

KIDS IN NEED OF DEVELOPMENT, EDUCATION, AND RELIEF

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2021 AND 2020

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, 2021 AND 2020

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TUGGLE, BURTON & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

5080 Spectrum Dr., Suite 116W

Addison, Texas 75001

PARTNERS:

John E. Wayland, CPA

johnwayland@tuggleburton.com

Carol A. Kirk, CPA

carolkirk@tuggleburton.com

PRINCIPAL:

Colin E. Buckley, CPA

colinbuckley@tuggleburton.com

Tel (972) 661-5562

Fax (972) 661-1664

REPORT OF INDEPENDENT AUDITOR

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

Opinion

We have audited the accompanying financial statements of Kids in Need of Development, Education, and Relief (a Texas nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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.

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, 2021 and 2020, and the results of its operations 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 Kids in Need of Development, Education, and Relief 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 Kids in Need of Development, Education, and Relief'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 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 Kids in Need of Development, Education, and Relief'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 Kids in Need of Development, Education, and Relief'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.



Tuggle, Burton & Co. P.C.
Addison, Texas
April 29, 2022

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

ASSETS

<u>CURRENT ASSETS</u>	<u>2021</u>	<u>2020</u>
Cash	\$ 612,768	\$ 514,859
Contributions receivable	13,960	23,033
Receivable from employee	<u>720</u>	<u>-</u>
 TOTAL CURRENT ASSETS	 <u>627,448</u>	 <u>537,892</u>
 <u>PROPERTY AND EQUIPMENT</u>		
Office furniture	3,657	3,657
Office equipment	<u>9,559</u>	<u>9,559</u>
	13,216	13,216
Less accumulated depreciation	<u>(11,411)</u>	<u>(10,235)</u>
 TOTAL PROPERTY AND EQUIPMENT	 <u>1,805</u>	 <u>2,981</u>
 Investments	257,473	4,674
Security deposit	<u>1,070</u>	<u>1,070</u>
 TOTAL OTHER ASSETS	 <u>258,543</u>	 <u>5,744</u>
 TOTAL ASSETS	 <u>\$ 887,796</u>	 <u>\$ 546,617</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 2,813	\$ 3,163
Accrued expense	<u>783</u>	<u>3,604</u>
 TOTAL CURRENT LIABILITIES	 <u>3,596</u>	 <u>6,767</u>
 <u>NET ASSETS</u>		
Donor restricted	-	-
Without donor restrictions	<u>884,200</u>	<u>539,850</u>
 TOTAL NET ASSETS	 <u>884,200</u>	 <u>539,850</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 887,796</u>	 <u>\$ 546,617</u>

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,

	2021			2020		
	<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>	
		\$	\$		\$	\$
<u>REVENUES AND SUPPORT</u>						
Contributions	739,646	572,611	1,312,257	431,693	507,962	939,655
Net assets released from restrictions, satisfaction of purpose restrictions	572,611	(572,611)	-	557,962	(557,962)	-
TOTAL REVENUES AND SUPPORT	1,312,257	-	1,312,257	989,655	(50,000)	939,655
<u>EXPENSES</u>						
Program service	881,938	-	881,938	779,924	-	779,924
Total program expenses	881,938	-	881,938	779,924	-	779,924
Fund-raising	35,365	-	35,365	56,013	-	56,013
Management and general	42,628	-	42,628	41,735	-	41,735
TOTAL EXPENSES	959,931	-	959,931	877,673	-	877,673
<u>OTHER INCOME (LOSS)</u>						
Forgiveness of Small Business						
Administration Economic Impact Disaster loan	15,000	-	15,000	24,747	-	24,747
Loss on currency exchange	(25,449)	-	(25,449)	(16,774)	-	(16,774)
Investment income (loss)	2,473	-	2,473	1,073	-	1,073
TOTAL OTHER INCOME (LOSS)	(7,976)	-	(7,976)	9,046	-	9,046
INCREASE (DECREASE) IN NET ASSETS	344,350	-	344,350	121,028	(50,000)	71,028
<u>NET ASSETS, beginning</u>	<u>539,850</u>	<u>-</u>	<u>539,850</u>	<u>418,822</u>	<u>50,000</u>	<u>468,822</u>
<u>NET ASSETS, ending</u>	<u>\$ 884,200</u>	<u>\$ -</u>	<u>\$ 884,200</u>	<u>\$ 539,850</u>	<u>\$ -</u>	<u>\$ 539,850</u>

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>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from contributions, programs, etc.	\$ 1,321,330	\$ 996,310
Cash received from Small Business Administration Economic Impact Disaster loan forgiveness	15,000	-
Cash received from Paycheck Protection Program loan forgiveness	-	24,747
Cash paid to employees	(161,285)	(141,471)
Cash paid to vendors	<u>(826,810)</u>	<u>(751,997)</u>
CASH PROVIDED BY OPERATING ACTIVITIES	<u>348,235</u>	<u>127,589</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(250,326)	-
Proceeds on sale of investments	-	250
Purchase of fixed assets	<u>-</u>	<u>(3,006)</u>
CASH USED IN INVESTING ACTIVITIES	<u>(250,326)</u>	<u>(2,756)</u>
<u>NET INCREASE IN CASH</u>	97,909	124,833
<u>CASH, beginning of year</u>	<u>514,859</u>	<u>390,026</u>
<u>CASH, end of year</u>	<u>\$ 612,768</u>	<u>\$ 514,859</u>
 <u>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
<u>NET INCOME</u>	\$ 344,350	\$ 71,028
<u>ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Depreciation	1,176	944
Unrealized gain on investments	(2,473)	(1,396)
Change in asset and liability accounts affecting net income:		
Accounts receivable	9,073	6,655
Grants receivable, donor restricted	-	50,000
Receivable from employee	(720)	-
Accounts payable	(350)	(1,950)
Accrued liabilities	<u>(2,821)</u>	<u>2,308</u>
<u>NET CASH PROVIDED BY OPERATIONS</u>	<u>\$ 348,235</u>	<u>\$ 127,589</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, 2021 AND 2020

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2020</u>
	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program</u>	<u>Management</u>	<u>Totals</u>
	<u>Services</u>	<u>and General</u>	<u>Expenses</u>	<u>Services</u>	<u>and General</u>	<u>Fundraising</u>	<u>Totals</u>
Grants and assistance	\$ 696,413	\$ -	\$ -	\$ 696,413	\$ 622,489	\$ -	\$ 622,489
Salaries	107,644	27,892	10,000	145,536	95,377	23,364	127,923
Payroll taxes	8,234	2,134	765	11,133	7,295	1,787	9,784
Employee benefits	8,747	2,333	1,166	12,246	6,259	1,669	8,762
Professional fees	19,997	-	-	19,997	18,042	-	18,042
Office expense	1,547	1,215	1,546	4,308	1,595	1,253	4,443
Information technology expense	9,572	-	-	9,572	6,672	-	6,672
Occupancy	14,629	1,970	-	16,599	14,865	2,001	16,866
Travel	78	-	-	78	265	-	265
Conference and Meeting Expense	-	-	-	-	19	-	19
Bank and credit card charges	2,204	-	-	2,204	2,395	-	2,395
Depreciation	-	1,176	-	1,176	-	944	944
Other expenses	12,873	5,908	21,888	40,669	4,651	10,717	59,069
Totals	\$ 881,938	\$ 42,628	\$ 35,365	\$ 959,931	\$ 779,924	\$ 41,735	\$ 877,673

The accompanying notes are an integral part of these financial statements
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