

**KIDS ENJOY EXERCISE NOW  
FOUNDATION, INC. AND AFFILIATES  
CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2014**

**KIDS ENJOY EXERCISE NOW FOUNDATION, INC. AND AFFILIATES**

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## Independent Auditors' Report

Board of Directors  
Kids Enjoy Exercise Now Foundation, Inc. and Affiliates  
Bethesda, Maryland

We have audited the accompanying consolidated financial statements of Kids Enjoy Exercise Now Foundation, Inc. (a nonprofit organization) and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2014, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kids Enjoy Exercise Now Foundation, Inc. and Affiliates as of December 31, 2014, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Dembo, Jones, Healy, Pennington & Marshall, P.C.*

Rockville, Maryland  
April 27, 2015

**KIDS ENJOY EXERCISE NOW FOUNDATION, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**December 31, 2014**

**Assets**

**Current Assets**

|                           |                  |
|---------------------------|------------------|
| Cash and cash equivalents | \$ 969,271       |
| Pledges receivable        | 18,910           |
| Prepaid expenses          | <u>37,841</u>    |
| Total current assets      | <u>1,026,022</u> |

**Fixed Assets**

|   |                     |
|---|---------------------|
| Computer equipment (net of \$26,672 in<br>accumulated depreciation) | <u>19,099</u>       |
|   | <u>\$ 1,045,121</u> |

**Liabilities and Net Assets**

**Current Liabilities**

|                           |               |
|---------------------------|---------------|
| Accounts payable          | \$ 9,923      |
| Accrued expenses          | <u>44,370</u> |
| Total current liabilities | <u>54,293</u> |

**Net Assets**

|                     |
|---------------------|
| <u>990,828</u>      |
| <u>\$ 1,045,121</u> |

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

**KIDS ENJOY EXERCISE NOW FOUNDATION, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**For The Year Ended December 31, 2014**

|  | <u>Unrestricted</u>   | <u>Temporarily<br/>Restricted</u> | <u>Total</u>          |
|--|-----------------------|-----------------------------------|-----------------------|
| <b>Support</b>                                   |                       |                                   |                       |
| Special events                                   |                       |                                   |                       |
| Golf tournament                                  | \$ 183,216            | \$ -                              | \$ 183,216            |
| Silent auction and dinner events                 | 522,376               | -                                 | 522,376               |
| In-kind donations                                | 20,140                | -                                 | 20,140                |
| Total special events                             | <u>725,732</u>        | -                                 | <u>725,732</u>        |
| Contributions                                    | 583,827               | 86,463                            | 670,290               |
| Donated services, facilities & materials         | 97,377                | -                                 | 97,377                |
| Interest income                                  | 991                   | -                                 | 991                   |
| <b>Total support</b>                             | <u>1,407,927</u>      | <u>86,463</u>                     | <u>1,494,390</u>      |
| <br><b>Net assets released from restrictions</b> | <br>86,213            | <br>(86,213)                      | <br>-                 |
| <br><b>Expenses</b>                              |                       |                                   |                       |
| Program services                                 |                       |                                   |                       |
| Sports programs - general                        | 613,722               | -                                 | 613,722               |
| Bowling programs                                 | 14,466                | -                                 | 14,466                |
| Swim programs                                    | 123,252               | -                                 | 123,252               |
| Art & music programs                             | 101,189               | -                                 | 101,189               |
| Special events                                   | 350,135               | -                                 | 350,135               |
| Total program services                           | <u>1,202,764</u>      | -                                 | <u>1,202,764</u>      |
| Supporting services                              |                       |                                   |                       |
| Management and general                           | 166,994               | -                                 | 166,994               |
| Fundraising                                      | 128,036               | -                                 | 128,036               |
| Total supporting services                        | <u>295,030</u>        | -                                 | <u>295,030</u>        |
| <b>Total expenses</b>                            | <u>1,497,794</u>      | -                                 | <u>1,497,794</u>      |
| <br><b>Increase (decrease) in net assets</b>     | <br>(3,654)           | <br>250                           | <br>(3,404)           |
| <br><b>Net assets, beginning of year</b>         | <br><u>977,739</u>    | <br><u>16,493</u>                 | <br><u>994,232</u>    |
| <br><b>Net assets, end of year</b>               | <br><u>\$ 974,085</u> | <br><u>\$ 16,743</u>              | <br><u>\$ 990,828</u> |

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

**KIDS ENJOY EXERCISE NOW FOUNDATION, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**December 31, 2014**

|   |                       |
|---|-----------------------|
| <b>Cash flows from operating activities:</b>  |                       |
| Decrease in net assets  | \$ (3,404)            |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                       |
| Depreciation  | 7,074                 |
| (Increase) decrease in assets:  |                       |
| Pledges receivable  | 7,070                 |
| Prepaid expenses  | 1,557                 |
| Increase (decrease) in liabilities:   |                       |
| Accounts payable  | (10,225)              |
| Accrued expenses  | 7,623                 |
| Net cash provided by operating activities   | 9,695                 |
| <br><b>Cash flows from investing activities:</b>  |                       |
| Purchase of equipment   | (4,533)               |
| <br><b>Net increase in cash</b>   | <br>5,162             |
| <br><b>Cash and cash equivalents, beginning of year</b>                                     | <br>964,109           |
| <br><b>Cash and cash equivalents, end of year</b>   | <br><u>\$ 969,271</u> |

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

**KIDS ENJOY EXERCISE NOW FOUNDATION, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2014**

**Note 1. Nature of Activities and Significant Accounting Policies**

*Nature of Activities*

Kids Enjoy Exercise Now Foundation, Inc. (KEEN) was introduced to the United States in February 1992. Its purpose is to provide one-to-one recreation activities to children and young adults with developmental and physical disabilities. KEEN's activities are provided in a non-competitive environment, which encourages the fulfillment of individual goals.

KEEN operates several separate programs to serve young people with disabilities:

- **KEEN Kids:** Program providing one-to-one sports and recreation coaching for children with disabilities.
- **KEEN Teens:** Program that pairs teenagers with disabilities with high school-age peer companions for recreation activities and outings.
- **KEEN Young Adults:** Recreation and sports program for young adults with disabilities.
- **KEEN Swim:** Swimming program for children, teenagers, and young adults with disabilities.
- **KEEN Bowling:** Bowling program for children, teenagers, and young adults with disabilities.
- **KEEN Tennis:** Tennis program for young adults with disabilities.
- **KEEN Art and Music:** Art, music, and dance programs for children with disabilities.
- **Sport Festivals and Family Fun Days:** Events that invite all participants from all the programs to share activities with parents and volunteers.

KEEN's programs are mostly volunteer-operated and offered at no cost to the athletes or their families. KEEN is supported primarily by donor and foundation contributions, and the net proceeds of funds raised through annual golf tournaments, silent auction galas, and dinner events such as KEENFest.

*Principles of Consolidation*

The consolidated financial statements include the accounts of KEEN and its affiliates, of which KEEN is the sole member (owner) in each affiliated Limited Liability Company (LLC), as follows:

**KIDS ENJOY EXERCISE NOW FOUNDATION, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2014**

**Note 1. Nature of Activities and Significant Accounting Policies (continued)**

*Principles of Consolidation (continued)*

- **KEEN Greater DC:** Organized in 2004 to assume program activities formerly provided by KEEN in the Washington, DC metropolitan area starting in 1992.
- **KEEN Chicago:** Organized in 2004 to provide program activities in the Chicago, Illinois area.
- **KEEN St. Louis:** Organized in 2005 to provide program activities in the St. Louis, Missouri area.
- **Kids Enjoy Exercise Now (KEEN) Los Angeles:** Organized in 2005 to provide program activities in the Los Angeles, California area.
- **Kids Enjoy Exercise Now (KEEN) San Francisco:** Organized in 2006 to provide program activities in the San Francisco, California area.
- **KEEN New York:** Organized in 2007 to provide program activities in the New York City area.
- **KEEN Phoenix:** Organized in 2008 to provide program activities in the Phoenix, Arizona area.

*Contributed Services and Materials*

KEEN received \$ 97,377 worth of donated services, facility usage, and materials related to programs and special events. These are reflected in the consolidated financial statements. KEEN's other contributed services received do not meet the requirements for financial statement recognition; however, the majority of KEEN's program activities are performed solely by volunteers. It is estimated that there was a total of 34,100 volunteer hours in 2014, with a total value of approximately \$ 770,000, when using the Independent Sector's most recent hourly rate.

*Basis of Accounting*

The consolidated financial statements of KEEN have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

*Fixed Assets*

Management capitalizes computer equipment with values in excess of \$ 300 at cost. Computer equipment is depreciated using the straight-line method over useful lives of five years.



**KIDS ENJOY EXERCISE NOW FOUNDATION, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2014**

**Note 1. Nature of Activities and Significant Accounting Policies (continued)**

***Basis of Presentation***

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, KEEN's net assets and changes therein are classified and reported as follows:

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 may or will be met, either by actions of KEEN and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. See Note 3 for a description of temporarily restricted net assets.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by KEEN. Generally, the donors of these assets permit KEEN to use all or part of the income earned on any related investments for general or specific purposes. KEEN had no permanently restricted net assets at December 31, 2014.

***Use of Estimates***

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Contributions***

Contributions received with donor stipulations limiting the use of the donated assets are recorded as temporarily restricted net assets. These assets are then reclassified to unrestricted net assets whenever the restrictions are satisfied.

***Promises to Give***

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**KIDS ENJOY EXERCISE NOW FOUNDATION, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2014**

**Note 1. Nature of Activities and Significant Accounting Policies (continued)**

*Cash and Cash Equivalents*

For purposes of the consolidated statement of cash flows, KEEN considers all checking accounts and money market accounts to be cash and cash equivalents.

*Subsequent Events*

In preparing its consolidated financial statements, management has evaluated subsequent events through April 27, 2015, which is the date the consolidated financial statements were available to be issued.

**Note 2. Concentration of Credit Risk**

KEEN occasionally maintains its cash in accounts at institutions with balances that may exceed the current \$ 250,000 amount insured by the Federal Deposit Insurance Corporation. KEEN has not experienced any losses in such accounts and monitors the creditworthiness of the financial institutions with which it conducts business. Management believes that KEEN is not exposed to any significant credit risk with respect to its cash balances.

**Note 3. Temporarily Restricted Net Assets**

Temporarily restricted net assets as of December 31, 2014 totaled \$ 16,743 and are restricted for 2015 operations and programs.

During 2014, \$ 86,213 was released from temporarily restricted assets as donor stipulations were met for purpose and time restrictions. Contributions that were received and had restrictions that were satisfied during the year are shown as restricted contributions in the accompanying consolidated statement of activities.

**Note 4. Related Party Transactions**

KEEN assesses affiliates an annual affiliate fee of \$ 5,000 after the first two full years of an affiliate's operations. All of the affiliates paid this fee in 2014.

Expenses incurred by KEEN that benefit the affiliates' programs are billed to the affiliate based on their program activities. This includes expenses such as insurance. KEEN pays most other expenses for each affiliate and allocates the expenses to each affiliate accordingly. Affiliate net expenses over revenue are temporarily absorbed by KEEN. Affiliates must now pay back any shortages in years three and beyond, once they are established. The payback period to KEEN is over an agreed upon period.

**KIDS ENJOY EXERCISE NOW FOUNDATION, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2014**

**Note 5. Income Taxes**

KEEN is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Income taxes are payable only on business activity income unrelated to KEEN's tax-exempt purpose. There was no unrelated business income tax expense for the year ended December 31, 2014.

Accounting principles generally accepted in the United States of America require the Foundation to evaluate tax positions taken and recognize a tax liability if it is more likely than not that uncertain tax positions taken would not be sustained upon examination by taxing authorities. The Foundation has analyzed tax positions taken and has concluded that, as of December 31, 2014, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements. The Foundation had no interest and penalties related to income taxes for the year and as of December 31, 2014. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## Independent Auditors' Report on Supplementary Information

Board of Directors  
Kids Enjoy Exercise Now Foundation, Inc. and Affiliates  
Bethesda, Maryland

We have audited the consolidated financial statements of the Kids Enjoy Exercise Now Foundation, Inc. and Affiliates as of and for the year ended December 31, 2014, and our report thereon dated April 27, 2015, which contained an unmodified opinion on those consolidated financial statements, appears on page 1. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The supplementary information on pages 11-13 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Dembo, Jones, Healy, Pennington & Marshall, P.C.*

*Rockville, Maryland  
April 27, 2015*

**KIDS ENJOY EXERCISE NOW FOUNDATION, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**For The Year Ended December 31, 2014**

|                                   | <b>Consolidated<br/>Totals</b> | <b>KEEN<br/>USA</b> | <b>KEEN<br/>Greater DC</b> | <b>KEEN<br/>Chicago</b> | <b>KEEN<br/>St. Louis</b> | <b>KEEN<br/>Los Angeles</b> | <b>KEEN<br/>San<br/>Francisco</b> | <b>KEEN<br/>New York</b> | <b>KEEN<br/>Phoenix</b> |
|-----------------------------------|--------------------------------|---------------------|----------------------------|-------------------------|---------------------------|-----------------------------|-----------------------------------|--------------------------|-------------------------|
| Accounting                        | \$ 21,552                      | \$ 11,732           | \$ 9,775                   | \$ -                    | \$ -                      | \$ -                        | \$ 45                             | \$ -                     | \$ -                    |
| Advertising                       | 14,877                         | 3,663               | 10,879                     | -                       | -                         | -                           | 255                               | 80                       | -                       |
| Bad debt                          | 1,740                          | -                   | 1,740                      | -                       | -                         | -                           | -                                 | -                        | -                       |
| Bank charges                      | 2,784                          | 4                   | 1,154                      | 754                     | 744                       | 22                          | 42                                | 40                       | 24                      |
| Computer expenses                 | 20,189                         | 9,349               | 6,695                      | 1,005                   | 1,148                     | 223                         | 40                                | 1,700                    | 29                      |
| Contract labor                    | 36,951                         | 10,099              | 22,328                     | -                       | 1,725                     | -                           | 1,699                             | 900                      | 200                     |
| Credit card processing fees       | 16,000                         | 318                 | 7,802                      | 1,018                   | 2,299                     | 552                         | 2,096                             | 1,887                    | 28                      |
| Depreciation                      | 7,074                          | 3,151               | 2,609                      | 367                     | 69                        | -                           | 87                                | 711                      | 80                      |
| Donated goods and services        | 60,817                         | -                   | 54,094                     | 6,723                   | -                         | -                           | -                                 | -                        | -                       |
| Equipment and activities          | 17,815                         | 150                 | 13,803                     | 416                     | 26                        | 231                         | 35                                | 3,154                    | -                       |
| Facility rental, incl. donated    | 237,501                        | 500                 | 173,750                    | 8,980                   | 8,126                     | 24,724                      | 5,671                             | 15,750                   | -                       |
| Gifts and prizes                  | 1,896                          | 50                  | 884                        | -                       | 775                       | -                           | 147                               | 40                       | -                       |
| Grant pass-thru                   | 24,500                         | 24,500              | -                          | -                       | -                         | -                           | -                                 | -                        | -                       |
| Insurance                         | 45,762                         | 2,230               | 11,221                     | 5,743                   | 4,448                     | 4,873                       | 6,595                             | 5,191                    | 5,461                   |
| Membership dues                   | 1,516                          | 226                 | 900                        | -                       | 190                       | 20                          | 20                                | 160                      | -                       |
| Miscellaneous                     | 6,000                          | -                   | 6,000                      | -                       | -                         | -                           | -                                 | -                        | -                       |
| Payroll and benefits              | 725,495                        | 167,041             | 295,505                    | 15,352                  | 95,745                    | 27,286                      | 47,269                            | 56,804                   | 20,493                  |
| Payroll taxes                     | 70,725                         | 14,578              | 31,213                     | 1,375                   | 7,027                     | 2,805                       | 4,315                             | 7,120                    | 2,292                   |
| Postage                           | 4,609                          | 606                 | 3,028                      | 68                      | 238                       | 40                          | 219                               | 376                      | 34                      |
| Printing and publications         | 13,719                         | 647                 | 11,028                     | 240                     | 1,442                     | 8                           | 112                               | -                        | 242                     |
| Promotion supplies                | 18,970                         | 525                 | 16,975                     | 27                      | -                         | 446                         | 472                               | 525                      | -                       |
| Refreshments and food             | 64,178                         | 1,702               | 2,325                      | 7,797                   | 14,417                    | 3,984                       | 19,864                            | 14,011                   | 78                      |
| State registration fees and taxes | 9,033                          | 1,880               | 4,339                      | 465                     | 665                       | 125                         | 490                               | 669                      | 400                     |
| Supplies                          | 34,032                         | 856                 | 15,150                     | 2,801                   | 5,622                     | 429                         | 6,681                             | 2,384                    | 109                     |
| Telephone                         | 9,175                          | 2,030               | 4,771                      | -                       | 250                       | 640                         | 461                               | 300                      | 723                     |
| Training                          | 2,302                          | 1,022               | 1,180                      | 30                      | 70                        | -                           | -                                 | -                        | -                       |
| Travel and meetings               | 25,113                         | 12,368              | 10,136                     | 622                     | 47                        | 170                         | 25                                | 1,740                    | 5                       |
| Website                           | 3,469                          | 3,180               | 289                        | -                       | -                         | -                           | -                                 | -                        | -                       |
|                                   | <u>\$ 1,497,794</u>            | <u>\$ 272,407</u>   | <u>\$ 719,573</u>          | <u>\$ 53,783</u>        | <u>\$ 145,073</u>         | <u>\$ 66,578</u>            | <u>\$ 96,640</u>                  | <u>\$ 113,542</u>        | <u>\$ 30,198</u>        |

*See independent auditors' report on supplementary information.*

**KIDS ENJOY EXERCISE NOW FOUNDATION, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**December 31, 2014**

|  |                     | <u>Parent</u>     | <u>Affiliate</u>  |
|--|---------------------|-------------------|-------------------|
|  | EIN:                | 52-1767631        | 42-1657976        |
|  |                     | KEEN              | KEEN              |
|  | <u>Consolidated</u> | <u>Foundation</u> | <u>Greater</u>    |
|  | <u>Totals</u>       | <u>Inc.</u>       | <u>DC LLC</u>     |
| <b>Assets</b>  |                     |                   |                   |
| <b>Current Assets</b>  |                     |                   |                   |
| Cash and cash equivalents  | \$ 969,271          | \$ 415,907        | \$ 553,364        |
| Pledges receivable   | 18,910              | 15,060            | 3,850             |
| Prepaid expenses   | <u>37,841</u>       | <u>12,653</u>     | <u>25,188</u>     |
| Total current assets   | <u>1,026,022</u>    | <u>443,620</u>    | <u>582,402</u>    |
| <b>Fixed Assets</b>  |                     |                   |                   |
| Computer equipment (net of \$26,672 in accumulated depreciation) | <u>19,099</u>       | <u>10,010</u>     | <u>9,089</u>      |
|  | <u>\$ 1,045,121</u> | <u>\$ 453,630</u> | <u>\$ 591,491</u> |
| <b>Liabilities and Net Assets</b>                                |                     |                   |                   |
| <b>Current Liabilities</b>                                       |                     |                   |                   |
| Accounts payable   | \$ 9,923            | \$ 5,659          | \$ 4,264          |
| Accrued expenses   | <u>44,370</u>       | <u>21,316</u>     | <u>23,054</u>     |
| Total current liabilities  | 54,293              | 26,975            | 27,318            |
| <b>Net Assets</b>  | <u>990,828</u>      | <u>426,655</u>    | <u>564,173</u>    |
|  | <u>\$ 1,045,121</u> | <u>\$ 453,630</u> | <u>\$ 591,491</u> |

*See independent auditors' report on supplementary information.*

**KIDS ENJOY EXERCISE NOW FOUNDATION, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2014

|  | Parent                 |                   | Affiliates         |                  |                   |                     |                          |                  |                 |
|--|------------------------|-------------------|--------------------|------------------|-------------------|---------------------|--------------------------|------------------|-----------------|
|  | Consolidated<br>Totals | KEEN USA          | KEEN<br>Greater DC | KEEN<br>Chicago  | KEEN<br>St. Louis | KEEN<br>Los Angeles | KEEN<br>San<br>Francisco | KEEN<br>New York | KEEN<br>Phoenix |
| <b>Support</b>                               |                        |                   |                    |                  |                   |                     |                          |                  |                 |
| Special events                               |                        |                   |                    |                  |                   |                     |                          |                  |                 |
| Golf tournament                              | \$ 183,216             | \$ -              | \$ 183,216         | \$ -             | \$ -              | \$ -                | \$ -                     | \$ -             | \$ -            |
| Silent auction and dinner events             | 522,376                | -                 | 193,235            | 38,489           | 125,077           | 13,826              | 60,614                   | 90,035           | 1,100           |
| In-kind donations                            | 20,140                 | -                 | 13,417             | 6,723            | -                 | -                   | -                        | -                | -               |
| Total special events                         | 725,732                | -                 | 389,868            | 45,212           | 125,077           | 13,826              | 60,614                   | 90,035           | 1,100           |
| Contributions                                | 670,290                | 210,275           | 263,601            | 24,523           | 12,258            | 37,470              | 43,385                   | 31,974           | 46,804          |
| Donated services, facilities & material:     | 97,377                 | -                 | 78,177             | -                | -                 | 19,200              | -                        | -                | -               |
| Interest income                              | 991                    | 319               | 672                | -                | -                 | -                   | -                        | -                | -               |
| <b>Total support</b>                         | <u>1,494,390</u>       | <u>210,594</u>    | <u>732,318</u>     | <u>69,735</u>    | <u>137,335</u>    | <u>70,496</u>       | <u>103,999</u>           | <u>122,009</u>   | <u>47,904</u>   |
| <b>Expenses</b>                              |                        |                   |                    |                  |                   |                     |                          |                  |                 |
| Program services                             |                        |                   |                    |                  |                   |                     |                          |                  |                 |
| Sports programs - general                    | 613,722                | 74,079            | 293,709            | 24,057           | 75,117            | 37,266              | 39,516                   | 53,878           | 16,100          |
| Bowling programs                             | 14,466                 | -                 | 14,466             | -                | -                 | -                   | -                        | -                | -               |
| Swim programs                                | 123,252                | -                 | 45,562             | 5,444            | 20,170            | 13,209              | 9,220                    | 21,016           | 8,631           |
| Art & music programs                         | 101,189                | -                 | 99,817             | 509              | 517               | -                   | -                        | 346              | -               |
| Special events                               | 350,135                | -                 | 231,283            | 19,581           | 26,721            | 6,351               | 35,669                   | 29,973           | 557             |
| Total program services                       | 1,202,764              | 74,079            | 684,837            | 49,591           | 122,525           | 56,826              | 84,405                   | 105,213          | 25,288          |
| Supporting services                          |                        |                   |                    |                  |                   |                     |                          |                  |                 |
| Management and general                       | 166,994                | 98,160            | 28,051             | 3,625            | 12,613            | 5,993               | 9,716                    | 5,773            | 3,063           |
| Fund-raising                                 | 128,036                | 100,168           | 6,685              | 567              | 9,935             | 3,759               | 2,519                    | 2,556            | 1,847           |
| Total supporting services                    | 295,030                | 198,328           | 34,736             | 4,192            | 22,548            | 9,752               | 12,235                   | 8,329            | 4,910           |
| <b>Total expenses</b>                        | <u>1,497,794</u>       | <u>272,407</u>    | <u>719,573</u>     | <u>53,783</u>    | <u>145,073</u>    | <u>66,578</u>       | <u>96,640</u>            | <u>113,542</u>   | <u>30,198</u>   |
| <b>Transfers eliminated in consolidation</b> | -                      | 45,664            | -                  | (15,952)         | 7,738             | (3,918)             | (7,359)                  | (8,467)          | (17,706)        |
| <b>Increase (decrease) in net assets</b>     | (3,404)                | (16,149)          | 12,745             | -                | -                 | -                   | -                        | -                | -               |
| <b>Net assets, beginning of year</b>         | 994,232                | 431,810           | 551,429            | 10,340           | 290               | 363                 | -                        | -                | -               |
| <b>Net assets, end of year</b>               | <u>\$ 990,828</u>      | <u>\$ 415,661</u> | <u>\$ 564,174</u>  | <u>\$ 10,340</u> | <u>\$ 290</u>     | <u>\$ 363</u>       | <u>\$ -</u>              | <u>\$ -</u>      | <u>\$ -</u>     |

See independent auditors' report on supplementary information.