

T&S Associates LLC.

1806 Latigo Court
Frederick, MD 21702

301-512-0824

KIDS IN NEED DISTIBUTORS INC.

Comparative Financial Statements

And

Independent Accountant's Review Report

For the years ended December 31, 2019 and 2018

We are committed to your success

KIDS IN NEED DISTIBUTORS INC.

CONTENTS

	<u>Page</u>
Table of Contents	1
Independent Accountants' Review Report	2
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6-7
Independent Accountants' Report on Supplemental Information	8
Supplemental Information Schedule of Functional Expenses	9

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Kids in Need Distributors Inc.
Bethesda, MD 20814

We have reviewed the accompanying statement's financial position of Kids in Need Distributors Inc. as of December 31, 2019, and related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to your financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review does not contemplate obtaining and understanding of the entity's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of the source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, we will not express an opinion regarding the financial statements as a whole.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with cash basis Other Comprehensive Basis of Account (OCBOA) principles accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair representation of financial statements that are free from material misstatement, whether due to fraud or error.

We are responsible for conducting the engagement in accordance with SSARSs issued by the AICPA. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that that results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with other comprehensive basis of accounting principles generally accepted in the United States of America.

T&S Associates LLC



Suraj Navaratne, CPA
April 29, 2021

KIDS IN NEED DISTRIBUTORS INC.

STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDED DECEMBER 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 162,221	\$ 177,394
<u>Total Current Assets</u>	162,221	177,394
 <u>Property and Equipment</u>		
Furniture and Equipment	541	541
Less: Accumulated Depreciation	<u>(108)</u>	<u>-</u>
<u>Net Property and Equipment</u>	433	541
 <u>TOTAL ASSETS</u>	 <u>\$ 162,654</u>	 <u>\$ 177,935</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Payroll Liabilities	347	341
Accrued Expenses	<u>-</u>	<u>-</u>
<u>Total Current Liabilities</u>	347	341
 <u>Net Assets</u>		
Unrestricted		
Undesignated	162,307	177,594
Temporarily Restricted	<u>-</u>	<u>-</u>
<u>Total Net Assets</u>	162,307	177,594
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 <u>\$ 162,654</u>	 <u>\$ 177,935</u>

KIDS IN NEED DISTRIBUTORS INC.

**STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019			2018		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<u>REVENUE AND SUPPORT</u>						
Contributions						
Government Grants	\$ 123,020	\$ -	\$ 123,020	\$ 101,000	\$ -	\$ 101,000
Corporate, Foundation and Individual Giving	192,904	-	192,904	189,064	-	189,064
In-Kind Revenue	-	-	-	-	-	-
Other	3,307	-	3,307	1,436	-	1,436
Total Support and Gains	319,231	-	319,231	291,500	-	291,500
<u>FUNCTIONAL EXPENSES</u>						
Program	285,002	-	285,002	267,792	-	267,792
Management	39,025	-	39,025	12,279	-	12,279
Fundraising	12,956	-	12,956	14,900	-	14,900
Total Functional Expenses	336,983	-	336,983	294,971	-	294,971
Change In net assets	(17,752)	-	(17,752)	(3,471)	-	(3,471)
Net Assets, Adjustments	2,465	-	2,465	-	-	-
Net Assets, beginning of year	177,594	-	177,594	181,065	-	181,065
<u>NET ASSETS, END OF YEAR</u>	\$ 162,307	\$ -	\$ 162,307	\$ 177,594	\$ -	\$ 177,594

KIDS IN NEED DISTRIBUTORS INC.

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (17,649)	\$ (3,471)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
(Increase)/Decrease is operating assets:		
Receivables	-	-
Prepaid Expenses	-	-
Depreciation and amortization	(108)	-
Increase/(Decrease) is operating liabilities:		
Accounts Payable and Accrued Expenses	5	-
Net cash provided by operating activities	(17,752)	(3,471)
 <u>Cash flows from investing activities</u>		
Net cash flows provided by investing activities	2,580	
 <u>Cash flows from financing activities</u>		
Net cash flows provided by financing activities		
Net Decrease in Cash and Cash Equivalents	(15,172)	(3,471)
Cash and cash equivalents, beginning of the year	177,394	180,865
Cash and cash equivalents, end of year	\$ 162,221	\$ 177,394

KIDS IN NEED DISTIBUTORS INC.

Notes to Financial Statements
December 31, 2019

Note 1 – Organization and Summary of Accounting Policies

Organization

Kids in Need Distributors Inc. (the Organization) is a non-profit 501(c)(3) organization with the purpose of distributing food and related toiletries to needy children.

Basis of Accounting

The financial statements of Kids in Need Distributors Inc. have been prepared on the cash basis of accounting in accordance with Other Comprehensive Basis of Accounting (OCBOA) principles generally accepted in the United States of America. Accordingly, revenue is recognized when received and expenses are recognized when paid.

Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include operating cash accounts, petty cash and highly liquid, short-term instruments with original maturities of three months or less.

Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Nets assets that are not subject to any donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Organization or the passage of time.

Revenue Recognition

The source of the Organization's revenue consists of contributions in the form of government grant, or grants and donations from other organizations, foundations, and individuals. Contributions, which include unconditional promises to give (pledges), are recognized when received.

The Organization reports contributions in the temporarily restricted net asset class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released and reclassified to unrestricted net assets in the statement of activities. Donor-restricted contributions are initially reported in the temporarily restricted net asset class, even if it is anticipated such restrictions will be met in the current reporting period.

KIDS IN NEED DISTRIBUTORS INC.

Notes to Financial Statements

December 31, 2019

Income Taxes

Kids in Need Distributors Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the year ended December 31, 2019, the Organization has determined that no income taxes are due for its activities. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

Subsequent Events

In preparing these financial statements, management of Kids in Need Distributors Inc. has evaluated events and transactions that occurred after December 31, 2019 for potential recognition or disclosure on the date these financial statements were available for issuance.

Note 2 – Functional Allocation of Expenses

Expenses have been presented on a functional basis in the statement of activities and in the statement of functional expenses. In connection therewith certain expenses have been allocated among the program and support services benefited.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Kids in Need Distributors Inc.
Bethesda, MD 20814

Our review of the financial statements of Kids in Need Distributors Inc. for the years ended December 31, 2019 and 2018 were made for the purpose of obtaining limited assurance that there are no material modifications that should be made to the financial statements. The accompanying statements of functional expenses are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subject to the review procedures applied in the review of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

T&S Associates LLC



Suraj Navaratne, CPA
March 27, 2021

KIDS IN NEED DISTRIBUTORS INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019			2018				
	TOTAL EXPENSES	GENERAL/ PROGRAM	ADMIN	FUNDRAISING	TOTAL EXPENSES	GENERAL/ PROGRAM	ADMIN	FUNDRAISING
Expense								
Grants and other assistance to Domestic Organizations	1,963	1,963	-	-	2,040	2,040	-	-
Grants and other assistance to Individuals	264,332	264,332	-	-	237,800	237,800	-	-
Compensation of Officers	19,170	3,569	14,780	821	7,500	6,750	375	375
Pension Plan	3,181	592	2,453	136	3,181	2,452	593	136
Payroll Taxes	1,833	341	1,414	78	670	516	125	29
Accounting	2,526	1,000	1,000	526	2,250	1,000	1,000	250
Professional Fundraising	500	-	-	500	670	-	-	670
Office Expenses	2,567	478	1,979	110	1,536	89	1,429	18
Occupancy	5,600	1,042	4,319	239	1,800	-	1,800	-
Travel	2,126	396	1,639	91	766	-	766	-
Conferences, conventions, and meetings	675	-	-	675	675	-	-	675
Depreciation	108	-	108	-	-	-	-	-
Insurance	1,313	-	1,313	-	1,243	-	1,243	-
Fundraising Event Expense	5,622	-	-	5,622	9,025	-	-	9,025
Professional Fees	6,750	6,750	-	-	14,500	12,500	2,000	-
Promotional Expenses	6,709	3,852	2,766	91	2,001	1,648	353	-
Credit Card Processing Fees	2,236	303	1,752	181	2,340	2,093	-	247
Other Expenses	9,772	384	5,502	3,886	6,974	904	2,595	3,475
	336,983	285,002	39,025	12,956	294,971	267,792	12,279	14,900
		84.57%	11.58%	3.84%		90.79%	4.16%	5.05%