



ATLANTA, GEORGIA

REPORT ON AUDITS OF FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013**

STANDUP FOR KIDS
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
StandUp For Kids
Atlanta, 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, 2014 and 2013, 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, 2014 and 2013, 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

June 3, 2015

STANDUP FOR KIDS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

ASSETS

	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Cash	\$ 468,753	\$ 452,712
Restricted cash	126,471	129,749
Contributions receivable	170,309	49,954
Prepaid expenses	13,783	15,054
	<hr/>	<hr/>
Total current assets	779,316	647,469
PROPERTY AND EQUIPMENT, NET	13,339	19,533
DEPOSITS AND OTHER ASSETS	<hr/>	<hr/>
	28,491	24,003
	<hr/>	<hr/>
Total assets	<u>\$ 821,146</u>	<u>\$ 691,005</u>

LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 40,154	\$ 28,440
	<hr/>	<hr/>
Total current liabilities	40,154	28,440
	<hr/>	<hr/>
NET ASSETS		
Unrestricted	621,236	532,816
Temporarily restricted	159,756	129,749
	<hr/>	<hr/>
Total net assets	780,992	662,565
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 821,146</u>	<u>\$ 691,005</u>

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, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CHANGE IN UNRESTRICTED NET ASSETS		
REVENUE AND SUPPORT		
Individual contributions	\$ 218,175	\$ 224,625
Business contributions	110,222	136,706
Foundation contributions	163,609	158,709
Other contributions	215,878	166,489
Special event revenue	65,524	48,988
Direct costs of special events	(29,030)	(14,145)
In-kind contributions	395,900	361,953
Other income	7,043	22,463
	<u>1,147,321</u>	<u>1,105,788</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>77,316</u>	<u>58,117</u>
Total unrestricted revenue and support	<u>1,224,637</u>	<u>1,163,905</u>
EXPENSES		
Program services	940,351	857,243
Management and general	87,101	64,315
Fundraising	108,765	95,294
	<u>1,136,217</u>	<u>1,016,852</u>
Change in unrestricted net assets	<u>88,420</u>	<u>147,053</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS		
Restricted contributions	107,323	20,800
Net assets released from donor restrictions	(77,316)	(58,117)
	<u>30,007</u>	<u>(37,317)</u>
CHANGE IN NET ASSETS	118,427	109,736
NET ASSETS, BEGINNING OF YEAR	<u>662,565</u>	<u>552,829</u>
NET ASSETS, END OF YEAR	<u>\$ 780,992</u>	<u>\$ 662,565</u>

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, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Specific assistance	\$ 507,249	\$ -	\$ -	\$ 507,249
Salaries and wages	140,717	32,530	64,317	237,564
Occupancy	190,055	18,362	10,128	218,545
Professional fees	25,410	13,256	-	38,666
Fundraising	-	-	29,109	29,109
Insurance	16,131	3,732	1,008	20,871
Miscellaneous	9,447	5,185	636	15,268
Office expense	6,910	4,789	177	11,876
Communications	9,387	1,365	630	11,382
Depreciation	6,111	2,183	436	8,730
Payroll taxes and fees	6,507	1,735	434	8,676
Repairs and maintenance	7,000	778	-	7,778
Advertising and public relations	4,036	1,345	1,345	6,726
Travel	5,008	389	167	5,564
Postage and shipping	3,416	432	203	4,051
Printing	1,733	921	54	2,708
Conferences and meetings	855	48	48	951
Dues and subscriptions	379	51	73	503
Total expenses	<u>\$ 940,351</u>	<u>\$ 87,101</u>	<u>\$ 108,765</u>	<u>\$ 1,136,217</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, 2013

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Specific assistance	\$ 435,174	\$ -	\$ -	\$ 435,174
Salaries and wages	117,171	19,026	53,923	190,120
Occupancy	168,182	10,610	6,997	185,789
Professional fees	43,223	10,607	-	53,830
Fundraising	-	-	30,531	30,531
Insurance	16,425	7,369	-	23,794
Miscellaneous	9,552	4,919	760	15,231
Office expense	7,611	4,795	-	12,406
Communications	13,650	906	707	15,263
Depreciation	22,143	4,152	1,384	27,679
Payroll taxes and fees	6,577	822	822	8,221
Repairs and maintenance	3,520	-	-	3,520
Advertising and public relations	298	175	-	473
Travel	7,883	163	81	8,127
Postage and shipping	4,446	72	48	4,566
Printing	1,308	695	41	2,044
Conferences and meetings	80	4	-	84
Total expenses	<u>\$ 857,243</u>	<u>\$ 64,315</u>	<u>\$ 95,294</u>	<u>\$ 1,016,852</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, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 118,427	\$ 109,736
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Depreciation	8,730	27,679
Change in restricted cash	3,278	37,318
Change in contributions receivable	(120,355)	(19,058)
Change in prepaid expenses	1,271	(5,483)
Change in deposits and other assets	(4,488)	(11,437)
Change in accounts payable and accrued expenses	11,714	(1,029)
Total adjustments	<u>(99,850)</u>	<u>27,990</u>
Net cash provided by (used in) operating activities	<u>18,577</u>	<u>137,726</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	<u>(2,536)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(2,536)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	16,041	137,726
CASH		
Beginning of year	<u>452,712</u>	<u>314,986</u>
CASH		
End of year	<u>\$ 468,753</u>	<u>\$ 452,712</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, 2014 AND 2013

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 Atlanta, Georgia, StandUp For Kids is run almost entirely by volunteers, and has established more than twenty outreach programs in sixteen states and the District of Columbia.

A substantial portion of the Organization's income is derived from private companies, foundations, and individuals. There were no donor concentrations during the years ended December 31, 2014 and 2013.

B. Property and equipment is stated at cost if 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 lives of the assets, which range 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 \$153,729 and \$144,999 as of December 31, 2014 and 2013, respectively. Depreciation expense was \$8,730 and \$27,679 for the years ended December 31, 2014 and 2013, 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, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Organization records contributions of cash and other assets as unrestricted income unless specifically restricted by the donor. Restricted contributions, including unconditional promises to give with payments due in future periods, are recorded as restricted income. When the donor restriction is fulfilled or expires, the temporarily restricted net assets are reclassified to unrestricted net assets and are reported as net assets released from donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that are expected to be met either by actions of the Organization and/or the passage of time.

STANDUP FOR KIDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that are required to be maintained permanently by the Organization. The Organization had no permanently restricted net assets at December 31, 2014 and 2013.

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.

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 and services are reflected as contributions in the accompanying statements at their estimated value at date of receipt. Donated materials primarily consist of clothes, food, and hygiene products. During the years ended December 31, 2014 and 2013, the Organization recorded donated services of approximately \$24,000 and \$41,000, respectively, which consisted primarily of medical, legal, investigative and educational services.

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 or investments as of December 31, 2014 and 2013. 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. The Organization is subject to examinations of its returns by the U.S. Federal, state and local authorities for three years after the returns are filed. Currently, the Organization's 2011 through 2014 tax years are open and subject to examination by the Internal Revenue Service. However, the Organization is not currently under audit nor has it been contacted by the Internal Revenue Service.

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.

STANDUP FOR KIDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

I. Subsequent events have been evaluated by management through June 3, 2015, 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. Funds subject to various restrictions were \$126,471 and \$129,749 at December 31, 2014 and 2013, respectively.

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2014</u>	<u>2013</u>
Computer equipment	\$ 12,092	\$ 10,951
Furniture	32,700	31,305
Leasehold improvements	<u>122,276</u>	<u>122,276</u>
Total	167,068	164,532
Less accumulated depreciation	<u>153,729</u>	<u>144,999</u>
Total property and equipment, net	<u><u>\$ 13,339</u></u>	<u><u>\$ 19,533</u></u>

4. OPERATING LEASES

The Organization leases certain office space and outreach program centers under operating leases that will expire between 2015 and 2016. Lease expense for the years ended December 31, 2014 and 2013 was \$146,929 and \$118,298, respectively. At December 31, 2014, the future minimum lease payments under all leases are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 145,400
2016	\$ 77,000

STANDUP FOR KIDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are as follows at December 31:

	<u>2014</u>	<u>2013</u>
Oceanside Housing Support	\$ 31,560	\$ 34,319
SunTrust Bank	27,500	-
The Osterman Foundation	25,000	-
CarMax Foundation	16,087	14,271
Wal-Mart Foundation	14,649	16,605
Gumpert Foundation	14,000	-
Taco Bell Foundation Grant	6,755	9,495
UPS Technology Grant	5,809	5,809
The Allergan Foundation	5,000	-
Virgin Unite USA, Inc. Grant	4,619	22,928
Wells Fargo Foundation	2,762	3,771
Orange County Kids Services	2,750	1,500
City of Mission Viejo	1,874	5,837
Western Digital Foundation	915	1,261
Agena Foundation	476	3,894
The Fidelity Charitable Gift Fund	-	5,693
Robert and Sandra Haulter Donation	-	4,366
	<u> </u>	<u> </u>
Total temporarily restricted net assets	<u>\$ 159,756</u>	<u>\$ 129,749</u>

Temporarily restricted net assets were released for the following purposes for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Mentoring and education	\$ 33,812	\$ 18,017
Outreach centers	20,208	19,877
Kids services	20,015	4,236
Housing support	3,106	12,127
Other	175	3,860
	<u> </u>	<u> </u>
Total	<u>\$ 77,316</u>	<u>\$ 58,117</u>

STANDUP FOR KIDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

6. IN-KIND CONTRIBUTIONS

In-kind contributions received for the years ended December 31, 2014 and 2013 consist of the following:

	<u>2014</u>	<u>2013</u>
Clothes	\$ 200,517	\$ 137,339
Food	63,683	63,514
Other miscellaneous items	58,077	62,363
Rent/meeting space	49,538	55,850
Services	24,000	41,456
Hygiene products	<u>85</u>	<u>1,431</u>
Total in-kind contributions	<u><u>\$ 395,900</u></u>	<u><u>\$ 361,953</u></u>