



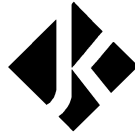
**ATLANTA, GEORGIA**

**REPORT ON AUDITS OF FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2015 AND 2014**

**STANDUP FOR KIDS**  
**INDEX TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

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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, 2015 and 2014, 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, 2015 and 2014, 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*

April 29, 2016

**STANDUP FOR KIDS**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2015 AND 2014**

**ASSETS**

|                                    | <b><u>2015</u></b>  | <b><u>2014</u></b> |
|------------------------------------|---------------------|--------------------|
| <b>CURRENT ASSETS</b>              |                     |                    |
| Cash                               | \$ 560,579          | \$ 468,753         |
| Restricted cash                    | 286,265             | 126,471            |
| Contributions receivable           | 133,909             | 170,309            |
| Prepaid expenses                   | <u>15,983</u>       | <u>13,783</u>      |
| Total current assets               | 996,736             | 779,316            |
| <b>PROPERTY AND EQUIPMENT, NET</b> | 6,304               | 13,339             |
| <b>DEPOSITS AND OTHER ASSETS</b>   | <u>27,778</u>       | <u>28,491</u>      |
| Total assets                       | <u>\$ 1,030,818</u> | <u>\$ 821,146</u>  |

**LIABILITIES AND NET ASSETS**

|                                       | <b><u>2015</u></b>  | <b><u>2014</u></b> |
|---------------------------------------|---------------------|--------------------|
| <b>CURRENT LIABILITIES</b>            |                     |                    |
| Accounts payable and accrued expenses | <u>\$ 28,073</u>    | <u>\$ 40,154</u>   |
| Total current liabilities             | <u>28,073</u>       | <u>40,154</u>      |
| <b>NET ASSETS</b>                     |                     |                    |
| Unrestricted                          |                     |                    |
| Undesignated                          | 702,658             | 621,236            |
| Board designated                      | <u>138,937</u>      | <u>-</u>           |
| Total unrestricted                    | 841,595             | 621,236            |
| Temporarily restricted                | <u>161,150</u>      | <u>159,756</u>     |
| Total net assets                      | <u>1,002,745</u>    | <u>780,992</u>     |
| Total liabilities and net assets      | <u>\$ 1,030,818</u> | <u>\$ 821,146</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, 2015 AND 2014**

|  | <u>2015</u>         | <u>2014</u>       |
|--|---------------------|-------------------|
| <b>CHANGE IN UNRESTRICTED NET ASSETS</b>           |                     |                   |
| <b>REVENUE AND SUPPORT</b>                         |                     |                   |
| Individual contributions                           | \$ 279,425          | \$ 218,175        |
| Business contributions                             | 189,606             | 110,222           |
| Foundation contributions                           | 73,026              | 163,609           |
| Other contributions                                | 319,080             | 215,878           |
| Special event revenue                              | 77,937              | 65,524            |
| Direct costs of special events                     | (9,769)             | (29,030)          |
| In-kind contributions                              | 376,919             | 395,900           |
| Other income                                       | 7,727               | 7,043             |
|  | <hr/>               | <hr/>             |
| Total revenue and support                          | 1,313,951           | 1,147,321         |
| <b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b> | <hr/>               | <hr/>             |
|  | 99,741              | 77,316            |
|  | <hr/>               | <hr/>             |
| Total unrestricted revenue and support             | 1,413,692           | 1,224,637         |
|  | <hr/>               | <hr/>             |
| <b>EXPENSES</b>                                    |                     |                   |
| Program services                                   | 1,004,497           | 940,351           |
| Management and general                             | 85,286              | 87,101            |
| Fundraising  | 103,550             | 108,765           |
|  | <hr/>               | <hr/>             |
| Total expenses                                     | 1,193,333           | 1,136,217         |
|  | <hr/>               | <hr/>             |
| Change in unrestricted net assets                  | 220,359             | 88,420            |
|  | <hr/>               | <hr/>             |
| <b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b> |                     |                   |
| Restricted contributions                           | 101,135             | 107,323           |
| Net assets released from donor restrictions        | (99,741)            | (77,316)          |
|  | <hr/>               | <hr/>             |
| Change in temporarily restricted net assets        | 1,394               | 30,007            |
|  | <hr/>               | <hr/>             |
| <b>CHANGE IN NET ASSETS</b>                        | 221,753             | 118,427           |
| <b>NET ASSETS, BEGINNING OF YEAR</b>               | <hr/>               | <hr/>             |
|  | 780,992             | 662,565           |
|  | <hr/>               | <hr/>             |
| <b>NET ASSETS, END OF YEAR</b>                     | <u>\$ 1,002,745</u> | <u>\$ 780,992</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, 2015**

|                                  | <b><u>Program<br/>Services</u></b> | <b><u>Management<br/>and General</u></b> | <b><u>Fundraising</u></b> | <b><u>Total<br/>Expenses</u></b> |
|----------------------------------|------------------------------------|--|---------------------------|----------------------------------|
| Specific assistance              | \$ 527,581                         | \$ -                                     | \$ -                      | \$ 527,581                       |
| Salaries and wages               | 176,530                            | 41,013                                   | 78,450                    | 295,993                          |
| Occupancy                        | 190,788                            | 14,611                                   | 9,904                     | 215,303                          |
| Professional fees                | 24,636                             | 7,740                                    | -                         | 32,376                           |
| Insurance                        | 15,610                             | 4,695                                    | 976                       | 21,281                           |
| Office expense                   | 10,966                             | 5,323                                    | 435                       | 16,724                           |
| Miscellaneous                    | 12,197                             | 3,744                                    | 728                       | 16,669                           |
| Payroll taxes and fees           | 8,306                              | 2,215                                    | 554                       | 11,075                           |
| Fundraising                      | -                                  | -  | 10,106                    | 10,106                           |
| Communications                   | 8,561                              | 1,009                                    | 492                       | 10,062                           |
| Repairs and maintenance          | 7,473                              | 830                                      | -                         | 8,303                            |
| Depreciation                     | 4,925                              | 1,759                                    | 351                       | 7,035                            |
| Postage and shipping             | 5,488                              | 709                                      | 326                       | 6,523                            |
| Dues and subscriptions           | 4,641                              | 619                                      | 928                       | 6,188                            |
| Travel                           | 4,933                              | 384                                      | 164                       | 5,481                            |
| Printing                         | 999                                | 531                                      | 31                        | 1,561                            |
| Conferences and meetings         | 663                                | 37                                       | 37                        | 737                              |
| Advertising and public relations | 200                                | 67                                       | 68                        | 335                              |
| Total expenses                   | <b><u>\$ 1,004,497</u></b>         | <b><u>\$ 85,286</u></b>                  | <b><u>\$ 103,550</u></b>  | <b><u>\$ 1,193,333</u></b>       |

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, 2014**

|                                  | <b><u>Program<br/>Services</u></b> | <b><u>Management<br/>and General</u></b> | <b><u>Fundraising</u></b> | <b><u>Total<br/>Expenses</u></b> |
|----------------------------------|------------------------------------|--|---------------------------|----------------------------------|
| 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                           |
| Insurance                        | 16,131                             | 3,732                                    | 1,008                     | 20,871                           |
| Office expense                   | 6,910                              | 4,789                                    | 177                       | 11,876                           |
| Miscellaneous                    | 9,447                              | 5,185                                    | 636                       | 15,268                           |
| Payroll taxes and fees           | 6,507                              | 1,735                                    | 434                       | 8,676                            |
| Fundraising                      | -                                  | -  | 29,109                    | 29,109                           |
| Communications                   | 9,387                              | 1,365                                    | 630                       | 11,382                           |
| Repairs and maintenance          | 7,000                              | 778                                      | -                         | 7,778                            |
| Depreciation                     | 6,111                              | 2,183                                    | 436                       | 8,730                            |
| Postage and shipping             | 3,416                              | 432                                      | 203                       | 4,051                            |
| Dues and subscriptions           | 379                                | 51                                       | 73                        | 503                              |
| Travel                           | 5,008                              | 389                                      | 167                       | 5,564                            |
| Printing                         | 1,733                              | 921                                      | 54                        | 2,708                            |
| Conferences and meetings         | 855                                | 48                                       | 48                        | 951                              |
| Advertising and public relations | 4,036                              | 1,345                                    | 1,345                     | 6,726                            |
| Total expenses                   | <b><u>\$ 940,351</u></b>           | <b><u>\$ 87,101</u></b>                  | <b><u>\$ 108,765</u></b>  | <b><u>\$ 1,136,217</u></b>       |

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, 2015 AND 2014**

|  | <u>2015</u>       | <u>2014</u>       |
|--|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                   |                   |
| Change in net assets   | \$ 221,753        | \$ 118,427        |
| <b>ADJUSTMENTS TO RECONCILE CHANGE IN<br/>NET ASSETS TO NET CASH PROVIDED BY<br/>(USED IN) OPERATING ACTIVITIES:</b> |                   |                   |
| Depreciation   | 7,035             | 8,730             |
| Change in restricted cash  | (159,794)         | 3,278             |
| Change in contributions receivable   | 36,400            | (120,355)         |
| Change in prepaid expenses   | (2,200)           | 1,271             |
| Change in deposits and other assets  | 713               | (4,488)           |
| Change in accounts payable and accrued expenses  | (12,081)          | 11,714            |
| Total adjustments  | (129,927)         | (99,850)          |
| Net cash provided by operating activities  | 91,826            | 18,577            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                   |                   |
| Payments for property and equipment  | -                 | (2,536)           |
| Net cash used in investing activities  | -                 | (2,536)           |
| <b>NET INCREASE IN CASH</b>  | 91,826            | 16,041            |
| <b>CASH</b>  |                   |                   |
| Beginning of year  | 468,753           | 452,712           |
| <b>CASH</b>  |                   |                   |
| End of year  | <u>\$ 560,579</u> | <u>\$ 468,753</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, 2015 AND 2014**

**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, 2015 and 2014.

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 \$56,979 and \$153,729 as of December 31, 2015 and 2014, respectively. Depreciation expense was \$7,035 and \$8,730 for the years ended December 31, 2015 and 2014, 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. The Organization's Board has designated certain unrestricted net assets to be held for specific purposes as indicated in Note 5.

**STANDUP FOR KIDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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.

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, 2015 and 2014.

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, 2015 and 2014, the Organization considered all contributions receivable to be fully collectible; therefore, an allowance for uncollectible contributions receivable has not been recorded.

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, 2015 and 2014, the Organization recorded donated services of \$24,000 per year which consisted primarily of medical 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, 2015 and 2014. 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 2012 through 2015 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.

**STANDUP FOR KIDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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.

I. Subsequent events have been evaluated by management through April 29, 2016, 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 \$286,265 and \$126,471 at December 31, 2015 and 2014, respectively.

**3. PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31:

|                                   | <b><u>2015</u></b>     | <b><u>2014</u></b>      |
|-----------------------------------|------------------------|-------------------------|
| Computer equipment                | \$ 10,486              | \$ 12,092               |
| Furniture                         | 32,029                 | 32,700                  |
| Leasehold improvements            | <u>20,768</u>          | <u>122,276</u>          |
| Total                             | 63,283                 | 167,068                 |
| Less accumulated depreciation     | <u>56,979</u>          | <u>153,729</u>          |
| Total property and equipment, net | <u><u>\$ 6,304</u></u> | <u><u>\$ 13,339</u></u> |

During 2015, the Organization's Atlanta Chapter relocated its outreach center to a new location. The Organization, therefore, wrote off all leasehold improvements related to the former outreach center for the Atlanta Chapter.

**4. OPERATING LEASES**

The Organization leases certain office space and outreach program centers under operating leases that will expire between 2016 and 2018. Lease expense for the years ended December 31, 2015 and 2014 was \$165,760 and \$146,929, respectively. At December 31, 2015, the future minimum lease payments under all leases are as follows:

| <b><u>Year</u></b> | <b><u>Amount</u></b> |
|--------------------|----------------------|
| 2016               | \$ 44,500            |
| 2017               | \$ 6,000             |
| 2018               | \$ 2,500             |

**STANDUP FOR KIDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**5. BOARD DESIGNATED NET ASSETS**

At December 31, 2015, Board designated net assets consist of \$138,937 designated for a building fund for the Organization's San Diego Chapter. This fund is to be used for purchasing a permanent outreach center for the San Diego Chapter.

**6. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are as follows at December 31:

|   | <u>2015</u>       | <u>2014</u>       |
|---|-------------------|-------------------|
| Orange County Housing Support           | \$ 30,631         | \$ 31,560         |
| The Osterman Foundation                 | 30,400            | 25,000            |
| SunTrust Bank                           | 19,661            | 27,500            |
| United Way of Greater Atlanta           | 15,000            | -                 |
| Wal-Mart Foundation                     | 13,644            | 14,649            |
| CarMax Foundation                       | 10,708            | 16,087            |
| Orange County Miscellaneous Support     | 10,062            | -                 |
| Taco Bell Foundation Grant              | 6,661             | 6,755             |
| City of Mission Viejo                   | 6,035             | 1,874             |
| UPS Technology Grant                    | 5,809             | 5,809             |
| The Allergan Foundation                 | 3,265             | 5,000             |
| Emerald Club Grant                      | 2,519             | -                 |
| The Fidelity Charitable Gift Fund       | 2,246             | -                 |
| Wells Fargo Foundation                  | 2,130             | 2,762             |
| Virgin Unite USA, Inc. Grant            | 1,966             | 4,619             |
| Agena Foundation                        | 230               | 476               |
| Orange County Kids Services             | 183               | 2,750             |
| Gumpert Foundation                      | -                 | 14,000            |
| Western Digital Foundation              | -                 | 915               |
|   | <hr/>             | <hr/>             |
| Total temporarily restricted net assets | <u>\$ 161,150</u> | <u>\$ 159,756</u> |

**STANDUP FOR KIDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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

|                         | <u>2015</u>       | <u>2014</u>       |
|-------------------------|-------------------|-------------------|
| Outreach centers        | \$ 46,860         | \$ 20,208         |
| Mentoring and education | 28,836            | 33,812            |
| Kids services           | 22,202            | 20,015            |
| Housing support         | 1,843             | 3,106             |
| Other                   | -                 | 175               |
|                         | <u>          </u> | <u>          </u> |
| Total                   | <u>\$ 99,741</u>  | <u>\$ 77,316</u>  |

**7. IN-KIND CONTRIBUTIONS**

In-kind contributions received for the years ended December 31, 2015 and 2014 consist of the following:

|                             | <u>2015</u>       | <u>2014</u>       |
|-----------------------------|-------------------|-------------------|
| Clothes                     | \$ 163,938        | \$ 200,517        |
| Other miscellaneous items   | 92,983            | 58,162            |
| Food                        | 69,993            | 63,683            |
| Rent/meeting space          | 26,005            | 49,538            |
| Services                    | 24,000            | 24,000            |
|                             | <u>          </u> | <u>          </u> |
| Total in-kind contributions | <u>\$ 376,919</u> | <u>\$ 395,900</u> |