



**DECATUR, GEORGIA**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2018 AND 2017**

**STANDUP FOR KIDS**  
**INDEX TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

|   | <u>PAGE</u> |
|---|-------------|
| INDEPENDENT AUDITOR'S REPORT            |             |
| STATEMENTS OF FINANCIAL POSITION        | 1           |
| STATEMENTS OF ACTIVITIES AND NET ASSETS | 2           |
| STATEMENTS OF FUNCTIONAL EXPENSES       | 3-4         |
| STATEMENTS OF CASH FLOWS                | 5           |
| NOTES TO FINANCIAL STATEMENTS           | 6-11        |



**Jones and Kolb**  
Certified Public Accountants  
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
StandUp For Kids  
Decatur, Georgia

We have audited the accompanying financial statements of StandUp For Kids (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility 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; this includes 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of StandUp For Kids as of December 31, 2018 and 2017, 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.

*Jones and Kolb*

May 17, 2019

**STANDUP FOR KIDS**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2018 AND 2017**

**ASSETS**

|                                    | <b>2018</b>         | <b>2017</b>         |
|------------------------------------|---------------------|---------------------|
| <b>CURRENT ASSETS</b>              |                     |                     |
| Cash                               | \$ 1,137,555        | \$ 983,502          |
| Restricted cash                    | 311,325             | 311,615             |
| Contributions receivable           | 409,572             | 156,291             |
| Prepaid expenses                   | 13,913              | 18,553              |
| Investments                        | 4,417               | -                   |
| Total current assets               | 1,876,782           | 1,469,961           |
| <b>PROPERTY AND EQUIPMENT, NET</b> | 85                  | 592                 |
| <b>DEPOSITS AND OTHER ASSETS</b>   | 21,178              | 28,694              |
| Total assets                       | <b>\$ 1,898,045</b> | <b>\$ 1,499,247</b> |

**LIABILITIES AND NET ASSETS**

|                                       |                     |                     |
|---------------------------------------|---------------------|---------------------|
| <b>CURRENT LIABILITIES</b>            |                     |                     |
| Accounts payable and accrued expenses | \$ 30,868           | \$ 34,980           |
| Total current liabilities             | 30,868              | 34,980              |
| <b>NET ASSETS</b>                     |                     |                     |
| Without donor restrictions            |                     |                     |
| Undesignated                          | 1,308,100           | 1,165,048           |
| Board designated                      | 171,087             | 158,937             |
| Total without donor restrictions      | 1,479,187           | 1,323,985           |
| With donor restrictions               | 387,990             | 140,282             |
| Total net assets                      | 1,867,177           | 1,464,267           |
| Total liabilities and net assets      | <b>\$ 1,898,045</b> | <b>\$ 1,499,247</b> |

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



**STANDUP FOR KIDS**  
**STATEMENTS OF ACTIVITIES AND NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

|   | <u>2018</u>  | <u>2017</u>  |
|---|--------------|--------------|
| <b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>                                |              |              |
| Individual contributions  | \$ 373,783   | \$ 392,873   |
| Foundation contributions  | 160,710      | 305,956      |
| Business contributions  | 389,292      | 143,104      |
| Other contributions   | 261,577      | 234,585      |
| In-kind contributions   | 326,980      | 315,610      |
| Special event revenue   | 35,189       | 11,924       |
| Direct costs of special events  | (15,973)     | (540)        |
| Other income  | 12,837       | 9,752        |
|   | <hr/>        | <hr/>        |
| Total revenue and support   | 1,544,395    | 1,413,264    |
| <b>NET ASSETS RELEASED FROM RESTRICTIONS</b>                                | <hr/>        | <hr/>        |
|   | 107,433      | 125,637      |
| <b>TOTAL REVENUE, SUPPORT AND<br/>NET ASSETS RELEASED FROM RESTRICTIONS</b> | <hr/>        | <hr/>        |
|   | 1,651,828    | 1,538,901    |
| <b>EXPENSES</b>   |              |              |
| Program services  | 1,283,248    | 1,114,703    |
| Management and general  | 116,710      | 98,853       |
| Fundraising   | 96,668       | 84,315       |
|   | <hr/>        | <hr/>        |
| Total expenses  | 1,496,626    | 1,297,871    |
|   | <hr/>        | <hr/>        |
| Change in net assets without donor restrictions                             | 155,202      | 241,030      |
| <b>NET ASSETS WITH DONOR RESTRICTIONS</b>                                   |              |              |
| Restricted contributions  | 355,141      | 154,930      |
| Net assets released from donor restrictions                                 | (107,433)    | (125,637)    |
|   | <hr/>        | <hr/>        |
| Change in net assets with donor restrictions                                | 247,708      | 29,293       |
| <b>CHANGE IN NET ASSETS</b>   | <hr/>        | <hr/>        |
|   | 402,910      | 270,323      |
| <b>NET ASSETS, BEGINNING OF YEAR</b>  | <hr/>        | <hr/>        |
|   | 1,464,267    | 1,193,944    |
| <b>NET ASSETS, END OF YEAR</b>  | <hr/> <hr/>  | <hr/> <hr/>  |
|   | \$ 1,867,177 | \$ 1,464,267 |

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

**STANDUP FOR KIDS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                  | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Fundraising</u> | <u>Total<br/>Expenses</u> |
|----------------------------------|-----------------------------|-----------------------------------|--------------------|---------------------------|
| Specific assistance              | \$ 574,708                  | \$ -                              | \$ -               | \$ 574,708                |
| Salaries and wages               | 362,979                     | 45,834                            | 22,917             | 431,730                   |
| Occupancy                        | 230,545                     | 19,466                            | 9,332              | 259,343                   |
| Conferences and meetings         | 17,859                      | 9,502                             | 3,040              | 30,401                    |
| Payroll taxes and fees           | 18,391                      | 5,255                             | 2,627              | 26,273                    |
| Miscellaneous                    | 10,793                      | 6,581                             | 8,869              | 26,243                    |
| Fundraising                      | -                           | -                                 | 24,725             | 24,725                    |
| Advertising and public relations | -                           | 1,096                             | 20,825             | 21,921                    |
| Office expense                   | 14,714                      | 4,972                             | 827                | 20,513                    |
| Communications                   | 17,263                      | 2,418                             | 789                | 20,470                    |
| Professional fees                | 5,659                       | 14,806                            | -                  | 20,465                    |
| Insurance                        | 10,351                      | 3,470                             | 690                | 14,511                    |
| Travel                           | 5,496                       | 1,099                             | 733                | 7,328                     |
| Repairs and maintenance          | 5,785                       | 643                               | -                  | 6,428                     |
| Dues and subscriptions           | 4,173                       | 556                               | 835                | 5,564                     |
| Postage and shipping             | 2,547                       | 318                               | 318                | 3,183                     |
| Printing                         | 1,503                       | 694                               | 116                | 2,313                     |
| Depreciation                     | 482                         | -                                 | 25                 | 507                       |
| Total expenses                   | <u>\$ 1,283,248</u>         | <u>\$ 116,710</u>                 | <u>\$ 96,668</u>   | <u>\$ 1,496,626</u>       |

The accompanying notes to financial statements  
are an integral part of this statement.

**STANDUP FOR KIDS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                  | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Fundraising</u> | <u>Total<br/>Expenses</u> |
|----------------------------------|-----------------------------|-----------------------------------|--------------------|---------------------------|
| Specific assistance              | \$ 493,834                  | \$ -                              | \$ -               | \$ 493,834                |
| Salaries and wages               | 262,178                     | 50,208                            | 25,592             | 337,978                   |
| Occupancy                        | 213,680                     | 11,251                            | 10,686             | 235,617                   |
| Conferences and meetings         | 19,785                      | 1,099                             | 1,099              | 21,983                    |
| Payroll taxes and fees           | 14,950                      | 3,987                             | 997                | 19,934                    |
| Miscellaneous                    | 12,857                      | 5,309                             | 694                | 18,860                    |
| Fundraising                      | -                           | -                                 | 39,587             | 39,587                    |
| Advertising and public relations | 1,334                       | 88                                | 356                | 1,778                     |
| Office expense                   | 11,273                      | 3,933                             | 641                | 15,847                    |
| Communications                   | 14,312                      | 1,678                             | 815                | 16,805                    |
| Professional fees                | 12,770                      | 13,734                            | -                  | 26,504                    |
| Insurance                        | 14,766                      | 2,830                             | 871                | 18,467                    |
| Travel                           | 18,715                      | 1,310                             | 561                | 20,586                    |
| Repairs and maintenance          | 7,934                       | 882                               | -                  | 8,816                     |
| Dues and subscriptions           | 10,774                      | 1,437                             | 2,155              | 14,366                    |
| Postage and shipping             | 2,621                       | 146                               | 146                | 2,913                     |
| Printing                         | 1,808                       | 961                               | 57                 | 2,826                     |
| Depreciation                     | 1,112                       | -                                 | 58                 | 1,170                     |
| Total expenses                   | <u>\$ 1,114,703</u>         | <u>\$ 98,853</u>                  | <u>\$ 84,315</u>   | <u>\$ 1,297,871</u>       |

The accompanying notes to financial statements  
are an integral part of this statement.



**STANDUP FOR KIDS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                  | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Fundraising</u> | <u>Total<br/>Expenses</u> |
|----------------------------------|-----------------------------|-----------------------------------|--------------------|---------------------------|
| Specific assistance              | \$ 493,834                  | \$ -                              | \$ -               | \$ 493,834                |
| Salaries and wages               | 262,178                     | 50,208                            | 25,592             | 337,978                   |
| Occupancy                        | 213,680                     | 11,251                            | 10,686             | 235,617                   |
| Conferences and meetings         | 19,785                      | 1,099                             | 1,099              | 21,983                    |
| Payroll taxes and fees           | 14,950                      | 3,987                             | 997                | 19,934                    |
| Miscellaneous                    | 12,857                      | 5,309                             | 694                | 18,860                    |
| Fundraising                      | -                           | -                                 | 39,587             | 39,587                    |
| Advertising and public relations | 1,334                       | 88                                | 356                | 1,778                     |
| Office expense                   | 11,273                      | 3,933                             | 641                | 15,847                    |
| Communications                   | 14,312                      | 1,678                             | 815                | 16,805                    |
| Professional fees                | 12,770                      | 13,734                            | -                  | 26,504                    |
| Insurance                        | 14,766                      | 2,830                             | 871                | 18,467                    |
| Travel                           | 18,715                      | 1,310                             | 561                | 20,586                    |
| Repairs and maintenance          | 7,934                       | 882                               | -                  | 8,816                     |
| Dues and subscriptions           | 10,774                      | 1,437                             | 2,155              | 14,366                    |
| Postage and shipping             | 2,621                       | 146                               | 146                | 2,913                     |
| Printing                         | 1,808                       | 961                               | 57                 | 2,826                     |
| Depreciation                     | 1,112                       | -                                 | 58                 | 1,170                     |
| Total expenses                   | <u>\$ 1,114,703</u>         | <u>\$ 98,853</u>                  | <u>\$ 84,315</u>   | <u>\$ 1,297,871</u>       |

The accompanying notes to financial statements  
are an integral part of this statement.



**STANDUP FOR KIDS**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

|  | <u>2018</u>                | <u>2017</u>              |
|--|----------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                            |                          |
| Change in net assets   | <u>\$ 402,910</u>          | <u>\$ 270,323</u>        |
| <b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b> |                            |                          |
| Depreciation   | 507                        | 1,170                    |
| Contribution of marketable securities  | (4,417)                    | -                        |
| Change in restricted cash  | 290                        | 21                       |
| Change in contributions receivable   | (253,281)                  | 12,659                   |
| Change in prepaid expenses   | 4,640                      | (5,350)                  |
| Change in deposits and other assets  | 7,516                      | 741                      |
| Change in accounts payable and accrued expenses  | <u>(4,112)</u>             | <u>33,969</u>            |
| Total adjustments  | <u>(248,857)</u>           | <u>43,210</u>            |
| Net cash provided by operating activities  | <u>154,053</u>             | <u>313,533</u>           |
| <b>NET INCREASE IN CASH</b>  | 154,053                    | 313,533                  |
| <b>CASH</b>  |                            |                          |
| Beginning of year  | <u>983,502</u>             | <u>669,969</u>           |
| <b>CASH</b>  |                            |                          |
| End of year  | <u><u>\$ 1,137,555</u></u> | <u><u>\$ 983,502</u></u> |

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

**STANDUP FOR KIDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. StandUp For Kids (the "Organization") was founded in 1990 to help rescue homeless and at-risk youth. With its national headquarters in Decatur, Georgia, StandUp For Kids is run almost entirely by volunteers, and has established seventeen programs in ten states and the District of Columbia.

A substantial portion of the Organization's income is derived from private companies, foundations, and individuals. For the year ended December 31, 2018, approximately 13% of total contributions was from one donor. There were no donor concentrations during the year ended December 31, 2017.

B. Property and equipment is stated at cost when purchased; or if donated, at the fair market value on the date of donation. Depreciation is calculated using the straight-line method over the estimated useful life of the asset, which ranges from three to seven years. Additions and replacements are charged to the property accounts, while repairs and maintenance are charged to expense as incurred.

Property and equipment, which consists of computer equipment, furniture, and leasehold improvements, is reported on the Statements of Financial Position net of accumulated depreciation, which was \$63,198 and \$62,691 as of December 31, 2018 and 2017, respectively. Depreciation expense was \$507 and \$1,170 for the years ended December 31, 2018 and 2017, respectively.

C. The Organization prepares its financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

D. 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 restrictions – These net assets are available for use in general operations and are not subject to donor or grantor restrictions. The governing Board has designated an amount, from net assets without donor restrictions, for a building fund for the San Diego chapter and general scholarship awards. At December 31, 2018 and 2017, Board designated net assets were \$171,087 and \$158,937, respectively.



**STANDUP FOR KIDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

Net assets with donor restrictions – These net assets are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature; for example, stipulating that resources be maintained in perpetuity. The donors of these assets permit the Organization to use all of the income earned on related investments for general or specific purposes. More specifically, items included in net assets with donor restrictions are gifts for which restrictions have not been met.

When restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Net Assets as "net assets released from restrictions."

E. Contributions, including unconditional promises to give, are recorded as revenue when the unconditional pledge is made. All contributions are available for unrestricted use unless specifically restricted by the donor. At December 31, 2018 and 2017, the Organization considered all contributions receivable to be fully collectible; therefore, an allowance for uncollectible contributions receivable has not been recorded. At December 31, 2018, 49% of pledges receivable was due from one donor.

The Organization records donated services as contribution revenue and expense if the services create or enhance a non-financial asset, or the services would (1) need to be purchased by the Organization if not provided by contribution, (2) require specialized skills, and (3) are provided by individuals with those skills. Donated materials, office space and services are reflected as contributions in the accompanying statements at their estimated value at date of receipt. Donated materials primarily consists of clothing, food, and hygiene products.

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization with the administration of its programs. No amounts have been recorded in the financial statements for those services since they do not meet the criteria for recognition under GAAP.

F. The Organization considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. The Organization did not have cash equivalents as of December 31, 2018 and 2017. The Organization maintains cash deposits that at times may exceed the Federal deposit insurance limit of \$250,000. The Organization believes it mitigates any risk by depositing cash with major financial institutions.

G. The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Income generated from activities unrelated to the Organization's exempt purpose is subject to tax. Management has evaluated all tax positions taken on its returns and believes all positions are more likely-than-not to be sustained upon examination.

**STANDUP FOR KIDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

H. The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the Statements of Activities and Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include depreciation, general office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimated time and effort.

I. In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958). This ASU improves the prior net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance and cash flows. The ASU is effective for fiscal years beginning after December 15, 2017. The Organization has adopted this standard for the year ended December 31, 2018 and retroactively applied this standard to the year ended December 31, 2017.

J. Certain prior year balances have been reclassified to conform to the current year financial presentation.

K. Subsequent events have been evaluated by management through May 17, 2019, the date these financial statements were available to be issued.

## 2. RESTRICTED CASH

The Organization maintains a separate bank account to deposit all funds received that are subject to donor restriction or Board designation. Funds subject to various restrictions and designations were \$311,325 and \$311,615 at December 31, 2018 and 2017, respectively.

## 3. LIQUIDITY

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 December 31, 2018:

|                                      |                     |
|--------------------------------------|---------------------|
| Cash                                 | \$ 1,137,555        |
| Pledges and account receivables, net | 409,572             |
| Investments                          | <u>4,417</u>        |
| Total                                | <u>\$ 1,551,544</u> |

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.



**STANDUP FOR KIDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

**4. PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31:

|                                   | <u>2018</u>   | <u>2017</u>   |
|-----------------------------------|---------------|---------------|
| Computer equipment                | \$ 10,486     | \$ 10,486     |
| Furniture                         | 32,029        | 32,029        |
| Leasehold improvements            | <u>20,768</u> | <u>20,768</u> |
| Total                             | 63,283        | 63,283        |
| Less accumulated depreciation     | <u>63,198</u> | <u>62,691</u> |
| Total property and equipment, net | <u>\$ 85</u>  | <u>\$ 592</u> |

**5. NET ASSETS**

Board designated net assets consisted of \$171,087 and \$158,937 for a building fund for the San Diego chapter and general scholarship awards at December 31, 2018 and 2017, respectively.

Changes to net assets with donor restrictions are as follows:

|  | <u>December 31,</u><br><u>2017</u> | <u>Additions</u>  | <u>Released from</u><br><u>Restrictions</u> | <u>December 31,</u><br><u>2018</u> |
|--|------------------------------------|-------------------|---|------------------------------------|
| Subject to expenditure for specified purpose:  |                                    |                   |   |                                    |
| Mentoring and education  | \$ 85,084                          | \$ 54,000         | \$ (57,208)                                 | \$ 81,876                          |
| Kids services  | 20,834                             | 12,650            | (24,080)                                    | 9,404                              |
| Housing support  | 28,534                             | 29,498            | (15,439)                                    | 42,593                             |
| Outreach centers   | 5,830                              | 58,993            | (10,706)                                    | 54,117                             |
|  | <u>140,282</u>                     | <u>155,141</u>    | <u>(107,433)</u>                            | <u>187,990</u>                     |
| Subject to the passage of time:  |                                    |                   |   |                                    |
| Promises to give without donor restrictions but are unavailable until collected from donor | -                                  | 200,000           | -   | 200,000                            |
|  | <u>-</u>                           | <u>200,000</u>    | <u>-</u>                                    | <u>200,000</u>                     |
|  | <u>\$ 140,282</u>                  | <u>\$ 355,141</u> | <u>\$ (107,433)</u>                         | <u>\$ 387,990</u>                  |