

KIDZ2LEADERS , INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2019 AND 2018

KIDZ2LEADERS, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Kidz2Leaders, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Kidz2Leaders, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Kidz2Leaders, Inc. as of December 31, 2019 and 2018, 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.

Atlanta, Georgia
July 6, 2020

Brooks, McGinnis & Company, LLC

KIDZ2LEADERS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 454,452	\$ 377,789
Contributions receivable	6,220	36,823
Contributed marketable securities	10,503	9,813
Prepaid expenses	3,428	2,302
Property and equipment, net	11,774	16,799
Trademark	2,375	2,375
Total assets	\$ 488,752	\$ 445,901
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 19,605	\$ 21,552
Agency funds - interns4tomorrow	6,360	6,278
Total liabilities	25,965	27,830
Commitments and contingencies		
Net assets:		
Without donor restrictions:		
Net expended for property and equipment	11,774	16,799
Available for operations	321,663	254,585
Total net assets without donor restrictions	333,437	271,384
With donor restrictions	129,350	146,687
Total net assets	462,787	418,071
Total liabilities and net assets	\$ 488,752	\$ 445,901

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

KIDZ2LEADERS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	Restated 2018
Changes in net assets without donor restrictions:		
Revenues, gains, and support:		
Contributions	\$ 650,097	\$ 514,436
Support from Mount Bethel UMC	46,400	46,400
Event revenue, net of direct expenses of \$60,191 and \$30,612 respectively	68,850	72,579
Counselor fees	11,925	12,005
Other income	1,625	1,307
	778,897	646,727
Net assets released from restrictions	34,337	57,050
Total revenues, gains, and support without donor restrictions	813,234	703,777
Expenses:		
Program Services:		
Camp Hope	404,975	355,233
interns4tomorrow	65,374	97,640
Other programs	174,813	128,521
Total program services	645,162	581,394
Supporting services:		
Fundraising	59,442	84,810
General and Administrative	46,577	46,573
Total supporting services	106,019	131,383
Total expenses	751,181	712,777
Increase (decrease) in net assets without donor restrictions	62,053	(9,000)
Changes in net assets with donor restrictions:		
Contributions	17,000	29,337
Net assets released from restrictions	(34,337)	(57,050)
Decrease in net assets with donor restrictions	(17,337)	(27,713)
Increase (decrease) in net assets	44,716	(36,713)
Net assets at beginning of year	418,071	454,784
Net assets at end of year	\$ 462,787	\$ 418,071

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

KIDZ2LEADERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Camp Hope	interns4 tomorrow	Other Programs	Total Program Services	Fundraising	General and Administrative	Total Supporting Services	Total Expenses
Salaries and wages	\$ 113,071	\$ 50,293	\$ 57,985	\$ 221,349	\$ 52,186	\$ 23,194	\$ 75,380	\$ 296,729
Payroll taxes and benefits	16,285	4,390	7,351	28,026	4,516	1,740	6,256	34,282
Total personnel	<u>129,356</u>	<u>54,683</u>	<u>65,336</u>	<u>249,375</u>	<u>56,702</u>	<u>24,934</u>	<u>81,636</u>	<u>331,011</u>
Assistance	-	-	18,974	18,974	-	-	-	18,974
Camp rent	169,688	-	28,705	198,393	-	-	-	198,393
Travel, meals, and entertainment	13,865	1,534	14,682	30,081	13	99	112	30,193
Training	508	48	254	810	7	57	64	874
Honorariums and gifts	9,466	-	-	9,466	-	-	-	9,466
Insurance	3,889	366	1,944	6,199	56	440	496	6,695
Program expenses	21,484	5,092	26,487	53,063	-	-	-	53,063
Office supplies	1,920	101	538	2,559	15	326	341	2,900
Postage and printing	1,166	51	321	1,538	8	61	69	1,607
Telephone and internet	3,330	696	1,510	5,536	31	248	279	5,815
Repairs and maintenance	6,950	654	3,474	11,078	99	786	885	11,963
Professional fees	18,959	385	919	20,263	6	14,594	14,600	34,863
Office rent	15,338	1,444	7,666	24,448	219	1,733	1,952	26,400
Storage facility rent	4,692	-	-	4,692	-	-	-	4,692
Scholarship expenses	-	-	2,000	2,000	-	-	-	2,000
Vehicle expenses	120	-	306	426	-	-	-	426
Depreciation	2,919	275	1,459	4,653	42	330	372	5,025
Technology	848	-	-	848	-	-	-	848
Other	477	45	238	760	2,244	2,969	5,213	5,973
Total expenses	<u>\$ 404,975</u>	<u>\$ 65,374</u>	<u>\$ 174,813</u>	<u>\$ 645,162</u>	<u>\$ 59,442</u>	<u>\$ 46,577</u>	<u>\$ 106,019</u>	<u>\$ 751,181</u>
Percentages	<u>54%</u>	<u>9%</u>	<u>23%</u>	<u>86%</u>	<u>8%</u>	<u>6%</u>	<u>14%</u>	<u>100%</u>

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

KIDZ2LEADERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018 (RESTATED)

	Camp Hope	interns4 tomorrow	Other Programs	Total Program Services	Fundraising	General and Administrative	Total Supporting Services	Total Expenses
Salaries and wages	\$ 90,805	\$ 51,255	\$ 27,888	\$ 169,948	\$ 73,150	\$ 21,287	\$ 94,437	\$ 264,385
Contract labor	12,250	-	-	12,250	-	-	-	12,250
Payroll taxes and benefits	14,169	4,330	4,941	23,440	5,874	1,539	7,413	30,853
Total personnel	<u>117,224</u>	<u>55,585</u>	<u>32,829</u>	<u>205,638</u>	<u>79,024</u>	<u>22,826</u>	<u>101,850</u>	<u>307,488</u>
Assistance	-	-	10,213	10,213	-	-	-	10,213
Intern educational trip	-	21,917	-	21,917	-	-	-	21,917
Camp rent	132,158	-	26,025	158,183	-	-	-	158,183
Travel, meals, and entertainment	13,145	1,761	17,142	32,048	9	36	45	32,093
Training	408	116	190	714	13	54	67	781
Honorariums and gifts	7,070	-	-	7,070	-	-	-	7,070
Insurance	2,767	789	1,286	4,842	89	366	455	5,297
Program expenses	39,390	7,681	17,357	64,428	-	201	201	64,629
Office supplies	1,406	342	512	2,260	35	296	331	2,591
Postage and printing	2,048	671	1,269	3,988	40	163	203	4,191
Telephone and internet	2,475	1,060	919	4,454	64	262	326	4,780
Repairs and maintenance	4,759	1,358	2,211	8,328	153	629	782	9,110
Professional fees	5,738	1,580	6,003	13,321	121	15,703	15,824	29,145
Office rent	13,790	3,934	6,409	24,133	444	1,823	2,267	26,400
Storage facility rent	4,330	-	-	4,330	-	-	-	4,330
Scholarship expenses	-	-	3,750	3,750	-	-	-	3,750
Vehicle expenses	134	150	1,307	1,591	-	-	-	1,591
Depreciation	1,943	554	903	3,400	63	257	320	3,720
Technology	5,947	22	-	5,969	-	-	-	5,969
Other	501	120	196	817	4,755	3,957	8,712	9,529
Total expenses	<u>\$ 355,233</u>	<u>\$ 97,640</u>	<u>\$ 128,521</u>	<u>\$ 581,394</u>	<u>\$ 84,810</u>	<u>\$ 46,573</u>	<u>\$ 131,383</u>	<u>\$ 712,777</u>
Percentages	<u>50%</u>	<u>14%</u>	<u>18%</u>	<u>82%</u>	<u>12%</u>	<u>6%</u>	<u>18%</u>	<u>100%</u>

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

KIDZ2LEADERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ <u>44,716</u>	\$ <u>(36,713)</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	5,025	3,720
Contributed marketable securities, net of proceeds	(690)	(9,813)
Donated furniture	-	(9,380)
Changes in assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	30,603	54,653
Prepaid expenses	(1,126)	1,054
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,947)	(3,738)
Agency funds - interns4tomorrow	82	(2,153)
Total adjustments	<u>31,947</u>	<u>34,343</u>
Net cash provided by (used in) operating activities	<u>76,663</u>	<u>(2,370)</u>
Cash flows from investing activities:		
Purchase of equipment	-	(4,838)
Redemption of certificates of deposit	-	76,255
Net cash provided by investing activities	<u>-</u>	<u>71,417</u>
Net increase in cash and cash equivalents	76,663	69,047
Cash and cash equivalents, beginning of year	<u>377,789</u>	<u>308,742</u>
Cash and cash equivalents, end of year	<u>\$ <u>454,452</u></u>	<u>\$ <u>377,789</u></u>

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

KIDZ2LEADERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Nature of Organization and Significant Accounting Policies

Organization

Kidz2Leaders, Inc. (the Organization) is a nonprofit corporation located in Cobb County, Georgia. The Organization was established in 1999 and is supported primarily through contributions from individual and corporate contributors. The Organization also receives limited support from Mount Bethel United Methodist Church. The Organization provides stability, opportunity and a Christian community for children of inmates to break the cycle of incarceration .

Method of Reporting

The Organization's accounts are maintained, and these statements are presented, on the accrual basis of accounting to present the results of activities and financial position in conformity with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

Under accounting principles generally accepted in the United States of America (GAAP), the Organization is required to report information regarding its financial position and activities according to two classes of net assets: Net assets without donor restrictions and net assets with donor restrictions based on stipulations made by the donor. Although the Organization continues to maintain its internal financial statements and general ledger on a fund accounting basis, its external financial statements are presented in accordance with GAAP.

Contributions

Unconditional promises to give and contributions received are recorded as net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of donor restrictions. Accordingly, the Organization reports gifts of cash and other assets as support with donor restrictions 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, net assets with purpose or time restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions received and expended in the same accounting period are classified as net assets without donor restrictions . All contributions and unconditional promises to give which do not have donor restrictions as to purpose or time are classified as support without donor restrictions. The Organization records gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used.

KIDZ2LEADERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Nature of Organization and Significant Accounting Policies – Continued

Contributions – Continued

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, as well as 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 those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or purchased long-lived assets are placed in service. Land held for sale, other assets, and marketable equity securities acquired by gift are recorded at fair market value on the date of receipt.

Donated Equipment, Supplies, Services, and Facilities

All non-cash gifts (other than personal services) are recorded at their estimated fair value at the date of receipt. Contributed services are reflected in the financial statements at the fair value of the services received. Contributions of services are recognized if the services received either created or enhanced non-financial assets or required specialized skills that would need to be purchased if not donated. The Organization received \$140,932 and \$125,625 in donated equipment, supplies, services, and facilities for the years ended December 31, 2019 and 2018, respectively, and these have been recognized as contribution revenue and expenses or capital additions in the accompanying financial statements. These amounts include donated camp facilities and services provided by Camp Twin Lakes of \$97,930 and \$82,870 for the years ended December 31, 2019 and 2018. Camp Twin Lakes subsidizes approximately 70% of its cost to send each camper to camp. A substantial number of volunteers have also donated significant amounts of their time to the Organization. However, these services do not meet the requirements above, and therefore are not reported in the financial statements.

The Organization's office facility is donated by Mount Bethel United Methodist Church and is located on the Church campus. The value of the contribution is \$26,400 for each of the years ended December 31, 2019 and 2018 and is included in support from Mount Bethel UMC and office rent expense in the accompanying financial statements.

Property and Equipment, Net

It is the policy of the Organization to capitalize property and equipment in excess of \$500. The cost of the property is depreciated over the estimated useful lives of the related assets using the straight-line method. A summary of depreciable lives follows:

Computer equipment and software	3 years
Furniture and equipment	5 - 7 years
Vehicles	5 years

KIDZ2LEADERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Nature of Organization and Significant Accounting Policies – Continued

Property and Equipment, Net – Continued

The Organization evaluates its long-lived assets for indicators of possible impairment by comparing the carrying amounts of such assets to future net undiscounted cash flows expected to be generated by such assets when events or circumstances indicate that the carrying value of an asset or asset group may not be recoverable. Should an impairment exist, the impairment loss would be measured based on the excess of the asset's carrying value over the asset's estimated fair value, which would normally be determined by discounting estimated future cash flows.

Functional Allocation of Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification of expenses by function. Accordingly, certain costs have been allocated among the various programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, and payroll taxes and benefits, which are allocated on the basis of estimates of time and effort. The expenses that are allocated based on allocation of direct expenses include travel, meals, and entertainment, training, insurance, office supplies, postage and printing, telephone and internet, repairs and maintenance, professional fees, office rent, depreciation, and other miscellaneous expenses.

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.

Tax Exempt Status

The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provisions for federal and state income taxes have been recorded in the accompanying financial statements. The Organization believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's tax returns are subject to examination by the appropriate regulatory authorities and remain open for the last three (3) years.

KIDZ2LEADERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Nature of Organization and Significant Accounting Policies – Continued

Concentration of Credit Risk

The Organization maintains bank accounts with two financial institutions. The account balances (as reflected in the institutions' records) are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 at each institution. As of December 31, 2019, cash balances exceeded this FDIC coverage by approximately \$67,924. As of December 31, 2018, cash balances were fully insured by the FDIC.

New Accounting Policies

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of Topic 606 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This pronouncement requires retrospective application.

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This new standard clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The guidance in this update should be applied on a modified prospective basis, and retrospective application is permitted.

The Organization adopted these accounting policies for the year ended December 31, 2019. Accordingly, the financial statements as of and for the year ended December 31, 2018 have been restated to conform to this new guidance. These new accounting policies did not affect total net assets for either the year ended December 31, 2019 or 2018.

Prior Period Adjustment

For the year ended December 31, 2018, contributions without donor restrictions and expenses increased by \$82,870 to include donated camp facilities and services. There was no change to net assets for 2018.

2. Liquidity and Availability of Financial Assets

The Organization is substantially supported by contributions with and without donor restrictions. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers cash that is not restricted for long term purposes as available for use. General expenditures may be incurred for program, administrative, or fundraising purposes, and annual operations are defined as activities occurring during the Organization's fiscal year.

KIDZ2LEADERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. Liquidity and Availability of Financial Assets – Continued

The Organization receives contributions restricted by donors for programs which are ongoing, major, and central to its annual operations. As such, at December 31, 2018, financial assets available to meet cash needs for general expenditures within one year include donor-restricted contributions of \$32,337. There were no donor restricted contributions available to meet cash needs for general expenditures within one year at December 31, 2019.

The Organization’s financial assets at December 31 (excluding amounts with certain donor-imposed restrictions) available within one year after this date to satisfy liabilities at this date and for future general expenditures are as follows:

	2019	2018
Cash and cash equivalents	\$ 454,452	\$ 377,789
Contributions receivable	6,220	36,823
Contributed marketable securities	10,503	9,813
Total financial assets available	471,175	424,425
Less:		
Restricted cash - scholarships	(129,350)	(114,350)
Financial assets available to meet general expenditures within one year	\$ 341,825	\$ 310,075

In addition to financial assets available to meet general expenditures over the next twelve (12) months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Subsequent to December 31, 2019, the global coronavirus pandemic threatened to deeply harm global growth. This has affected the U.S. and global equity markets, as well as consumer confidence, and the broad U.S. and global stock markets have experienced extreme volatility since December 31, 2019. It is uncertain how this downturn in the financial markets and consumer confidence may affect the operations, investments, funding, and contribution income of nonprofit organizations in the near future. The Organization depends heavily on contributions to support its operations, and the ability of contributors to continue giving may be dependent on current and future overall economic conditions. While the Organization believes it has the resources to continue its programs, its ability to do so, and the extent to which it continues, may be dependent on many interdependent factors.

To assist with operational cash flow during the pandemic, the Organization has been granted a forgivable loan from the United States Small Business Administration’s Paycheck Protection Program (PPP). The total proceeds received for this loan was approximately \$48,000. Management expects to spend the loan proceeds on eligible amounts qualifying for loan forgiveness, but any portion not forgiven would be payable over a five (5) year period at an interest rate of 1%.

KIDZ2LEADERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

3. Contributions Receivable

During the years ended December 31, 2019 and 2018, the Organization received unconditional promises to give from organizations and individuals in the amounts of \$6,220 and \$36,823, respectively. The restricted contributions included in the contributions receivable balance at December 31, 2018 totaled \$20,000. There were no restricted contributions included in the contributions receivable balance at December 31, 2019. Management considers these receivables to be fully collectable within one year. Consequently, no allowance for uncollectible contributions receivable or present value discount was deemed necessary at either December 31, 2019 or 2018.

4. Property and Equipment, Net

The Organization's property and equipment consist of the following at December 31:

	2019	2018
Computer equipment	\$ 20,829	\$ 20,829
Computer software	8,948	8,948
Furniture and equipment	27,978	27,978
Vehicles	25,774	25,774
	83,529	83,529
Less accumulated depreciation	(71,755)	(66,730)
Total property and equipment, net	\$ 11,774	\$ 16,799

Depreciation expense for the years ended December 31, 2019 and 2018 was \$5,025 and \$3,720, respectively.

5. Lease Commitments

The Organization entered into a non-cancelable operating lease for certain office equipment during 2018. Future minimum lease payments under this non-cancelable operating lease as of December 31, 2019 are as follows:

Year Ended December 31:	
2020	\$ 1,311
2021	1,311
2022	1,311
2023	546
	\$ 4,479

For the years ended December 31, 2019 and 2018, total office equipment expense was \$1,565 and \$1,035, respectively.

KIDZ2LEADERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

6. Agency Funds – interns4tomorrow

The interns4tomorrow program assists students in the funding of college and other higher education expenses. Under this program, eligible participants work for a sponsoring organization, and a percentage of wages earned by the participant and matched by the employer are transferred to an interest-bearing savings account. These accounts have been established in both the participant and Kidz2Leaders names to fund tuition and other expenses related to higher education, and disbursement of the funds must be approved by management until the participants reach the age of 21.

Once the participants attain the age of 21, they have the right to transfer the funds to their own accounts. The balance of the funds under the Organization’s control at December 31, 2019 and 2018 was \$6,360 and \$6,278, respectively.

7. Net Assets with Donor Restrictions

Net Assets with donor restrictions are comprised of contributions the Organization has received which are subject to donor-imposed restrictions. Net assets with donor restrictions consist of the following at December 31:

	2019	2018
Scholarships	\$ 129,350	\$ 114,350
Camp Hope	-	10,000
Family Support program	-	2,337
Time restricted for future operations	-	20,000
Total net assets with donor restrictions	\$ 129,350	\$ 146,687

8. Net Assets Released from Restrictions

The following net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended December 31:

	2019	2018
Scholarships	\$ 2,000	\$ 3,750
Camp Hope	10,000	28,300
interns4tomorrow	-	5,000
Family Support program	2,337	-
Time restricted for future operations	20,000	20,000
Total net assets released from restrictions	\$ 34,337	\$ 57,050

KIDZ2LEADERS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

9. Related Party Transactions

The Executive Director was a family member of the Organization's Board Chairman during both the years ended December 31, 2019 and 2018. Per discussions with management, the Board Chairman recuses himself from all Board decisions directly related to the Executive Director to avoid any impropriety or conflicts of interest.

10. Subsequent Events

Subsequent events have been evaluated through July 6, 2020, which is the date the financial statements were available to be issued. Other than the subsequent event described in Note 2, there were no additional subsequent events requiring recognition or disclosure in the financial statements.