

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

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

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Kids in Need of Development, Education, and Relief
Dallas, Texas

We have audited the accompanying financial statements of Kids in Need of Development, Education, and Relief (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, 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 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 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, 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.

Fox, Byrd + Company, P.C.

April 5, 2016
Dallas, Texas

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2015 and 2014

	2015	2014
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 554,485	\$ 639,650
Accounts receivable	13,108	-
Accounts receivable - other	74	-
Total current assets	567,667	639,650
Property and equipment		
Office equipment	19,287	19,287
Furniture and fixtures	3,538	3,538
	22,825	22,825
Less: Accumulated depreciation	18,537	16,046
	4,288	6,779
Security deposit	1,185	1,185
TOTAL ASSETS	\$ 573,140	\$ 647,614
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 1,174	\$ 8,791
Accrued expenses	1,584	1,984
Total current liabilities	2,758	10,775
Long-term liabilities	-	-
Total liabilities	2,758	10,775
Net assets		
Unrestricted	570,382	636,839
Temporarily restricted	-	-
Total net assets	570,382	636,839
TOTAL LIABILITIES AND NET ASSETS	\$ 573,140	\$ 647,614

The accompanying notes are an integral part of the financial statements.

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
UNRESTRICTED NET ASSETS		
Unrestricted support and revenues		
Contributions	\$ 1,020,401	\$ 1,557,188
Interest income	23	137
Net assets released from restrictions	<u>-</u>	<u>12,000</u>
Total unrestricted support and revenues	<u>1,020,424</u>	<u>1,569,325</u>
Expenses		
Program service	897,532	1,027,425
Management and general	33,529	32,758
Fundraising and promotion	<u>155,820</u>	<u>149,640</u>
Total expenses	<u>1,086,881</u>	<u>1,209,823</u>
Increase (decrease) in unrestricted net assets	<u>(66,457)</u>	<u>359,502</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contribution restricted to hot breakfast program	-	12,000
Net assets released from restrictions	<u>-</u>	<u>(12,000)</u>
Decrease in temporarily restricted net assets	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	(66,457)	359,502
NET ASSETS, beginning of year	<u>636,839</u>	<u>277,337</u>
NET ASSETS, end of year	<u>\$ 570,382</u>	<u>\$ 636,839</u>

The accompanying notes are an integral part of the financial statements.

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2015

	2015				
	Program Services	Supportive Services		Total Supportive Services	Total Expenses
		Management and General	Fundraising		
Expenses:					
Grants and assistance	\$ 667,427	\$ -	\$ -	\$ -	\$ 667,427
Foreign currency exchange loss	3,109	-	-	-	3,109
Salaries	75,078	18,281	75,719	94,000	169,078
Payroll taxes	5,893	1,401	5,793	7,194	13,087
Employee benefits	11,388	1,058	10,991	12,049	23,437
Professional fees	24,349	-	-	-	24,349
Office expense	3,449	2,709	3,448	6,157	9,606
Information technology expense	9,921	-	-	-	9,921
Occupancy	22,997	3,096	-	3,096	26,093
Travel	23,001	-	-	-	23,001
Bank and credit card charges	3,054	-	-	-	3,054
Depreciation	-	2,491	-	2,491	2,491
Other expenses	47,866	4,493	59,869	64,362	112,228
	<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 the financial statements.

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2014

	2014				
	Program Services	Supportive Services		Total	Total Expenses
		Management and General	Fundraising	Supportive Services	
Expenses:					
Grants and assistance	\$ 791,761	\$ -	\$ -	\$ -	\$ 791,761
Foreign currency exchange gain	13,162	-	-	-	13,162
Salaries	77,144	19,251	67,367	86,618	163,762
Payroll taxes	5,982	1,473	5,154	6,627	12,609
Employee benefits	9,581	1,842	8,968	10,810	20,391
Professional fees	18,787	-	-	-	18,787
Office expense	-	-	10,657	10,657	10,657
Information technology expense	7,573	-	-	-	7,573
Occupancy	15,244	2,278	-	2,278	17,522
Travel	17,467	-	-	-	17,467
Conferences and meetings	1,000	-	-	-	1,000
Bank and credit card charges	3,634	-	-	-	3,634
Depreciation	-	2,003	-	2,003	2,003
Other expenses	66,090	5,911	57,494	63,405	129,495
	<u>\$ 1,027,425</u>	<u>\$ 32,758</u>	<u>\$ 149,640</u>	<u>\$ 182,398</u>	<u>\$ 1,209,823</u>

The accompanying notes are an integral part of the financial statements.

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (66,457)	\$ 359,502
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
Depreciation expense	2,491	2,003
(Increase) decrease in receivables	(13,182)	7,875
Decrease in accounts payable	(7,617)	(4,724)
Decrease in accrued expenses	(400)	(1,264)
Net cash provided by (used in) operating activities	(85,165)	363,392
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(5,049)
Net cash used in investing activities	-	(5,049)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(85,165)	358,343
CASH AND CASH EQUIVALENTS, beginning of year	639,650	281,307
CASH AND CASH EQUIVALENTS, end of year	\$ 554,485	\$ 639,650

The accompanying notes are an integral part of the financial statements.