Balance 4 Kids

Index
December 31, 2016

FINANCIAL STATEMENTS: **PAGES**

Chris B. Mizar
Certified Public Accountant

Management Advisory and Assurance
Full Service Accounting
Tax Planning and Preparation
Trust and Estates

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Director of
BALANCE 4 KIDS

We have reviewed the accompanying financial statements of Balance 4 Kids (a non-profit organization) which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's 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. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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

Chris B Mizar AN ACCOUNTANCY CORPORATION

CHRIS B. MIZAR, AN ACCOUNTANCY CORPORATION
Laguna Hills, California
July 10, 2017

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Balance 4 Kids

(A Non Profit Organization)

STATEMENT OF FINANCIAL POSITION

As of December 31, 2016

ASSETS

		December 31, 2016
Current Assets:		
Cash and cash equivalents	$	167,849
Accounts Receivable		311,630
Prepaid Expenses		20,567
Employee Loans		12,584
Total current assets		512,630
Fixed Assets:		
Furniture and Equipment		52,055
Less accumulated depreciation		(18,939)
Net fixed assets		33,116
Other Assets:		
Deposit		1,000
TOTAL ASSETS	**$**	**546,746**

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable	$	26,586
Accrued Expenses		238,094
Other Liabilities		34,906
Total current liabilities		299,586
Net Assets:		
Unrestricted		245,671
Temporarily Restricted		1,489
Total net Assets		247,160
TOTAL LIABILITIES AND NET ASSETS	**$**	**546,746**

See accompanying notes and Accountant's Review Report

Balance 4 Kids

(A Non Profit Organization)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and other support				
School Contracts	$ 2,490,197	139,245	-	$ 2,629,442
Respite Services	942,413	-	-	942,413
Contributions	19,176	-	-	19,176
Investment Income	-	-	-	-
Net assets released from restrictions	137,756	(137,756)	-	-
Net revenue and other support	3,589,542	1,489	-	3,591,031
Operating expenses				
Program expenses	3,107,598	-	-	3,107,598
Management and general	493,981	-	-	493,981
Fundraising	11,408	-	-	11,408
Total operating expenses	3,612,987	-	-	3,612,987
Change in Net Assets	(23,445)	1,489	-	(21,956)
Net assets - Beginning of year	269,116	-	-	269,116
NET ASSETS - END OF YEAR	$ 245,671	1,489	-	$ 247,160

See accompanying notes and Accountant's Review Report

Balance 4 Kids
(A Non Profit Organization)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2016

	Program	Management and General	Fundrainsing	Total
Salaries and wages	$ 2,607,531	119,320	-	$ 2,726,851
Payroll taxes and				-
Employee benefits expenses	222,606	9,665	-	232,271
Total Salaries and Related Expenses	2,830,137	128,985	-	2,959,122
Advertising and promotion	1,049	757	-	1,806
Occupancy	37,207	25,300	-	62,507
Travel	23,093	1,327	-	24,420
Repairs	-	15,620	-	15,620
Depreciation and amortization	-	8,831	-	8,831
Fundraising expenses	39,003	-	11,408	50,411
Outreach services	48,111	-	-	48,111
Office expenses	-	73,037	-	73,037
Professional fees	-	13,590	-	13,590
Insurance	123,469	190,253	-	313,722
Telephone	1,822	18,380	-	20,202
Other general overhead expense	1,598	17,901	-	19,499
Other taxes	2,109	-	-	2,109
TOTAL FUNCTIONAL EXPENSES	**$ 3,107,598**	**493,981**	**11,408**	**$ 3,612,987**

See accompanying notes and Accountant's Review Report

Balance 4 Kids
(A Non Profit Organization)
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016

		2016
Cash Flows from Operating Activities:		
Change in Net Assets	$	(21,956)
Adjustments to reconcile change in net assets to net cash flows from:		
Depreciation and amortization		8,831
Decrease (increase) in:		
Accounts receivable		(49,749)
Employee loans		(1,045)
Prepaid expense		(2,211)
Deposits		-
Increase (decrease) in:		
Accounts payable		5,197
Accrued expenses		26,685
Other liabilities		18,159
Net used by operating activities		(16,089)
Cash Flows from Investing Activities:		
Purchase of furniture and equipment		-
Net cash used by investing activities		-
Cash Flows from Financing Activities:		
Net cash provided by financing activities		-
Net Change in Cash and Cash Equivalents		(16,089)
Cash and cash equivalents - Beginning of Year		183,938
CASH AND CASH EQUIVALENTS - END OF YEAR	**$**	**167,849**

See accompanying notes and Accountant's Review Report

Balance 4 Kids

Notes to Financial Statements
December 31, 2016

NOTE 1 – ORGANIZATION AND PRESENTATION

Balance 4 Kids ("the Organization") is a California nonprofit Public Benefit Corporation organized in 2001. The Organization is operated exclusively for charitable purposes within the meaning of Section 501(c)(3) and is located in Soquel, California.

The Company addresses the needs of children with severe disabilities in a collaborative model with private organizations, parents and public schools working together. Individuals will benefit from the support of the Organization in the areas of nutrition, education therapies and alternative education.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

ACCOUNTING METHOD –
The financial statements have been prepared on the accrual basis of accounting. Accordingly, income is recognized as earned and expenses as incurred, regardless or the timing of receipts or payments.

For purposes of financial reporting, the Organization classifies resources into three net asset categories pursuant to any donor-imposed restrictions and applicable law. Accordingly, the net assets of the Organization are classified in the accompanying financial statements in the categories that follow:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that can be maintained permanently by the Organization.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES – CONTINUED

CASH AND CASH EQUIVALENTS–
The Organization considers all cash and cash equivalents as highly liquid. Cash in excess of FDIC limits and similar insurance coverages are subject to the usual and customary banking risks of funds in excess of those limits.

ACCOUNTS RECEIVABLE –
Management considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been provided. Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management.

FIXED ASSETS –
Property and equipment purchased are capitalized at cost. Fixed assets are depreciated using the straight-line method over their estimated useful lives. Furniture and equipment are depreciated using the straight-line method over estimated useful lives of 5 to 7 years. Accumulated Depreciation at December 31, 2016 is $18,939 and Depreciation Expense for 2016 amounted to $8,831.

REVENUE RECOGNITION –
Revenues from sources other than contributions are generally reported as increases in unrestricted net assets. Expenses are reported as decreases in unrestricted net assets.

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as temporarily-restricted revenues and released to unrestricted net assets to reflect the expiration of such restrictions.

FUNCTIONAL EXPENSE ALLOCATION –
The costs of providing the programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES - CONTINUED

INCOME TAX MATTERS –
The Internal Revenue Service has determined that the Organization is exempt from federal income tax under U.S. Internal Revenue Code Section 501(c)(3). It is also exempt from state income tax. However, any unrelated business income may be subject to taxation.

USE OF 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions included the allocations to the various functional expenses categories.

NOTE 3 – LEASES

The Organization leases its equipment and facilities under cancellable and non-cancellable operating leases. The lease terms include monthly payments ranging from $2,000 to $3,000 for facilities, a verbal, one-year cancellable lease and, $66 to $96, for equipment, non-cancellable leases. The total lease expense for 2016 was $62,507.

Future minimum payments under only the non-cancellable operating leases as of December 31, 2016 are as follows:

Year Ending December 31,	
2017	$61,938
2018	1,740
Thereafter	-
	$63,678

Balance 4 Kids

Notes to Financial Statements – Continued
December 31, 2016

NOTE 4 – CONCENTRATIONS, COMMITMENTS AND CONTINGENCIES

At December 31, 2016 one customer accounted for 28.59% of the total accounts receivable balance. During 2016 one customer accounted for 22.77% of total revenue with the next two largest customers accounting for another 38.12% of total revenue. These three customers make up 60.89% of all of the Organization's 2016 revenue.

NOTE 5 – SUBSEQUENT EVENTS

The Company has evaluated and disclosed subsequent events through August 21, 2016, the date of issuance of the financial statements and discloses the following.

There does not exist a notable subsequent event.