



DECATUR, GEORGIA
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020

STANDUP FOR KIDS
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
StandUp For Kids, Inc.
Decatur, Georgia

Opinion

We have audited the accompanying financial statements of StandUp For Kids, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of StandUp For Kids, Inc. as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of StandUp For Kids, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about StandUp For Kids, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of StandUp For Kids, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about StandUp For Kids, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Jones and Kelly

May 17, 2022

STANDUP FOR KIDS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

| | <u>2021</u> | <u>2020</u> |
|------------------------------------|---------------------|---------------------|
| CURRENT ASSETS | | |
| Cash | \$ 1,148,524 | \$ 2,214,729 |
| Investments | 2,005,204 | 712,884 |
| Contributions receivable | 196,071 | 283,732 |
| Prepaid expenses | <u>30,932</u> | <u>22,622</u> |
| Total current assets | 3,380,731 | 3,233,967 |
| PROPERTY AND EQUIPMENT, NET | 2,624 | 3,345 |
| DEPOSITS AND OTHER ASSETS | <u>15,413</u> | <u>20,438</u> |
| Total assets | <u>\$ 3,398,768</u> | <u>\$ 3,257,750</u> |

LIABILITIES AND NET ASSETS

| | | |
|---------------------------------------|---------------------|---------------------|
| CURRENT LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 15,549 | \$ 19,608 |
| Paycheck Protection Program loan | <u>-</u> | <u>94,900</u> |
| Total current liabilities | <u>15,549</u> | <u>114,508</u> |
| NET ASSETS | | |
| Without donor restrictions | | |
| Undesignated | 3,046,886 | 2,859,945 |
| Board designated | <u>217,887</u> | <u>160,687</u> |
| Total without donor restrictions | 3,264,773 | 3,020,632 |
| With donor restrictions | <u>118,446</u> | <u>122,610</u> |
| Total net assets | <u>3,383,219</u> | <u>3,143,242</u> |
| Total liabilities and net assets | <u>\$ 3,398,768</u> | <u>\$ 3,257,750</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, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| REVENUE, SUPPORT AND NET ASSETS | | |
| WITHOUT DONOR RESTRICTIONS | | |
| Individual contributions | \$ 579,929 | \$ 738,720 |
| Foundation contributions | 333,903 | 469,799 |
| Business contributions | 343,351 | 898,909 |
| Federal and state grants and other contributions | 604,693 | 328,235 |
| In-kind contributions | 276,068 | 484,790 |
| Special events revenue | 288,768 | 85,549 |
| Investment earnings | 123,084 | 60,728 |
| | <hr/> | <hr/> |
| Total revenue and support | 2,549,796 | 3,066,730 |
| NET ASSETS RELEASED FROM | | |
| DONOR RESTRICTIONS | 92,104 | 231,017 |
| | <hr/> | <hr/> |
| TOTAL REVENUE, SUPPORT AND NET ASSETS | | |
| RELEASED FROM DONOR RESTRICTIONS | 2,641,900 | 3,297,747 |
| | <hr/> | <hr/> |
| EXPENSES | | |
| Program services | 1,921,751 | 1,772,048 |
| Management and general | 145,478 | 156,855 |
| Fundraising | 315,056 | 245,009 |
| | <hr/> | <hr/> |
| Total functional expenses | 2,382,285 | 2,173,912 |
| Direct costs of special events | 15,474 | 5,480 |
| | <hr/> | <hr/> |
| Total expenses | 2,397,759 | 2,179,392 |
| | <hr/> | <hr/> |
| Change in net assets without donor restrictions | 244,141 | 1,118,355 |
| | <hr/> | <hr/> |
| NET ASSETS WITH DONOR RESTRICTIONS | | |
| Restricted contributions | 87,940 | 180,538 |
| Net assets released from donor restrictions | (92,104) | (231,017) |
| | <hr/> | <hr/> |
| Change in net assets with donor restrictions | (4,164) | (50,479) |
| | <hr/> | <hr/> |
| CHANGE IN NET ASSETS | 239,977 | 1,067,876 |
| NET ASSETS, BEGINNING OF YEAR | 3,143,242 | 2,075,366 |
| | <hr/> | <hr/> |
| NET ASSETS, END OF YEAR | <u>\$ 3,383,219</u> | <u>\$ 3,143,242</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, 2021

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total Expenses</u> |
|----------------------------------|------------------------------------|--|---------------------------|----------------------------------|
| Salaries and wages | \$ 870,579 | \$ 64,808 | \$ 193,869 | \$ 1,129,256 |
| Specific assistance | 685,038 | - | - | 685,038 |
| Occupancy | 204,472 | 10,615 | 9,370 | 224,457 |
| Payroll taxes and fees | 70,174 | 4,191 | 11,150 | 85,515 |
| Advertising and public relations | 5,358 | 11,220 | 42,863 | 59,441 |
| Office expense | 18,979 | 7,284 | 26,529 | 52,792 |
| Fundraising | - | - | 42,398 | 42,398 |
| Professional fees | 3,963 | 30,201 | - | 34,164 |
| Communications | 20,733 | 4,147 | 2,764 | 27,644 |
| Insurance | 12,354 | 5,207 | - | 17,561 |
| Repairs and maintenance | 11,259 | 1,251 | - | 12,510 |
| Miscellaneous | 6,780 | 4,475 | 30 | 11,285 |
| Dues and subscriptions | 6,728 | 1,346 | 897 | 8,971 |
| Travel | 4,605 | 575 | 575 | 5,755 |
| Depreciation | 541 | 108 | 72 | 721 |
| Conferences and meetings | 188 | 50 | 13 | 251 |
| Total expenses | 1,921,751 | 145,478 | 330,530 | 2,397,759 |
| Direct cost of special events | - | - | (15,474) | (15,474) |
| Total functional expenses | <u>\$ 1,921,751</u> | <u>\$ 145,478</u> | <u>\$ 315,056</u> | <u>\$ 2,382,285</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, 2020

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total Expenses</u> |
|----------------------------------|------------------------------------|--|---------------------------|----------------------------------|
| Salaries and wages | \$ 675,046 | \$ 72,582 | \$ 147,680 | \$ 895,308 |
| Specific assistance | 750,472 | - | - | 750,472 |
| Occupancy | 200,234 | 25,029 | 25,029 | 250,292 |
| Payroll taxes and fees | 50,674 | 3,168 | 10,773 | 64,615 |
| Advertising and public relations | - | 4,505 | 4,620 | 9,125 |
| Office expense | 25,367 | 9,591 | 14,461 | 49,419 |
| Fundraising | - | - | 41,275 | 41,275 |
| Professional fees | 8,843 | 26,362 | 2,092 | 37,297 |
| Communications | 19,547 | 3,908 | 2,606 | 26,061 |
| Insurance | 14,068 | 5,033 | 471 | 19,572 |
| Repairs and maintenance | 6,137 | 682 | - | 6,819 |
| Miscellaneous | 9,756 | 3,911 | - | 13,667 |
| Dues and subscriptions | 5,906 | 1,181 | 788 | 7,875 |
| Travel | 4,819 | 602 | 602 | 6,023 |
| Depreciation | 196 | 39 | 26 | 261 |
| Conferences and meetings | 983 | 262 | 66 | 1,311 |
| Total expenses | 1,772,048 | 156,855 | 250,489 | 2,179,392 |
| Direct cost of special events | - | - | (5,480) | (5,480) |
| Total functional expenses | <u>\$ 1,772,048</u> | <u>\$ 156,855</u> | <u>\$ 245,009</u> | <u>\$ 2,173,912</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, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 239,977 | \$ 1,067,876 |
| ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Depreciation | 721 | 261 |
| Unrealized/realized gain on investments | (15,481) | (46,506) |
| Contribution of investments | (4,989) | (4,920) |
| Paycheck Protection Program loan forgiveness | (94,900) | - |
| Change in contributions receivable | 87,661 | (154,639) |
| Change in prepaid expenses | (8,310) | (7,790) |
| Change in deposits and other assets | 5,025 | (3,690) |
| Change in accounts payable and accrued expenses | (4,059) | (22,467) |
| Change in deferred revenue | - | (2,204) |
| Total adjustments | <u>(34,332)</u> | <u>(241,955)</u> |
| Net cash provided by operating activities | <u>205,645</u> | <u>825,921</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of fixed assets | - | (3,606) |
| Purchases of investments | (1,304,737) | (703,072) |
| Proceeds from sale of investments | 32,887 | 150,413 |
| Net cash used in investing activities | <u>(1,271,850)</u> | <u>(556,265)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds Paycheck Protection Program loan | - | 94,900 |
| Net cash provided by financing activities | <u>-</u> | <u>94,900</u> |
| NET (DECREASE) INCREASE IN CASH | (1,066,205) | 364,556 |
| CASH, BEGINNING OF YEAR | <u>2,214,729</u> | <u>1,850,173</u> |
| CASH, END OF YEAR | <u>\$ 1,148,524</u> | <u>\$ 2,214,729</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, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. StandUp For Kids, Inc. (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.

B. The Organization considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. The Organization maintains cash deposits that at times may exceed the federal deposit insurance limit of \$250,000. Management believes it mitigates any risk by depositing cash with major financial institutions.

C. Contributions, including unconditional promises to give from private companies, foundations, and individuals, 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, 2021 and 2020, the Organization considered all contributions receivable to be fully collectible within a year; therefore, an allowance for uncollectible contributions receivable has not been recorded. Approximately 27% of total contributions were from one donor for the year ended December 31, 2020.

D. Property and equipment over \$1,000 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 \$43,497 and \$42,776 as of December 31, 2021 and 2020, respectively. Depreciation expense was \$721 and \$261 for the years ended December 31, 2021 and 2020, respectively.

E. 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.

F. 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.

STANDUP FOR KIDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

G. 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, 2021 and 2020, Board designated net assets were \$217,887 and \$160,687, respectively.

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 those 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 donor restrictions."

H. A portion of the Organization's revenue is derived from cost-reimbursable state contracts, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract provisions. The Organization has several cost-reimbursable contracts from various local city governments that have not been recorded as revenue because qualifying expenditures have not yet been incurred.

I. 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 consist of clothing, food, hygiene products and space rental.

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.

STANDUP FOR KIDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

J. 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, 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.

K. Certain prior year amounts have been reclassified to conform to the current year financial statement presentation.

L. Subsequent events have been evaluated by management through May 17, 2022, the date these financial statements were available to be issued.

2. 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:

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Cash and restricted cash | \$ 1,148,524 | \$ 2,214,729 |
| Investments | 2,005,204 | 712,884 |
| Contributions receivable | <u>196,071</u> | <u>283,732</u> |
| Total financial assets | 3,349,799 | 3,211,345 |
| Less amounts unavailable for general expenditure: | | |
| Board designated for a building fund and scholarships | 217,887 | 160,687 |
| Net assets with donor restrictions | <u>118,446</u> | <u>122,610</u> |
| Financial assets available for general expenditures | <u>\$ 3,013,466</u> | <u>\$ 2,928,048</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, 2021 AND 2020

3. FAIR VALUE OF INVESTMENT SECURITIES

U.S. generally accepted accounting principles establish a framework for measuring fair value. That framework provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to the unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2: Inputs to valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, inputs that are derived principally from, or corroborated by, observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of December 31, 2021 and 2020, the only assets or liabilities that are measured at fair value on a recurring basis are investments. The Organization's investments consist of equities and mutual funds which are valued at the closing price reported on the active market on which the individual securities are traded. Such investments are classified within Level 1 of the valuation hierarchy.

Investments consist of the following at December 31:

| | <u>2021</u> | <u>2020</u> |
|-------------------|---------------------|-------------------|
| Equities | \$ 8,895 | \$ 3,360 |
| Mutual funds | <u>1,996,309</u> | <u>709,524</u> |
| Total investments | <u>\$ 2,005,204</u> | <u>\$ 712,884</u> |

STANDUP FOR KIDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Investment earnings consist of the following at December 31:

| | <u>2021</u> | <u>2020</u> |
|------------------------------|-------------------|------------------|
| Dividend and interest income | \$ 126,549 | \$ 14,222 |
| Unrealized gain | 11,674 | 36,449 |
| Realized gain | 3,807 | 10,057 |
| Investment fees | <u>(18,946)</u> | <u>-</u> |
| Investment earnings | <u>\$ 123,084</u> | <u>\$ 60,728</u> |

4. PAYCHECK PROTECTION PROGRAM LOAN

During 2020, the Organization received a Paycheck Protection Program ("PPP") loan in the amount of \$94,900 from the Small Business Administration ("SBA"). The loan accrued interest at 1.0% per annum, with no required payments for ten months after funding of the loan. The Organization fully utilized the funds for the PPP's intended purpose. The SBA forgave the loan in 2021 and the Organization recorded the full amount as a federal grant on the Statements of Activities and Net Assets.

5. NET ASSETS WITH DONOR RESTRICTIONS

Changes to net assets with donor restrictions are as follows:

| | <u>December 31,</u> <u>2020</u> | <u>Additions</u> | <u>Released from</u> <u>Restrictions</u> | <u>December 31,</u> <u>2021</u> |
|---|------------------------------------|------------------|---|------------------------------------|
| Subject to expenditure for specified purpose: | | | | |
| Kids services | \$ 20,304 | \$ 87,940 | \$ (15,686) | \$ 92,558 |
| Housing support | 46,031 | - | (25,633) | 20,398 |
| Mentoring and education | <u>56,275</u> | <u>-</u> | <u>(50,785)</u> | <u>5,490</u> |
| | <u>\$ 122,610</u> | <u>\$ 87,940</u> | <u>\$ (92,104)</u> | <u>\$ 118,446</u> |

STANDUP FOR KIDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

| | <u>December 31,</u> <u>2019</u> | <u>Additions</u> | <u>Released from</u> <u>Restrictions</u> | <u>December 31,</u> <u>2020</u> |
|---|------------------------------------|-------------------|---|------------------------------------|
| Subject to expenditure for specified purpose: | | | | |
| Kids services | \$ 32,466 | \$ 113,306 | \$ (125,468) | \$ 20,304 |
| Housing support | 25,322 | 25,000 | (4,291) | 46,031 |
| Mentoring and education | 78,852 | 42,232 | (64,809) | 56,275 |
| Outreach centers | 36,449 | - | (36,449) | - |
| | <u>\$ 173,089</u> | <u>\$ 180,538</u> | <u>\$ (231,017)</u> | <u>\$ 122,610</u> |

6. IN-KIND CONTRIBUTIONS

In-kind contributions received consisted of the following at December 31:

| | <u>2021</u> | <u>2020</u> |
|-----------------------------|-------------------|-------------------|
| Clothes | \$ 30,999 | \$ 13,272 |
| Food | 71,768 | 135,354 |
| Hygiene products | 29,142 | 179,602 |
| Other miscellaneous items | 139,563 | 119,512 |
| Rent/meeting space | 4,596 | 37,050 |
| Total in-kind contributions | <u>\$ 276,068</u> | <u>\$ 484,790</u> |

7. OPERATING LEASES

The Organization leases certain office space and outreach program centers under operating leases that will expire between 2022 and 2024. Lease expense for the years ended December 31, 2021 and 2020 was \$189,588 and \$194,604, respectively. At December 31, 2021, the future minimum lease payments under all leases are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|-------------------|
| 2022 | \$ 92,464 |
| 2023 | 73,052 |
| 2024 | 29,000 |
| Total | <u>\$ 194,516</u> |

STANDUP FOR KIDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

8. RETIREMENT PLAN

The Organization established a 401(k) retirement plan (the "Plan") for all eligible employees in 2019. Employees may elect to contribute up to 100% of their compensation to the Plan up to the limit allowed by federal law. The Organization currently does not match any employee contributions.

9. CORONAVIRUS PANDEMIC

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, with the outbreak widespread in the U.S. As a result, federal, state and local governments and private entities have mandated various restrictions, including travel restrictions, restrictions on public gatherings, and stay at home orders and advisories. Therefore, the Organization has on a case-by-case basis, redirected or curtailed local operations and services. Each chapter is exercising precautions based on their specific program offering and limitations placed by various stakeholder entities.

The Organization's local leadership teams are actively monitoring conditions and will determine the level of which they resume operations and services based on the federal, state and local authorities' guidelines in order to ensure the safety of their staff, volunteers, and kids in need of assistance.