



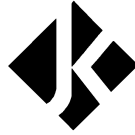
ATLANTA, GEORGIA

REPORT ON AUDITS OF FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015**

STANDUP FOR KIDS
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

	<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	6-10



**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, 2016 and 2015, 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, 2016 and 2015, 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 5, 2017

STANDUP FOR KIDS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash	\$ 669,969	\$ 560,579
Restricted cash	311,636	286,265
Contributions receivable	168,950	133,909
Prepaid expenses	<u>13,203</u>	<u>15,983</u>
Total current assets	1,163,758	996,736
PROPERTY AND EQUIPMENT, NET	1,762	6,304
DEPOSITS AND OTHER ASSETS	<u>29,435</u>	<u>27,778</u>
Total assets	<u><u>\$ 1,194,955</u></u>	<u><u>\$ 1,030,818</u></u>

LIABILITIES AND NET ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 1,011</u>	<u>\$ 28,073</u>
Total current liabilities	<u>1,011</u>	<u>28,073</u>
NET ASSETS		
Unrestricted		
Undesignated	924,018	702,658
Board designated	<u>158,937</u>	<u>138,937</u>
Total unrestricted	1,082,955	841,595
Temporarily restricted	<u>110,989</u>	<u>161,150</u>
Total net assets	<u>1,193,944</u>	<u>1,002,745</u>
Total liabilities and net assets	<u><u>\$ 1,194,955</u></u>	<u><u>\$ 1,030,818</u></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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CHANGE IN UNRESTRICTED NET ASSETS		
REVENUE AND SUPPORT		
Individual contributions	\$ 323,010	\$ 279,425
Foundation contributions	199,989	73,026
Business contributions	211,222	189,606
Other contributions	214,405	319,080
In-kind contributions	328,558	376,919
Special event revenue	27,741	77,937
Direct costs of special events	-	(9,769)
Other income	4,531	7,727
	<hr/>	<hr/>
Total revenue and support	1,309,456	1,313,951
NET ASSETS RELEASED FROM DONOR RESTRICTIONS		
	117,812	99,741
	<hr/>	<hr/>
Total unrestricted revenue and support	1,427,268	1,413,692
EXPENSES		
Program services	964,483	1,004,497
Management and general	102,193	85,286
Fundraising	119,232	103,550
	<hr/>	<hr/>
Total expenses	1,185,908	1,193,333
	<hr/>	<hr/>
Change in unrestricted net assets	241,360	220,359
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS		
Restricted contributions	67,651	101,135
Net assets released from donor restrictions	(117,812)	(99,741)
	<hr/>	<hr/>
Change in temporarily restricted net assets	(50,161)	1,394
	<hr/>	<hr/>
CHANGE IN NET ASSETS	191,199	221,753
NET ASSETS, BEGINNING OF YEAR	1,002,745	780,992
	<hr/>	<hr/>
NET ASSETS, END OF YEAR	<u>\$ 1,193,944</u>	<u>\$ 1,002,745</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, 2016

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Specific assistance	\$ 453,683	\$ -	\$ -	\$ 453,683
Salaries and wages	197,960	46,178	85,923	330,061
Occupancy	195,468	17,676	10,166	223,310
Professional fees	27,578	19,355	-	46,933
Fundraising	-	-	18,093	18,093
Office expense	12,144	4,902	476	17,522
Insurance	12,681	3,778	793	17,252
Communications	12,723	1,466	693	14,882
Payroll taxes and fees	10,377	2,767	692	13,836
Conferences and meetings	11,509	639	639	12,787
Miscellaneous	9,101	1,823	412	11,336
Travel	8,043	626	268	8,937
Depreciation	3,179	1,135	228	4,542
Dues and subscriptions	2,334	311	467	3,112
Repairs and maintenance	2,758	306	-	3,064
Postage and shipping	2,729	161	152	3,042
Printing	1,678	891	52	2,621
Advertising and public relations	538	179	178	895
Total expenses	<u>\$ 964,483</u>	<u>\$ 102,193</u>	<u>\$ 119,232</u>	<u>\$ 1,185,908</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, 2015

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
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
Fundraising	-	-	10,106	10,106
Office expense	10,966	5,323	435	16,724
Insurance	15,610	4,695	976	21,281
Communications	8,561	1,009	492	10,062
Payroll taxes and fees	8,306	2,215	554	11,075
Conferences and meetings	663	37	37	737
Miscellaneous	12,197	3,744	728	16,669
Travel	4,933	384	164	5,481
Depreciation	4,925	1,759	351	7,035
Dues and subscriptions	4,641	619	928	6,188
Repairs and maintenance	7,473	830	-	8,303
Postage and shipping	5,488	709	326	6,523
Printing	999	531	31	1,561
Advertising and public relations	200	67	68	335
Total expenses	<u>\$ 1,004,497</u>	<u>\$ 85,286</u>	<u>\$ 103,550</u>	<u>\$ 1,193,333</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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 191,199	\$ 221,753
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	4,542	7,035
Change in restricted cash	(25,371)	(159,794)
Change in contributions receivable	(35,041)	36,400
Change in prepaid expenses	2,780	(2,200)
Change in deposits and other assets	(1,657)	713
Change in accounts payable and accrued expenses	(27,062)	(12,081)
Total adjustments	(81,809)	(129,927)
Net cash provided by operating activities	109,390	91,826
NET INCREASE IN CASH	109,390	91,826
CASH		
Beginning of year	560,579	468,753
CASH		
End of year	<u>\$ 669,969</u>	<u>\$ 560,579</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, 2016 AND 2015

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 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. There were no donor concentrations during the years ended December 31, 2016 and 2015.

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 \$61,521 and \$56,979 as of December 31, 2016 and 2015, respectively. Depreciation expense was \$4,542 and \$7,035 for the years ended December 31, 2016 and 2015, 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, 2016 AND 2015

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, 2016 and 2015.

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, 2016 and 2015, 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, 2016 and 2015, 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, 2016 and 2015. 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.

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, 2016 AND 2015

I. Subsequent events have been evaluated by management through May 5, 2017, 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 \$311,636 and \$286,265 at December 31, 2016 and 2015, respectively.

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2016</u>	<u>2015</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>61,521</u>	<u>56,979</u>
Total property and equipment, net	<u><u>\$ 1,762</u></u>	<u><u>\$ 6,304</u></u>

4. OPERATING LEASES

The Organization leases certain office space and outreach program centers under operating leases that will expire between 2017 and 2019. Lease expense for the years ended December 31, 2016 and 2015 was \$152,295 and \$165,760, respectively. At December 31, 2016, the future minimum lease payments under all leases are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 48,125
2018	\$ 46,125
2019	\$ 41,250

5. BOARD DESIGNATED NET ASSETS

At December 31, 2016 and 2015, Board designated net assets consisting of \$158,937 and \$138,937, respectively, was 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.

STANDUP FOR KIDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are as follows at December 31:

	<u>2016</u>	<u>2015</u>
Orange County Housing Support	\$ 27,370	\$ 30,631
Weingart Foundation	25,273	4,194
SunTrust Bank	16,582	19,661
Wal-Mart Foundation	8,587	13,644
Orange County Miscellaneous Support	7,523	5,868
City of Mission Viejo	6,081	6,035
UPS Technology Grant	5,809	5,809
CarMax Foundation	5,455	10,708
Taco Bell Foundation Grant	3,019	6,661
The Allergan Foundation	1,677	3,265
Virgin Unite USA, Inc. Grant	1,435	1,966
Western Digital Foundation	887	-
The Fidelity Charitable Gift Fund	692	2,246
Wells Fargo Foundation	369	2,130
Agena Foundation	230	230
The Osterman Foundation	-	30,400
United Way of Greater Atlanta	-	15,000
Emerald Club Grant	-	2,519
Orange County Kids Services	-	183
	<u> </u>	<u> </u>
Total temporarily restricted net assets	<u>\$ 110,989</u>	<u>\$ 161,150</u>

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

	<u>2016</u>	<u>2015</u>
Mentoring and education	\$ 48,181	\$ 28,836
Outreach centers	41,142	46,860
Kids services	15,615	22,202
Housing support	12,874	1,843
	<u> </u>	<u> </u>
Total	<u>\$ 117,812</u>	<u>\$ 99,741</u>

STANDUP FOR KIDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

7. IN-KIND CONTRIBUTIONS

In-kind contributions received for the years ended December 31, 2016 and 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Clothes	\$ 192,241	\$ 163,938
Rent/meeting space	48,490	26,005
Food	39,830	69,993
Services	24,000	24,000
Other miscellaneous items	<u>23,997</u>	<u>92,983</u>
Total in-kind contributions	<u>\$ 328,558</u>	<u>\$ 376,919</u>