 5,562,787
Use of Space	148,754	131,481
Other goods	11,865	51,964
	$ 6,897,501	$ 5,746,232

In-kind contributions were used for program activities. In addition to the recognized in-kind services, the Organization had approximately 5,700 (unaudited) and 5,400 (unaudited) individual volunteers provide roughly 26,500 (unaudited) and 27,515 (unaudited) volunteers hours in 2025 and 2024, respectively. The value of these services is not recorded in the accompanying financial statements as the services do not meet the criteria for recognition under U.S. GAAP. Donated inventory and other goods is valued using market rates for comparable used goods in the region. Donated use of space is valued using comparable market rates for similar commercial warehouse space in the region.

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are donor-restricted for the following purposes at December 31:

	2025	2024
Specific goods for distribution	$ 29,989	$ 6,550
Equipment	1,334	1,334
	$ 31,323	$ 7,884

NOTE H - OPERATING LEASE COMMITMENTS

The Organization has non-cancelable leases for warehouse and office space in Issaquah, and Shoreline Washington. The Organization's lease for the Bremerton office and warehouse expired in December 2025, at which time Kidvantage began renting the property on a month-to-month basis. The Organization received donated office and warehouse space for its Issaquah headquarters and central hub, which is valued at approximately $148,754 and $131,481 for the years ended December 31, 2025 and 2024, respectively.

Management elected to apply the short-term lease exception under Topic 842, Leases; therefore, leases with an initial term of twelve months or less are not recorded in the statements of financial position. Operating leases are included in right of use assets and lease liabilities in the statements of financial position. Right of use assets represent a right to use an underlying asset for the lease term and operating lease liabilities represent the Organization's obligation to make lease payments arising from the lease.

The discount rate represents the Organization's election of the risk free rate. Nonlease components, such as payments required for common area maintenance, are not included in the lease liability and are expensed as incurred.

The components of the lease costs for the years ended December 31 are as follows:

	2025	2024
Operating lease costs	$ 161,909	$ 163,113
Variable lease costs	70,260	70,260
Total lease costs	$ 232,169	$ 233,373

Supplemental cash flow information:

Weighted-average remaining lease term	1.4 years
Weighted-average discount rate	2.5%

NOTE H - OPERATING LEASE COMMITMENTS (Continued)

Maturities of operating lease liabilities are as follows for the years ending December 31:

2026	$ 152,058
2027	68,882
	220,940
Less present value discount	(4,212)
	$ 216,728

NOTE I - CONDITIONAL GRANTS

KidVantage's federal, state, and local government contracts are mostly conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses or allowable services. Conditional contributions totaling $472,913 and $321,105 at December 31, 2025 and 2024, respectively, for which no amounts had been received in advance have not been recognized in the accompanying financial statements.

NOTE J - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to December 31, 2025 through June 23, 2026, which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at December 31, 2025, including the estimates inherent in the processing of financial statements.