

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

**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2019 AND 2018**

**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, 2019 AND 2018**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Kids in Need of Development, Education, and Relief  
Dallas, 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, 2019 and 2018, and the related statements of activities and change in net assets, cash flows and functional expenses 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 2019 and 2018 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, 2019, 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.

*Juzeli, Buntin & Co. PC.*

March 13, 2020  
Addison, Texas

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

ASSETS

<u>CURRENT ASSETS</u>	<u>2019</u>	<u>2018</u>
Cash	\$ 390,026	\$ 439,722
Contributions receivable	29,688	19,884
Grant receivable, donor restricted	50,000	-
Prepaid expenses	<u>-</u>	<u>350</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>469,714</u></b>	<b><u>459,956</u></b>
 <u>PROPERTY AND EQUIPMENT</u>		
Office furniture	3,657	3,657
Office equipment	<u>6,553</u>	<u>6,553</u>
	10,210	10,210
Less accumulated depreciation	<u>(9,291)</u>	<u>(8,413)</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b><u>919</u></b>	<b><u>1,797</u></b>
Investments	3,528	2,715
Security deposit	<u>1,070</u>	<u>1,070</u>
<b>TOTAL OTHER ASSETS</b>	<b><u>4,598</u></b>	<b><u>3,785</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 475,231</u></b>	<b><u>\$ 465,538</u></b>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 5,113	\$ 2,647
Accrued expense	<u>1,296</u>	<u>3,497</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>6,409</u></b>	<b><u>6,144</u></b>
 <u>NET ASSETS</u>		
Donor restricted	50,000	-
Without donor restrictions	<u>418,822</u>	<u>459,394</u>
<b>TOTAL NET ASSETS</b>	<b><u>468,822</u></b>	<b><u>459,394</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 475,231</u></b>	<b><u>\$ 465,538</u></b>

*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,

	2019			2018		
	<u>Without</u>	<u>Donor</u>	<u>Total</u>	<u>Without</u>	<u>Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restricted</u>		<u>Restrictions</u>	<u>Restricted</u>	
<b><u>REVENUES AND SUPPORT</u></b>						
Contributions	427,975	\$ 509,109	\$ 937,084	497,222	543,677	\$ 1,040,899
Net assets released from restrictions, satisfaction of purpose restrictions	459,109	(459,109)	-	543,677	(543,677)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>887,084</b>	<b>50,000</b>	<b>937,084</b>	<b>1,040,899</b>	<b>-</b>	<b>1,040,899</b>
<b><u>EXPENSES</u></b>						
Program service	801,377	-	801,377	817,005	-	817,005
Total program expenses	801,377	-	801,377	817,005	-	817,005
Fund-raising	69,705	-	69,705	61,213	-	61,213
Management and general	41,233	-	41,233	36,524	-	36,524
<b>TOTAL EXPENSES</b>	<b>912,315</b>	<b>-</b>	<b>912,315</b>	<b>914,742</b>	<b>-</b>	<b>914,742</b>
<b><u>OTHER INCOME (LOSS)</u></b>						
Loss on currency exchange	(16,154)	-	(16,154)	(14,666)	-	(14,666)
Investment income (loss)	813	-	813	(298)	-	(298)
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>(15,341)</b>	<b>-</b>	<b>(15,341)</b>	<b>(14,964)</b>	<b>-</b>	<b>(14,964)</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(40,572)</b>	<b>50,000</b>	<b>9,428</b>	<b>111,193</b>	<b>-</b>	<b>111,193</b>
<b><u>NET ASSETS, beginning</u></b>	<b>459,394</b>	<b>-</b>	<b>459,394</b>	<b>348,201</b>	<b>-</b>	<b>348,201</b>
<b><u>NET ASSETS, ending</u></b>	<b>\$ 418,822</b>	<b>\$ 50,000</b>	<b>\$ 468,822</b>	<b>\$ 459,394</b>	<b>\$ -</b>	<b>\$ 459,394</b>

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>2019</u>	<u>2018</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from contributions, programs, etc.	\$ 861,126	\$ 1,019,681
Cash paid to employees	(141,031)	(146,633)
Cash paid to vendors	<u>(769,791)</u>	<u>(768,359)</u>
 CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	 <u>(49,696)</u>	 <u>104,689</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	-	(3,013)
Purchase of fixed assets	<u>-</u>	<u>(783)</u>
 CASH USED IN INVESTING ACTIVITIES	 <u>-</u>	 <u>(3,796)</u>
 <u>NET INCREASE (DECREASE) IN CASH</u>	 <u>(49,696)</u>	 <u>100,893</u>
 <u>CASH, beginning of year</u>	 <u>439,722</u>	 <u>338,829</u>
 <u>CASH, end of year</u>	 <u>\$ 390,026</u>	 <u>\$ 439,722</u>

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

<u>NET INCOME</u>	\$ 9,428	\$ 111,193
<u>ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>		
Depreciation	878	1,068
Unrealized (gain) loss on investments	(813)	298
 Change in asset and liability accounts affecting net income:		
Accounts receivable	(9,804)	(6,552)
Grants receivable, donor restricted	(50,000)	-
Prepaid expense	350	(350)
Accounts payable	2,466	(2,952)
Accrued liabilities	<u>(2,201)</u>	<u>1,984</u>
 <u>NET CASH PROVIDED BY (USED IN) OPERATIONS</u>	 <u>\$ (49,696)</u>	 <u>\$ 104,689</u>

*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, 2019 AND 2018**

	<u>December 31,</u> <u>2019</u> <u>Program</u> <u>Services</u>	<u>December 31,</u> <u>2019</u> <u>Management</u> <u>and General</u>	<u>December 31,</u> <u>2019</u> <u>Fundraising</u>	<u>December 31,</u> <u>2019</u> <u>Total</u> <u>Expenses</u>	<u>December 31,</u> <u>2018</u> <u>Program</u> <u>Services</u>	<u>December 31,</u> <u>2018</u> <u>Management</u> <u>and General</u>	<u>December 31,</u> <u>2018</u> <u>Fundraising</u>	<u>December 31,</u> <u>2018</u> <u>Totals</u>
Grants and assistance	\$ 641,303	\$ -	\$ -	\$ 641,303	\$ 612,832	\$ -	\$ -	\$ 612,832
Salaries	85,766	23,536	9,182	118,484	82,977	22,128	11,064	116,169
Payroll taxes	6,549	1,797	701	9,047	6,348	1,693	846	8,887
Contract Labor	-	-	3,900	3,900	-	-	-	-
Employee benefits	13,094	3,492	1,746	18,332	15,313	4,083	2,042	21,438
Professional fees	21,660	-	-	21,660	24,673	-	-	24,673
Office expense	1,391	1,093	1,391	3,875	1,621	1,273	1,620	4,514
Information technology expense	6,232	-	-	6,232	4,897	-	-	4,897
Occupancy	13,976	1,882	-	15,858	21,198	2,854	-	24,052
Travel	3,003	-	-	3,003	5,499	-	-	5,499
Conference and Meeting Expense	1,162	-	-	1,162	3,092	-	-	3,092
Bank and credit card charges	2,527	-	-	2,527	2,064	-	-	2,064
Depreciation	-	878	-	878	-	1,068	-	1,068
Other expenses	4,714	8,555	52,785	66,054	36,491	3,425	45,641	85,557
Totals	<u>\$ 801,377</u>	<u>\$ 41,233</u>	<u>\$ 69,705</u>	<u>\$ 912,315</u>	<u>\$ 817,005</u>	<u>\$ 36,524</u>	<u>\$ 61,213</u>	<u>\$ 914,742</u>

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