

**KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF**

**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2016 AND 2015**

**TUGGLE, BURTON & CO., P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
Addison, Texas  
972-661-5562

**KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF**  
**FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT AUDITOR**

**DECEMBER 31, 2016 AND 2015**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Kids in Need of Development, Education, and Relief  
Richardson, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Kids in Need of Development, Education, and Relief (a Texas nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and change in net assets, cash flows and functional expenses for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 entity'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 entity'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 2016 financial statements referred to above present fairly, in all material respects, the financial position of Kids in Need of Development, Education, and Relief as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Prior Period Financial Statements**

The financial statements of Kids in Need of Development, Education, and Relief as of December 31, 2015, were audited by other auditors whose report dated April 5, 2016, expressed an unmodified opinion on those statements.

*Ausley Burton + Co. PC.*

March 29, 2017  
Addison, Texas

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31,

ASSETS

<u>CURRENT ASSETS</u>	<u>2016</u>	<u>2015</u>
Cash	\$ 361,642	\$ 554,485
Contributions receivable	14,662	13,108
Accounts receivable - other	-	74
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	376,304	567,667
	<hr/>	<hr/>
<u>PROPERTY AND EQUIPMENT</u>		
Office furniture	3,538	3,538
Office equipment	19,287	19,287
	<hr/>	<hr/>
	22,825	22,825
Less accumulated depreciation	(20,814)	(18,537)
	<hr/>	<hr/>
TOTAL PROPERTY AND EQUIPMENT	2,011	4,288
	<hr/>	<hr/>
Security deposit	1,185	1,185
	<hr/>	<hr/>
TOTAL ASSETS	\$ 379,500	\$ 573,140
	<hr/> <hr/>	<hr/> <hr/>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 7,588	\$ 1,174
Accrued expense	3,365	1,584
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	10,953	2,758
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Temporarily restricted	-	-
Unrestricted	368,547	570,382
	<hr/>	<hr/>
TOTAL NET ASSETS	368,547	570,382
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 379,500	\$ 573,140
	<hr/> <hr/>	<hr/> <hr/>

*The accompanying notes are an integral part of these financial statements*

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF  
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31,

	<u>2016</u>			<u>2015</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>REVENUES AND SUPPORT</u>						
Contributions	\$ 580,056	\$ 488,401	\$ 1,068,457	\$ 1,020,401	\$ -	\$ 1,020,401
Interest income	-	-	-	23	-	23
Net assets released from restrictions, satisfaction of purpose restrictions	488,401	(488,401)	-	-	-	-
 TOTAL REVENUES AND SUPPORT	 1,068,457	 -	 1,068,457	 1,020,424	 -	 1,020,424
 <u>EXPENSES</u>						
Program service	1,080,938	-	1,080,938	897,532	-	897,532
Total program expenses	1,080,938	-	1,080,938	897,532	-	897,532
 Fund-raising	 157,374	 -	 157,374	 155,820	 -	 155,820
Management and general	31,980	-	31,980	33,529	-	33,529
 TOTAL EXPENSES	 1,270,292	 -	 1,270,292	 1,086,881	 -	 1,086,881
 DECREASE IN NET ASSETS	 (201,835)	 -	 (201,835)	 (66,457)	 -	 (66,457)
 <u>NET ASSETS, beginning</u>	 570,382	 -	 570,382	 636,839	 -	 636,839
 <u>NET ASSETS, ending</u>	 \$ 368,547	 \$ -	 \$ 368,547	 \$ 570,382	 \$ -	 \$ 570,382

*The accompanying notes are an integral part of these financial statements*

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31.

	<u>2016</u>	<u>2015</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Cash received from contributions, programs, etc.	\$ 1,066,977	\$ 1,007,219
Cash paid to employees	(202,341)	(205,601)
Cash paid to vendors	(1,057,479)	(886,806)
Cash received for interest	-	23
	(192,843)	(85,165)
<u>CASH USED IN OPERATING ACTIVITIES</u>		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	-	-
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	-	-
<u>NET DECREASE IN CASH</u>	(192,843)	(85,165)
<u>CASH, beginning of year</u>	554,485	639,650
<u>CASH, end of year</u>	\$ 361,642	\$ 554,485

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

<u>NET LOSS</u>	\$ (201,835)	\$ (66,457)
<u>ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>		
Depreciation	2,277	2,491
Change in asset and liability accounts affecting net income		
Accounts receivable	(1,480)	(13,182)
Accounts payable	6,414	(7,617)
Accrued liabilities	1,781	(400)
<u>NET CASH USED IN OPERATIONS</u>	\$ (192,843)	\$ (85,165)

*The accompanying notes are an integral part of these financial statements*

**KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>December 31,</u> <u>2016</u> <u>Program</u> <u>Services</u>	<u>December 31,</u> <u>2016</u> <u>Management</u> <u>and General</u>	<u>December 31,</u> <u>2016</u> <u>Fundraising</u>	<u>December 31,</u> <u>2016</u> <u>Total</u> <u>Supportive</u> <u>Services</u>	<u>December 31,</u> <u>2016</u> <u>Total</u> <u>Expenses</u>	<u>December 31,</u> <u>2015</u> <u>Program</u> <u>Services</u>	<u>December 31,</u> <u>2015</u> <u>Management</u> <u>and General</u>	<u>December 31,</u> <u>2015</u> <u>Fundraising</u>	<u>December 31,</u> <u>2015</u> <u>Total</u> <u>Supportive</u> <u>Services</u>	<u>December 31,</u> <u>2015</u> <u>Totals</u>
Grants and assistance	\$ 860,902	\$ -	\$ -	\$ -	\$ 860,902	\$ 667,426	\$ -	\$ -	\$ -	\$ 667,426
Foreign currency exchange loss	-	-	-	-	-	3,109	-	-	-	3,109
Salaries	73,939	18,004	74,571	92,575	166,514	75,078	18,281	75,719	94,000	169,078
Payroll taxes	5,785	1,375	5,687	7,062	12,847	5,893	1,401	5,793	7,194	13,087
Employee benefits	11,164	1,038	10,775	11,813	22,977	11,388	1,058	10,991	12,049	23,437
Professional fees	17,733	-	-	-	17,733	24,349	-	-	-	24,349
Office expense	1,945	1,528	1,944	3,472	5,417	3,452	2,709	3,448	6,157	9,609
Information technology expense	7,432	-	-	-	7,432	9,921	-	-	-	9,921
Occupancy	21,726	2,925	-	2,925	24,651	22,997	3,096	-	3,096	26,093
Travel	25,914	-	-	-	25,914	23,002	-	-	-	23,002
Conference and Meeting Expense	286	-	-	-	286	-	-	-	-	-
Bank and credit card charges	2,626	-	-	-	2,626	3,055	-	-	-	3,055
Depreciation	-	2,277	-	2,277	2,277	-	2,491	-	2,491	2,491
Other expenses	51,486	4,833	64,397	69,230	120,716	47,862	4,493	59,869	64,362	112,224
Totals	<u>\$ 1,080,938</u>	<u>\$ 31,980</u>	<u>\$ 157,374</u>	<u>\$ 189,354</u>	<u>\$ 1,270,292</u>	<u>\$ 897,532</u>	<u>\$ 33,529</u>	<u>\$ 155,820</u>	<u>\$ 189,349</u>	<u>\$ 1,086,881</u>

*The accompanying notes are an integral part of these financial statements*



KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

NATURE OF BUSINESS

Kids in Need of Development, Education, and Relief (the “Organization” or “Kinder USA”) is an organization which was incorporated in January 2002 under the laws of the State of Texas. The Organization is classified as a nonprofit organization under Internal Revenue Code Section 501 (c) 3. The Organization is considered a public charity under Section 170 of the Internal Revenue Code. The Organization's mission is to improve the lives of Palestinian children and other children in crisis through development and emergency relief. The Organization funds programs in Turkey, Lebanon, Gaza, the West Bank, and Pakistan.

The Organization focuses its mission in three areas: (a) Education and Health (b) Nutrition, and (c) Emergency Relief. The Organization funds the following programs in these areas:

(a) Education and Health:

- (i) The Organization supports a school for refugee children hiring teachers and tutors; provides psychosocial support to children through educational and play therapy;
- (ii) The Organization conducts anemia assessments for supplements and referrals;
- (iii) The Organization builds play areas at schools for children to use year round.

(b) Nutrition:

- (i) The Organization supports kindergartens through delivery of nutritional lunch prepared by women cooperatives
- (ii) The Organization works with small scale farmers for the production of fresh fruits, vegetables, dairy, poultry for distribution with partner organizations in the West Bank and Gaza.
- (iii) The Organization distributes nutritional supplements to infants and provides classes in proper nutrition to mothers, along with supplements to aid in lactation;

(c) Emergency Relief:

- (i) The Organization partners with local organizations to provide food, shelter, and medical care to children and families affected by natural and man-made disasters.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America. The following is a summary of the significant policies.

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements of the Organization were prepared using the accrual basis of accounting. Material amounts of goods and services are recorded as assets or expenses at the time the liabilities arise, which is normally when title to the goods pass or when the services are received. Encumbrances representing outstanding purchase orders and other commitments for materials or services not yet received are not liabilities as of the reporting date.

Reporting

In order to comply with accounting principles generally accepted in the United States of America, the Organization must prepare its external financial statements in accordance with guidance issued by the Financial Accounting Standards Board Accounting Standards Codification Topic 958, Subtopic 205-45 *Not-for-profit Organizations – Presentation of Financial Statements*, which requires that organizations classified as nonprofit organizations under Internal Revenue Code Section 501(c) 3 and which are required to file an annual Form 990 informational tax return provide a statement of financial position, a statement of activities, cash flows, and functional expenses. It requires reporting amounts for the Organization's total assets, liabilities, and net assets in a statement of financial position; reporting the change in the Organization's net assets in statement of activities; reporting the change in its cash and cash equivalents in a statement of cash flows, and reporting expenses allocated to specific programs in a statement of functional expenses.

This Statement also requires classification of the Organization's net assets and its revenues, expenses, gains, and losses based on the existence or absences of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets – (1) permanently restricted, which are composed of contributions restricted by the donor as to time, usage and access for the life of the asset, (2) temporarily restricted, which are composed of assets restricted by the donor as to time, usage and access for donor-specific purposes, and until certain conditions are satisfied, (3) unrestricted, which are donations not restricted by the donor as to time, access or usage - be displayed in a statement of financial position and that the amount of change in each of those classes of net assets be displayed in a statement of activities.

Allocation of expenses

Management calculates allocation of general expenses to specific programs, fundraising, and administration, utilizing an estimate of time spent by management in these areas. Direct program expenses are allocated directly to associated programs. Compensation is allocated to specific programs based upon an estimate of time spent on each program. Depreciation is allocated based upon usage of assets for each program.

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property or equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. No property and equipment were donated during the years ended December 31, 2016 and 2015.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash equivalents to include all highly liquid debt instruments with original maturities of three months or less. Certificates of Deposit with maturities of less than 12 months from the balance sheet date are considered to be current assets. The Organization has deposited funds with a financial institution in Belgium, which is denominated in Euros. All balances presented in these financial statements have been converted to U.S. dollars.

Income Taxes

The Organization is a not-for-profit corporation which has been determined by letter dated March 27, 2007 to be exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Under Section 509(a)(2) of the Internal Revenue Code, the Organization is classified as a public charity.

Uncertain Tax Positions

Management is required to determine whether a tax position of the Organization is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized by the Organization is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Organization has adopted an accounting standard for uncertain tax positions. Management is required to determine whether a tax position of the Organization is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position.

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertain Tax Positions (continued)

The tax benefit to be recognized by the Organization is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Management is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. However, management's conclusions are subject to review and adjustment at a later date based on factors including, but not limited to, new tax laws, regulation and administrative interpretations (including relevant court decisions). The Organization's federal tax returns for the years ended December 31, 2013, 2014, and 2015 remain subject to examination by the Internal Revenue Service.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions Receivable

The Organization closely monitors outstanding contributions receivable and charges to expense any balances that are determined to be uncollectible. In determining collectability of accounts receivable, management evaluates the age of the receivable, donor history, and the economic condition of the donor. Management writes off all receivables at the time that the receivable is determined to be uncollectible. At December 31, 2016 and 2015 the Organization considers all remaining receivables to be fully collectible. Accordingly, management has determined that no allowance for doubtful accounts is necessary. There were no such accounts in 2016 and 2015. All accounts receivable and promises to give are expected to be received within one year of the date of these financial statements. The organization also receives grants from certain private donors. No federal grant amounts were awarded or received during the years ended December 31, 2016 or 2015.

Concentrations

Funding for the Organization comes from across the United States, with concentrations in Texas and California. As such, the Organization is subject to economic forces affecting these geographic areas. Donations to the Organization, and the accounts receivable associated with those donations, Organization program expenses and administrative costs may all be subject to short- and long-term fluctuations as a result of this concentration. Management has evaluated these concentrations and believe that the Organization's operations will not be significantly affected by these concentrations within one year of the financial statement date. The Organization raises funds through certain fund raising campaigns, and is therefore subject to concentrations related to its fund raising. The results of the Organization's most significant fund-raising campaign at December 31, 2016 and 2015 is as follows:

<u>Campaign Name</u>	<u>2016</u> <u>Revenues</u>	<u>2016</u> <u>% of Revenues</u>	<u>2015</u> <u>Revenues</u>	<u>2015</u> <u>% of Revenues</u>
Ramadan	\$ 470,401	44.03%	\$ 515,344	50.50%

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

Management has evaluated subsequent events through the date of the audit report, the date which the financial statements were available to be issued.

NOTE 2 - TEMPORARILY RESTRICTED ASSETS

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as unrestricted support. The Organization holds certain temporarily restricted cash in separate bank accounts. At December 31, 2016 and 2015, temporarily restricted net assets amounted to \$- and \$-, respectively.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Programs for which temporarily restricted net assets were released as of December 31 are as follows

	<u>Program</u>	<u>2016</u>	<u>2015</u>
Nutrition		\$ 488,401	\$ 12,000

NOTE 3 - CASH

The Organization maintains cash balances primarily at two financial institutions located in North Texas and Belgium. Deposits held in Belgian banks are insured to 100,000 Euros by the Protection Fund for Deposits and Financial Instruments. At times during the years ended December 31, 2016 and 2015, the Organization's cash balances may exceed the FDIC insured limits. At December 31, 2016 and 2015, the Organization's cash and cash equivalents were \$361,642 and \$554,486. Uninsured bank balances at December 31, 2016 and 2015, were \$60,458 and \$278,354, respectively.

NOTE 4 - PROPERTY AND EQUIPMENT

Fixed assets are recorded at cost. Assets received by gift are recorded at fair market value at the date of gift. Fixed assets are being depreciated using the straight-line basis and the following useful lives:

Office Furniture	7 Years
Office Equipment	3 Years

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

NOTE 4 - PROPERTY AND EQUIPMENT (continued)

The Organization capitalizes assets which cost \$1,000, or more, and have a useful life of at least three years. Repairs and maintenance are charged to expense as incurred. Expenditures for major additions and improvements that extend the useful lives of property and equipment are capitalized. Management examines property and equipment annually for impairment, considering service life, obsolescence, future maintenance costs and expected usage. No allowance for impairment is considered necessary for the years ended December 31, 2016 and 2015.

NOTE 5 - RETIREMENT PLAN CONTRIBUTION

The Organization contributes annually to a key employee's Individual Retirement Account ("IRA"). The amount of the discretionary contribution is determined by the Organization on an annual basis. The Organization made discretionary contributions of \$1,500 and \$1,000 to the IRA for the years ended December 31, 2016 and 2015, respectively.

NOTE 6 – COMMITMENTS

The Organization leases office space under a non-cancellable operating lease which expires April 30, 2017. For the years ended December 31, 2016 and 2015, rent expense was \$19,040 and \$20,675. Future amount payable under this lease agreement is \$5,100 for the year ended December 31, 2017.

NOTE 7 – RISKS, UNCERTAINTIES AND VULNERABILITIES

The Organization depends heavily on grants and donations for its revenue. The ability of the Organization to obtain new grants and the ability of the Organization's donors to continue giving amounts comparable with 2016 may be dependent upon current and future overall economic conditions and the continued deductibility for income tax purposes of donations to the Organization. While the Organization's Board of Directors believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues, may be dependent on economic conditions.

NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the Organization's various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted utilizing an estimated percentage of time spent by management on each program. Direct charges to each program have been directly allocated to the specific program affected.

NOTE 9 - FINANCIAL INSTRUMENTS

The Organization has a number of financial instruments, consisting of cash, accounts receivable and accounts payable. The Organization estimates that the fair value of these financial instruments at December 31, 2016 and 2015 does not materially differ from the aggregate carrying values of its financial instruments recorded in the accompanying financial statements.