

***AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION***

**ANGELS FOSTER FAMILY
NETWORK OKC, INC.
AND SUBSIDIARY**

December 31, 2024

Audited Consolidated Financial Statements
And Supplementary Information

ANGELS FOSTER FAMILY NETWORK OKC, INC.
AND SUBSIDIARY

December 31, 2024

Table of Contents

Audited Consolidated Financial Statements

Independent Auditors' Report.....	1
Consolidated Statements of Financial Position.....	4
Consolidated Statements of Activities	5
Consolidated Statements of Cash Flows	6
Consolidated Statements of Functional Expenses.....	7
Notes to Consolidated Financial Statements.....	8

Supplementary Information

Schedule I – Consolidating Statement of Financial Position – December 31, 2024.....	15
Schedule II – Consolidating Statement of Activities – December 31, 2024.....	16
Schedule III – Consolidated Schedule of Revenues and Expenses by Program – December 31, 2024.....	17
Schedule IV – Consolidated Expenditures of State Awards	18
Notes to Schedule of Expenditures of State Awards	18

Internal Control and Compliance Report

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19
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Independent Auditors' Report

To the Board of Directors
Angels Foster Family Network OKC, Inc.
And Subsidiary
Edmond, Oklahoma

Opinion

We have audited the accompanying consolidated financial statements of Angels Foster Family Network OKC, Inc. and Bright Sky Ministry, LLC (collectively the "Organization"), a nonprofit organization, which comprise the consolidated statements of financial position as of December 31, 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 consolidated financial position of the Organization, as of December 31, 2024 and 2023, and the changes in its consolidated net assets and 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 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 opinions.

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, that 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.

Auditors' Responsibilities for the Audit of 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of the Organization taken as a whole. The supplementary information in Schedules I, II, III, and IV on pages 15-18 is presented for purposes of additional analysis, and these schedules are 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 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 our report dated July 16, 2025, 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 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.

Rose Rock CPAs PLLC

Edmond, Oklahoma
July 16, 2025

ANGELS FOSTER FAMILY NETWORK OKC, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,089,781	\$ 1,196,373
Investments	275,168	263,301
Accounts receivable	112,474	80,640
Prepaid and other assets	22,973	22,527
Total current assets	1,500,396	1,562,841
Fixed Assets:		
Building	1,278,486	1,278,486
Equipment and furniture	106,198	106,197
Leasehold improvements	123,367	123,367
Right of use asset - operating	180,834	180,834
	1,688,885	1,688,884
Less accumulated depreciation and amortization	595,421	508,391
	1,093,464	1,180,493
Total assets	<u>\$ 2,593,860</u>	<u>\$ 2,743,334</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 35,669	\$ 19,778
Current portion of operating lease obligation	36,275	51,531
Total current liabilities	71,944	71,309
Operating Lease Obligation, net of current portion	-	36,275
Net Assets:		
Without donor restriction	2,521,916	2,618,874
With donor restriction	-	16,876
Total net assets	2,521,916	2,635,750
Total liabilities and net assets	<u>\$ 2,593,860</u>	<u>\$ 2,743,334</u>

See notes to consolidated financial statements.

ANGELS FOSTER FAMILY NETWORK OKC, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND OTHER REVENUES						
Grants and contributions	\$ 445,106	\$ -	\$ 445,106	\$ 615,841	\$ -	\$ 615,841
Government contracts	989,976	-	989,976	1,031,186	-	1,031,186
Foster family application fee	86	-	86	1,872	-	1,872
Realized and unrealized gain on investment	13,057	-	13,057	12,913	-	12,913
Other income	236,932	-	236,932	145,611	25,000	170,611
Net assets released from restrictions	<u>16,876</u>	<u>(16,876)</u>	<u>-</u>	<u>8,124</u>	<u>(8,124)</u>	<u>-</u>
TOTAL SUPPORT AND OTHER REVENUES	1,702,033	(16,876)	1,685,157	1,815,547	16,876	1,832,423
EXPENSES						
Program expenses	1,428,442	-	1,428,442	1,366,332	-	1,366,332
Administrative and general	189,455	-	189,455	171,492	-	171,492
Fundraising	<u>181,094</u>	<u>-</u>	<u>181,094</u>	<u>153,403</u>	<u>-</u>	<u>153,403</u>
TOTAL EXPENSES	<u>1,798,991</u>	<u>-</u>	<u>1,798,991</u>	<u>1,691,227</u>	<u>-</u>	<u>1,691,227</u>
CHANGE IN NET ASSETS	(96,958)	(16,876)	(113,834)	124,320	16,876	141,196
NET ASSETS AT BEGINNING OF YEAR	<u>2,618,874</u>	<u>16,876</u>	<u>2,635,750</u>	<u>2,494,554</u>	<u>-</u>	<u>2,494,554</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,521,916</u>	<u>\$ -</u>	<u>\$ 2,521,916</u>	<u>\$ 2,618,874</u>	<u>\$ 16,876</u>	<u>\$ 2,635,750</u>

See notes to consolidated financial statements.

ANGELS FOSTER FAMILY NETWORK OKC, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (113,834)	\$ 141,196
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	35,463	34,492
Realized and unrealized gain on investment	(11,832)	(11,663)
Changes in operating assets and liabilities:		
Accounts receivable	(31,834)	137,036
Prepaid and other assets	(446)	8,596
Accounts payable	15,891	(2,203)
Net cash provided by (used in) operating activities	(106,592)	307,454
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment	-	(11,187)
Net cash used in investing activities	-	(11,187)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(106,592)	296,267
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,196,373	900,106
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,089,781</u>	<u>\$ 1,196,373</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 1,225</u>	<u>\$ 1,250</u>

See notes to consolidated financial statements.

ANGELS FOSTER FAMILY NETWORK OKC, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2024				Year Ended December 31, 2023			
	Program Expenses	Administrative and General	Fundraising	Total Expenses	Program Expenses	Administrative and General	Fundraising	Total Expenses
Salaries and personnel	\$ 1,021,242	\$ 136,996	\$ 87,179	\$ 1,245,417	\$ 1,063,558	\$ 123,712	\$ 86,993	\$ 1,274,263
Advertising	6,166	-	1,542	7,708	4,129	-	1,032	5,161
Depreciation	30,144	3,546	1,773	35,463	29,318	3,449	1,725	34,492
Insurance	25,870	3,044	1,522	30,436	35,891	4,223	2,111	42,225
Interest expense	-	1,225	-	1,225	-	1,250	-	1,250
Outside services	14,779	9,853	-	24,632	10,407	6,938	-	17,345
Professional fees	-	12,107	-	12,107	-	12,641	-	12,641
Program expenses	51,701	-	-	51,701	31,929	-	-	31,929
Rent	61,231	-	-	61,231	53,582	-	-	53,582
Repair and maintenance	20,332	2,392	1,196	23,920	12,063	1,419	710	14,192
Screening expense	573	-	-	573	119	-	-	119
Special event expense	-	-	80,527	80,527	-	-	53,838	53,838
Stipend / subcontract	136,574	-	-	136,574	57,937	-	-	57,937
Supplies	5,072	5,636	564	11,272	4,250	4,722	472	9,444
Telecommunication	19,506	2,438	2,438	24,382	19,908	2,489	2,489	24,886
Travel and meetings	24,728	3,091	3,091	30,910	22,170	2,771	2,771	27,712
Miscellaneous	10,524	9,127	1,262	20,913	21,071	7,878	1,262	30,211
	<u>\$ 1,428,442</u>	<u>\$ 189,455</u>	<u>\$ 181,094</u>	<u>\$ 1,798,991</u>	<u>\$ 1,366,332</u>	<u>\$ 171,492</u>	<u>\$ 153,403</u>	<u>\$ 1,691,227</u>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ANGELS FOSTER FAMILY NETWORK OKC, INC. AND SUBSIDIARY

December 31, 2024

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: The Angels Foster Family Network OKC, Inc. (“Angels”) was incorporated in June 2008, under the state laws of Oklahoma as a not-for-profit corporation. Angels is located in Edmond, Oklahoma and Norman, Oklahoma, and works with the Oklahoma Department of Human Services (“DHS”) to form deep community involvement, volunteerism, and cultivate the best foster homes available for infants, toddlers, children, and teens. In September 2024, Angels created Bright Sky Ministries, LLC (“Bright Sky”), as the sole member. Bright Sky works to provide new essential items for foster and kinship children and families. Angels and its subsidiary are collectively referred to as the “Organization”. All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

Net Assets: Net assets, revenues, gains, and losses 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 Restriction – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restriction – Net assets subject to donor (or certain grantor) 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 those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents: For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash equivalents are discussed in Note G.

Contributions Receivable: The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of activities. We determine the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. There were no unconditional contributions receivable at December 31, 2024 or 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

ANGELS FOSTER FAMILY NETWORK OKC, INC. AND SUBSIDIARY

December 31, 2024

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--CONTINUED

Accounts Receivable: Accounts receivable consists primarily of reimbursements to be received under the Organization's DHS contract. The Organization considers receivables to be past due when they are outstanding for more than 30 days. The Organization uses the direct write-off method to recognize bad debts. Management determines the need to record an allowance for credit losses based on historical experience, an assessment of economic conditions, and a review of subsequent collections. As such, no allowance for credit losses has been included in the accompanying consolidated financial statements as of December 31, 2024 and 2023.

Fixed Assets: Property and equipment are carried at cost at the date of acquisition or fair value at the date of donation in the case of gifts, net of accumulated depreciation. Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets, which range from three to five years. The Organization reports gifts of property and equipment as unrestricted support unless explicit donor restrictions 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 restrictions about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Normal repairs and maintenance expenditures are expensed when incurred.

Revenue and Revenue Recognition: The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or 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 substantially met. The Organization records special events revenue as other income with event costs recorded as special events expense.

Leases: The Organization evaluates new or modified contracts at inception to determine if an arrangement is or contains a lease. The Organization records right-of-use ("ROU") assets and lease liabilities for its finance and operating leases, respectively, on the consolidated statements of financial position. Leases are initially recognized on the commencement date based on the discounted future lease payments over the term of the lease. Upon initial recognition, the ROU asset includes the lease liability plus initial direct costs and prepaid lease payments, if any, less lease incentives, if any. The lease ROU assets represent the right to use an underlying asset for the lease term, and the lease liabilities represent the obligation to make lease payments arising from the lease. For leases that do not provide an implicit rate, the Organization uses the applicable incremental borrowing rate based on information available at the commencement or modification of the lease in calculating the present value of the sum of lease payments. The lease term is defined as the non-cancellable period of the lease plus any options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option. The Organization has elected to not recognize ROU assets and lease liabilities for short-term leases, which are defined as leases with an initial term of 12 months or less.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

ANGELS FOSTER FAMILY NETWORK OKC, INC. AND SUBSIDIARY

December 31, 2024

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--CONTINUED

Functional Expenses: The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include depreciation, insurance, interest, and telecommunication, which are allocated on a square footage basis, as well as salaries and personnel, which are allocated on the basis of estimates of time and effort.

Tax Status: The Organization qualifies as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue code, and therefore has no provision for federal or state income taxes.

The Organization complies with the requirements of FASB Accounting Standards Codification (“ASC”) 740, Income Taxes, which prescribes a recognition threshold and measurement requirements for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In addition, ASC 740 provides guidance on recognition, classification, and accounting in interim periods and disclosure requirements for uncertain tax provisions. The Organization does not have any uncertain tax positions and therefore, has recorded no liability or benefit for such position for the years ended December 31, 2024 and 2023.

Concentration of Credit: The Organization maintains cash balances at financial institutions that from time to time may exceed the limits insured by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses in such accounts and management does not believe it is exposed to any significant credit risk.

Use of 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 the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: Management has evaluated subsequent events through July 16, 2025, which is the date the consolidated financial statements were available to be issued, and determined that no subsequent events have occurred that require adjustment to or disclosure of to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

ANGELS FOSTER FAMILY NETWORK OKC, INC. AND SUBSIDIARY

December 31, 2024

NOTE B--OPERATING LEASE OBLIGATION

The organization entered a five-year (3 Years, non-cancellable) lease for their Norman location commencing on September 1, 2022. The lease agreement required a monthly payment of \$4,263 per month, with an increase of 2% of Base Rent each year. As of and for the year ended December 31, 2024, the lease has a remaining life of .75 years, operating cash flows of \$51,531 and a discounted rate of 5%. The anticipated remaining payments for the operating lease obligation as of December 31, 2024 are as follows:

2025	\$	36,920
Less imputed interest		<u>645</u>
	\$	<u>36,275</u>

NOTE C--CONTRIBUTED GOODS AND SERVICES

Supplies and gifts for children were donated for distribution to children in foster care with an estimated value of approximately \$26,000 in 2024 and \$15,000 in 2023. These donations have not been recognized in the Organization's consolidated financial statements.

NOTE D--CONCENTRATIONS

The Organization receives a substantial portion of its total revenue from contracts with DHS. During the years ended December 31, 2024 and 2023, approximately 59% and 56%, respectively, of revenues were received from DHS. In addition, at December 31, 2024 and 2023, approximately 91% of the Organization's outstanding accounts receivable are due from DHS.

NOTE E--RETIREMENT PLAN

Effective April 1, 2014, the Organization adopted a 401(k) Plan (the "Plan") in which its employees are allowed to make contributions to the Plan up to the maximum amount allowed by Federal tax laws. The Organization makes matching contributions to the Plan equal to 100% of each participating employee's contributions up to three percent of their compensation. Participant contributions and the earnings thereon are immediately vested. Matching contributions vest at a rate of 20% per year beginning at two years of service. During the year ended December 31, 2024, the Plan received approximately \$33,000 in contributions from the employees and \$22,000 in contributions from the Organization. During the year ended December 31, 2023, the Plan received approximately \$47,000 in contributions from the employees and \$23,000 in contributions from the Organization.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

ANGELS FOSTER FAMILY NETWORK OKC, INC. AND SUBSIDIARY

December 31, 2024

NOTE F--LIQUIDITY

The Organization has approximately \$1,477,000 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash, investments, and accounts receivable. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE G--INVESTMENTS

Investments are stated at fair market value and are summarized as follows at December 31:

	2024		2023	
	Cost	Market	Cost	Market
Fixed income securities	\$ 259,897	\$ 259,988	\$ 257,025	\$ 257,061
Cash equivalents	3,825	3,825	726	726
Accrued interest	11,355	11,355	5,514	5,514
	<u>\$ 275,077</u>	<u>\$ 275,168</u>	<u>\$ 263,265</u>	<u>\$ 263,301</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

ANGELS FOSTER FAMILY NETWORK OKC, INC. AND SUBSIDIARY

December 31, 2024

NOTE H--FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization follows the requirements of the FASB's ASC 820 with respect to financial assets and liabilities. ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value under ASC 820 is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad categories.

The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

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:

Fixed Income Securities: Fair values are provided by the Organization's investment managers and are based on independent valuations performed by a nationally recognized, third-party pricing service which uses recent trades, yield curves, and/or interest rates to determine the estimated values.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

ANGELS FOSTER FAMILY NETWORK OKC, INC.
AND SUBSIDIARY

December 31, 2024

NOTE H--FAIR VALUE OF FINANCIAL INSTRUMENTS--CONTINUED

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

The following table presents the level in the fair value hierarchy for investments measured at fair value on a recurring basis at December 31:

	<u>2024</u>	<u>2023</u>
Fixed income securities (Level 2)	\$ 259,988	\$ 257,061
Cash equivalents*	<u>3,825</u>	<u>726</u>
	<u>\$ 263,813</u>	<u>\$ 257,787</u>

*Cash equivalents are not required to be classified in the fair value hierarchy.

ANGELS FOSTER FAMILY NETWORK OKC, INC.
AND SUBSIDIARY

SCHEDULE I - CONSOLIDATING STATEMENT OF FINANCIAL POSITION

	December 31, 2024			
	Angels Foster Family Network OKC, Inc.	Bright Sky Ministry, LLC		
	Amount Prior to Elimination Entries	Amount Prior to Elimination Entries	Eliminations in Consolidation	Consolidated
ASSETS				
Cash and cash equivalents	\$ 1,026,172	\$ 63,609	\$ -	\$ 1,089,781
Investments	275,168	-	-	275,168
Accounts receivable	112,474	-	-	112,474
Prepaid expenses and other assets	22,973	-	-	22,973
Fixed assets:				
Building	1,278,486	-	-	1,278,486
Equipment and furniture	106,198	-	-	106,198
Leasehold improvements	123,367	-	-	123,367
Right of use asset - operating	180,834	-	-	180,834
	1,688,885	-	-	1,688,885
Less accumulated depreciation and amortization	595,421	-	-	595,421
	1,093,464	-	-	1,093,464
Total assets	\$ 2,530,251	\$ 63,609	\$ -	\$ 2,593,860
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 35,097	\$ 572	\$ -	\$ 35,669
Current portion of operating lease obligation	36,275	-	-	36,275
Total liabilities	71,372	572	-	71,944
Net Assets:				
Without donor restriction	2,458,879	63,037	-	2,521,916
Total net assets	2,458,879	63,037	-	2,521,916
Total liabilities and net assets	\$ 2,530,251	\$ 63,609	\$ -	\$ 2,593,860

See independent auditors' report.

ANGELS FOSTER FAMILY NETWORK OKC, INC.
AND SUBSIDIARY

SCHEDULE II - CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	Angels Foster Family Network OKC, Inc.	Bright Sky Ministry, LLC	Eliminations in Consolidation	Consolidated
	Amount Prior to Elimination Entries	Amount Prior to Elimination Entries		
SUPPORT AND OTHER REVENUES				
Grants and contributions	\$ 344,357	\$ 101,255	\$ (506)	\$ 445,106
Government contracts	989,976	-	-	989,976
Foster family application fee	86	-	-	86
Realized and unrealized investment loss	13,057	-	-	13,057
Other income	236,932	-	-	236,932
Net assets released from restriction	-	-	-	-
TOTAL SUPPORT AND OTHER REVENUES	1,584,408	101,255	(506)	1,685,157
EXPENSES				
Salaries and personnel	1,245,417	-	-	1,245,417
Advertising	5,695	2,013	-	7,708
Depreciation	35,463	-	-	35,463
Insurance	30,436	-	-	30,436
Interest expense	1,225	-	-	1,225
Outside services	24,632	-	-	24,632
Professional fees	12,107	-	-	12,107
Program expenses	27,569	24,638	(506)	51,701
Rent	61,231	-	-	61,231
Repair and maintenance	23,920	-	-	23,920
Screening expense	573	-	-	573
Special event expense	70,912	9,615	-	80,527
Stipend / subcontract	136,574	-	-	136,574
Supplies	10,195	1,077	-	11,272
Telecommunication	24,382	-	-	24,382
Travel and meetings	30,539	371	-	30,910
Miscellaneous	20,409	504	-	20,913
TOTAL EXPENSES	1,761,279	38,218	(506)	1,798,991
CHANGE IN NET ASSETS	(176,871)	63,037	-	(113,834)
NET ASSETS AT BEGINNING OF YEAR	2,635,750	-	-	2,635,750
NET ASSETS AT END OF YEAR	\$ 2,458,879	\$ 63,037	\$ -	\$ 2,521,916

See independent auditors' report.

ANGELS FOSTER FAMILY NETWORK OKC, INC.
AND SUBSIDIARY

SCHEDULE III - CONSOLIDATED SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

Year ended December 31, 2024

	Foster Family Services	Bright Sky Ministry	Administrative and General	Fundraising	Totals
SUPPORT AND OTHER REVENUES					
Grants and contributions	\$ 344,357	\$ 100,749	\$ -	\$ -	\$ 445,106
Government contracts	989,976	-	-	-	989,976
Foster family application fee	86	-	-	-	86
Realized and unrealized gain on investment	-	-	13,057	-	13,057
Other income	-	-	29,813	207,119	236,932
TOTAL SUPPORT AND OTHER REVENUES	1,334,419	100,749	42,870	207,119	1,685,157
EXPENSES					
Salaries and personnel	1,021,242	-	136,996	87,179	1,245,417
Advertising	4,153	2,013	-	1,542	7,708
Depreciation	30,144	-	3,546	1,773	35,463
Insurance	25,870	-	3,044	1,522	30,436
Interest expense	-	-	1,225	-	1,225
Outside services	14,779	-	9,853	-	24,632
Professional fees	-	-	12,107	-	12,107
Program expenses	27,063	24,638	-	-	51,701
Rent	61,231	-	-	-	61,231
Repair and maintenance	20,332	-	2,392	1,196	23,920
Screening expense	573	-	-	-	573
Special event expense	(9,615)	9,615	-	80,527	80,527
Stipend / subcontract	136,574	-	-	-	136,574
Supplies	3,995	1,077	5,636	564	11,272
Telecommunication	19,506	-	2,438	2,438	24,382
Travel and meetings	24,357	371	3,091	3,091	30,910
Miscellaneous	10,020	504	9,127	1,262	20,913
TOTAL EXPENSES	1,390,224	38,218	189,455	181,094	1,798,991
CHANGE IN NET ASSETS BY PROGRAM	\$ (55,805)	\$ 62,531	\$ (146,585)	\$ 26,025	\$ (113,834)

See independent auditors' report.

ANGELS FOSTER FAMILY NETWORK OKC, INC.
AND SUBSIDIARY

SCHEDULE IV - SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year Ended December 31, 2024

State Grantor and Program Title	Contract Amount	Revenue Recognized	Expenditures
State of Oklahoma Department of Human Services			
Angels Foster Family Network OKC, Inc. Bridge Resource Family Services			
Contract Number - 21000052 (through 06/30/25)	Indefinite Quantity	\$ 989,976	\$ 989,976
TOTAL STATE PROGRAMS		\$ 989,976	\$ 989,976

NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS

(1) **BASIS OF PRESENTATION**

The schedule of expenditures of state awards is a summary of the Organization's state award programs prepared on the accrual basis of accounting.

(2) **RECONCILIATION OF EXPENSES**

The following is a reconciliation of the expenditures reported on the Organization's schedule of expenditures of state awards to the expenses per the consolidated statement of activities for the year ended December 31, 2024:

Expenditures on schedule of expenditures of state awards	\$ 989,976
Expenditures of non-state funds	<u>809,015</u>
Expenses per statement of activities	<u>\$ 1,798,991</u>

See independent auditors' report.



**Independent Auditors' 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
Angels Foster Family Network of OKC, Inc.
Edmond, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAP") 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 Angels Foster Family Network OKC, Inc. and Bright Sky Ministry, LLC (collectively the "Organization"), a nonprofit organization, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 16, 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 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 financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rose Rock CPAs PLLC

Edmond, Oklahoma
July 16, 2025