

KIDZ2LEADERS , INC.

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FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, 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, 2020 and 2019, 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  
May 21, 2021

*Brooks, McGinnis & Company, LLC*

KIDZ2LEADERS, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 516,976	\$ 454,452
Contributions receivable	12,900	6,220
Contributed marketable securities	-	10,503
Employee retention tax credit receivable	38,100	-
Prepaid expenses	3,132	3,428
Property and equipment, net	6,749	11,774
Trademark	2,375	2,375
Total assets	\$ 580,232	\$ 488,752
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 21,199	\$ 19,605
Paycheck Protection Program loan	48,000	-
Agency funds - interns4tomorrow	6,185	6,360
Total liabilities	75,384	25,965
Net assets:		
Without donor restrictions:		
Net expended for property and equipment	6,749	11,774
Available for operations	372,749	321,663
Total net assets without donor restrictions	379,498	333,437
With donor restrictions	125,350	129,350
Total net assets	504,848	462,787
Total liabilities and net assets	\$ 580,232	\$ 488,752

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

KIDZ2LEADERS, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Changes in net assets without donor restrictions:		
Revenues, gains, and support:		
Contributions	\$ 403,216	\$ 650,097
Government grant - employee retention credits	38,100	-
Support from Mount Bethel UMC	46,400	46,400
Event revenue, net of direct expenses of \$8,002 and \$60,191, respectively	63,958	68,850
Counselor fees	2,900	11,925
Other income	2,604	1,625
	557,178	778,897
Net assets released from restrictions	9,000	34,337
Total revenues, gains, and support without donor restrictions	566,178	813,234
Expenses:		
Program Services:		
Camp Hope	101,183	404,975
interns4tomorrow	65,286	65,374
Other programs	248,264	174,813
Total program services	414,733	645,162
Supporting services:		
Fundraising	49,106	59,442
General and Administrative	56,278	46,577
Total supporting services	105,384	106,019
Total expenses	520,117	751,181
Increase in net assets without donor restrictions	46,061	62,053
Changes in net assets with donor restrictions:		
Contributions	5,000	17,000
Net assets released from restrictions	(9,000)	(34,337)
Decrease in net assets with donor restrictions	(4,000)	(17,337)
Increase in net assets	42,061	44,716
Net assets at beginning of year	462,787	418,071
Net assets at end of year	\$ 504,848	\$ 462,787

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

KIDZ2LEADERS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Camp Hope	interns4 tomorrow	Other Programs	Total Program Services	Fundraising	General and Administrative	Total Supporting Services	Total Expenses
Salaries and wages	\$ 65,790	\$ 49,402	\$ 86,843	\$ 202,035	\$ 42,106	\$ 26,316	\$ 68,422	\$ 270,457
Payroll taxes and benefits	9,392	4,093	8,258	21,743	3,519	1,987	5,506	27,249
Total personnel	<u>75,182</u>	<u>53,495</u>	<u>95,101</u>	<u>223,778</u>	<u>45,625</u>	<u>28,303</u>	<u>73,928</u>	<u>297,706</u>
Assistance	-	-	37,396	37,396	-	-	-	37,396
Intern educational trip	-	569	-	569	-	-	-	569
Camp rent	1,000	-	15,798	16,798	-	-	-	16,798
Travel, meals, and entertainment	1,124	191	6,117	7,432	17	134	151	7,583
Training	95	72	558	725	13	102	115	840
Honorariums and gifts	-	-	-	-	-	-	-	-
Insurance	587	444	3,457	4,488	79	631	710	5,198
Program expenses	6,248	2,388	43,054	51,690	-	-	-	51,690
Office supplies	1,406	131	1,018	2,555	23	847	870	3,425
Postage and printing	719	61	1,009	1,789	11	87	98	1,887
Telephone and internet	1,264	856	2,639	4,759	53	424	477	5,236
Repairs and maintenance	1,070	809	6,305	8,184	143	1,152	1,295	9,479
Professional fees	4,082	1,530	10,163	15,775	208	16,619	16,827	32,602
Office rent	2,981	2,254	17,559	22,794	399	3,207	3,606	26,400
Storage facility rent	4,710	-	-	4,710	-	-	-	4,710
Scholarship expenses	-	-	4,000	4,000	-	-	-	4,000
Vehicle expenses	74	-	312	386	-	-	-	386
Depreciation	567	429	3,342	4,338	76	611	687	5,025
Technology	-	1,001	-	1,001	-	-	-	1,001
Other	74	1,056	436	1,566	2,459	4,161	6,620	8,186
Total expenses	<u>\$ 101,183</u>	<u>\$ 65,286</u>	<u>\$ 248,264</u>	<u>\$ 414,733</u>	<u>\$ 49,106</u>	<u>\$ 56,278</u>	<u>\$ 105,384</u>	<u>\$ 520,117</u>
Percentages	<u>19%</u>	<u>13%</u>	<u>48%</u>	<u>80%</u>	<u>9%</u>	<u>11%</u>	<u>20%</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, 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.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Increase in net assets	\$ 42,061	\$ 44,716
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	5,025	5,025
Contributed marketable securities, net of proceeds	10,503	(690)
Changes in assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	(6,680)	30,603
Employee retention tax credit receivable	(38,100)	-
Prepaid expenses	296	(1,126)
Increase (decrease) in:		
Accounts payable and accrued expenses	1,594	(1,947)
Agency funds - interns4tomorrow	(175)	82
Total adjustments	(27,537)	31,947
Net cash provided by operating activities	14,524	76,663
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	48,000	-
Net cash provided by financing activities	48,000	-
Net increase in cash and cash equivalents	62,524	76,663
Cash and cash equivalents, beginning of year	454,452	377,789
Cash and cash equivalents, end of year	\$ 516,976	\$ 454,452

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



KIDZ2LEADERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

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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 .

The global coronavirus pandemic impacted the Organization’s operations and programs during the year ended December 31, 2020. While the Organization was not able to hold its week-long overnight camp, it developed a program called Camp2U. This program provided an opportunity to connect with the Camp Hope families through socially distanced picnic lunches and included “Camp in a Box” full of games and activities for the Camp Hope Kidz. As a result, there were less expenses including camp rent and program expenses for Camp Hope in 2020 compared to 2019. The Organization provided more assistance for its families in 2020 resulting in an increase in other programs during 2020. The Organization plans to hold two weeks of Camp Hope in the summer of 2021.

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

KIDZ2LEADERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

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1. Nature of Organization and Significant Accounting Policies – Continued

Contributions – Continued

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.

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 \$39,805 and \$140,932 in supplies, services, and facilities for the years ended December 31, 2020 and 2019, respectively, and these have been recognized as contribution revenue and expenses in the accompanying financial statements. These amounts include donated camp facilities and services provided by Camp Twin Lakes of \$7,280 and \$97,930 for the years ended December 31, 2020 and 2019. 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, 2020 and 2019 and is included in support from Mount Bethel UMC and office rent expense in the accompanying financial statements.

KIDZ2LEADERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

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1. Nature of Organization and Significant Accounting Policies – Continued

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

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.

KIDZ2LEADERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

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1. Nature of Organization and Significant Accounting Policies – Continued

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.

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. At December 31, 2020 and 2019, cash balances exceeded this FDIC coverage by approximately \$38,235 and \$67,924, respectively.

Risk and Uncertainties

During the year ended December 31, 2020, the global coronavirus pandemic threatened to deeply harm global growth. This has affected the U.S. and global equity markets, as well as eroded consumer confidence and deepened unemployment. It is uncertain how this volatility in the financial markets and general economic conditions may affect the Organization's operations and contribution income in the future.

To assist in operational cash flow during the pandemic, the Organization was granted a potentially forgivable loan from a financial institution in April 2020 in the amount of \$48,000, as further discussed in Note 8. In addition, the Organization was eligible for employee retention tax credits of \$38,100 for year ended December 31, 2020, as further discussed in Note 4.

While the Organization believes it has the resources to continue its programs, its ability to do so may be dependent on many factors. The Organization is heavily dependent upon contributions to support its operations. The ability of donors to continue giving may be affected by current and future overall economic conditions.

KIDZ2LEADERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

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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. The Organization receives contributions restricted by donors for programs which are ongoing, major, and central to its annual operations. All donor restricted contributions received during 2020 and 2019 except for contributions restricted for scholarships were spent in the same year.

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:

	2020	2019
Cash and cash equivalents	\$ 516,976	\$ 454,452
Contributions receivable	12,900	6,220
Contributed marketable securities	-	10,503
Employee retention tax credit receivable	38,100	-
Total financial assets available	567,976	471,175
Less:		
Restricted cash - scholarships	(125,350)	(129,350)
Financial assets available to meet general expenditures within one year	\$ 442,626	\$ 341,825

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.

3. Contributions Receivable

During the years ended December 31, 2020 and 2019, the Organization received unconditional promises to give from organizations and individuals in the amounts of \$12,900 and \$6,220, respectively. 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, 2020 or 2019.

KIDZ2LEADERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

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4. Employee Retention Tax Credit Receivable

Under the recently enacted American Rescue Plan Act and previously under the Consolidated Appropriations Act, the Organization became eligible to apply for the employee retention tax credits (ERTC), a provision of the CARES Act. It can be claimed through December 31, 2021 by eligible employers who retained employees during the COVID-19 pandemic. Employers are eligible for the credit if they experienced either a full or partial suspension of operations during any calendar quarter because of governmental orders due to the pandemic or a significant decline in gross receipts based on comparing quarterly revenue results for 2020 and/or 2021 with the comparable quarter in 2019. The ERTC is a refundable credit that the Organization can claim on qualified wages paid to employees, including certain health insurance costs. The Organization filed a refund claim for \$38,100 with the Internal Revenue Service for the year ended December 31, 2020.

5. Property and Equipment, Net

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

	2020	2019
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	(76,780)	(71,755)
Total property and equipment, net	\$ 6,749	\$ 11,774

Depreciation expense for the years ended December 31, 2020 and 2019 was \$5,025 for both years.

KIDZ2LEADERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

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6. Lease Commitments

The Organization entered into a non-cancelable operating lease for certain office equipment. Future minimum lease payments under this non-cancelable operating lease as of December 31, 2020 are as follows:

<u>Year Ended December 31:</u>	
2021	\$ 1,311
2022	1,311
2023	<u>546</u>
	<u>\$ 3,168</u>

For the years ended December 31, 2020 and 2019, total office equipment expense was \$1,556 and \$1,565, respectively.

7. 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, 2020 and 2019 was \$6,185 and \$6,360, respectively.

8. Paycheck Protection Program Loan

During April 2020, the Organization obtained a loan from the United States Small Business Administration's (SBA) Paycheck Protection Program (PPP) to assist with operating cash flow during the pandemic. Management intends to spend the proceeds on eligible amounts that will qualify for loan forgiveness. Any portion of the loan not forgiven will require repayment to the SBA within two years at an interest rate of 1.0%. The total received in 2020 was \$48,000 and has been recorded as a loan in the statement of financial position. In March 2021, the PPP loan was forgiven by the SBA and will be recorded as a government grant for year ended December 31, 2021.

KIDZ2LEADERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
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9. 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:

	2020	2019
Scholarships	\$ 125,350	\$ 129,350
Total net assets with donor restrictions	\$ 125,350	\$ 129,350

10. 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:

	2020	2019
Scholarships	\$ 9,000	\$ 2,000
Camp Hope	-	10,000
Family Support program	-	2,337
Time restricted for future operations	-	20,000
Total net assets released from restrictions	\$ 9,000	\$ 34,337

11. Related Party Transactions

The Executive Director was a family member of the Organization's Board Chairman during both the years ended December 31, 2020 and 2019. 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.

For the year ended December 31, 2020, the Organization paid a board member approximately \$16,000 for the implementation of the On Path program.



KIDZ2LEADERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
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12. Subsequent Events

Subsequent events have been evaluated through May 21, 2021, which is the date the financial statements were available to be issued. In March 2021, the Organization received forgiveness on the Paycheck Protection Program (PPP) loan of \$48,000 as further described in Note 8. In addition, the Organization received a second PPP loan for \$54,000 in March 2021. Lastly, in April 2021, the Organization filed a refund request for employee retention tax credits of \$40,262 for the first quarter 2021.