

A KID AGAIN, INC.

Columbus, Ohio

Financial Statements
December 31, 2016

MULLIGAN, TOPY & CO.
Certified Public Accountants
Gahanna, Ohio



MULLIGAN, TOPY & CO.

Certified Public Accountants

676 Brook Hollow Drive

Gahanna, OH 43230

614-471-1040

FAX 614-471-1068

E-Mail: katopy@mulligantopy.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
A Kid Again, Inc.
Columbus, Ohio

We have audited the accompanying financial statements of A Kid Again (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2016 and 2015 and the related statements of activities 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 maintaining 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 audit to obtain reasonable assurance about whether the financial statements are free of 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 those 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 A Kid Again as of December 31, 2016 and 2015 and the changes in net assets and its cash flows, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Gahanna, Ohio
July 24, 2017

Mulligan, Joseph & Co.

A KID AGAIN, INC.

Statements of Financial Position December 31,

ASSETS

	2016	2015
Current Assets:		
Cash	\$ 1,147,456	\$ 1,183,191
Contributions receivable (net)	12,526	15,395
Investments	11,349	
Prepaid expense	50,538	30,848
Deposit	4,351	4,351
Beneficial interest in assets held by others	146,296	134,087
Total current assets	<u>1,372,516</u>	<u>1,367,872</u>
Property and Equipment:		
Furniture and fixtures	3,040	1,990
Vehicle	30,353	30,353
Total property and equipment	<u>33,393</u>	<u>32,343</u>
Less accumulated depreciation	<u>26,982</u>	<u>20,708</u>
Net property and equipment	6,411	11,635
Total Assets	<u>\$ 1,378,927</u>	<u>\$ 1,379,507</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ 21,824	\$ 35,931
Total current liability and total liability	<u>21,824</u>	<u>35,931</u>
Net Assets:		
Unrestricted	1,228,608	1,168,139
Temporarily restricted	63,450	110,392
Permanently restricted	65,045	65,045
Total net assets	<u>1,357,103</u>	<u>1,343,576</u>
Total Liabilities and Net Assets	<u>\$ 1,378,927</u>	<u>\$ 1,379,507</u>

See Notes to Financial Statements.

A KID AGAIN, INC.

Statements of Activities For the Years Ended December 31,

	2016	2015
Unrestricted Revenues, Support and Gains:		
Contributions:		
Public	\$ 873,772	\$ 562,926
In-Kind	580,188	548,823
Total contributions	<u>1,453,960</u>	<u>1,111,749</u>
Fundraising	814,068	866,965
Miscellaneous income		99
Interest income	4,262	4,207
Investment income	8,852	
Net assets released from restrictions	110,392	163,501
Total unrestricted revenues, support and gains	<u>2,391,534</u>	<u>2,146,521</u>
Unrestricted Expenses and Losses:		
Adventure programs	1,651,706	1,493,215
Education	248,314	219,584
Fundraising	367,848	335,257
Management and general	63,197	60,855
Total unrestricted expenses and losses	<u>2,331,065</u>	<u>2,108,911</u>
Change in unrestricted net assets	60,469	37,610
Change in Temporarily Restricted Net Assets:		
Contributions and fundraising	63,450	106,100
Net assets released from restrictions	(110,392)	(163,501)
Change in temporarily restricted net assets	<u>(46,942)</u>	<u>(57,401)</u>
Change in Net Assets	13,527	(19,791)
Net Assets - Beginning of Year	1,343,576	1,363,367
Net Assets - End of Year	<u>\$ 1,357,103</u>	<u>\$ 1,343,576</u>

See Notes to Financial Statements.

A KID AGAIN, INC.

Statements of Cash Flows For the Years Ended December 31,

	2016	2015
Cash Flows from Operating Activities:		
Change in net assets	\$ 13,527	\$ (19,791)
Adjustment to reconcile change in net assets to net cash provided by (used by) operating activities:		
Depreciation	6,275	6,247
Realized and unrealized (gain) or loss	(8,827)	2,835
(Increase) Decrease in:		
Contributions receivable	2,869	17,374
Prepaid expense	(19,690)	(21,427)
Increase (Decrease) in:		
Accounts payable	(14,107)	12,211
Net cash provided by (used by) operating activities	<u>(19,953)</u>	<u>(2,551)</u>
Cash Flows from Investing Activities:		
Purchase of beneficial interest in assets held by others	(3,383)	(3,201)
Purchase of investments	(11,349)	
Purchase of property and equipment	(1,050)	
Net cash provided by (used by) investing activities	<u>(15,782)</u>	<u>(3,201)</u>
Net Increase (Decrease) in Cash	<u>(35,735)</u>	<u>(5,752)</u>
Cash - Beginning of Year	1,183,191	1,188,943
Cash - End of Year	<u>\$ 1,147,456</u>	<u>\$ 1,183,191</u>

See Notes to Financial Statements.

A KID AGAIN, INC.

Statement of Functional Expenses For the Year Ended December 31, 2016

	Adventure Programs	Education	Fund Raising	Management & General	Total
Adventure Programs	\$ 227,203				\$ 227,203
Fundraising Expenses		\$ 63,533	\$ 192,133		255,666
In Kind Expenses	576,488			\$ 3,700	580,188
Bank Charges	11,812	1,817	4,543		18,172
Board Expenses	1,386	162	162	601	2,311
Employee Benefits	5,108	1,022	1,022	3,065	10,217
Leased Employees	569,518	131,427	131,427	43,809	876,181
Employee Education	5,774	732	732		7,238
Legal and Professional	83,916	10,490	5,245	5,245	104,896
Meals and Entertainment	1,703	2,555	2,555	1,703	8,516
Memberships	5,802	1,255	999	301	8,357
Mileage	999	499	749	250	2,497
Postage	8,768	2,145	1,370	690	12,973
Rent and Office Expense	62,325	11,697	10,313	1,592	85,927
Printing	4,186	1,002	663	315	6,166
Supplies	13,275	3,146	2,136	950	19,507
Advertising	41,358	8,617	8,412	234	58,621
Cell Phone	794	794	794	265	2,647
Telephone	8,091	1,746	1,377	419	11,633
Depreciation	5,019	628	628		6,275
Insurance	10,363	1,295	1,295		12,953
Vehicle Expense	638	162	96	58	954
Volunteer Expenses	7,180	3,590	1,197		11,967
Total Expenses	<u>\$ 1,651,706</u>	<u>\$ 248,314</u>	<u>\$ 367,848</u>	<u>\$ 63,197</u>	<u>\$ 2,331,065</u>

See Notes to Financial Statements.

A KID AGAIN, INC.

Statement of Functional Expenses For the Year Ended December 31, 2015

	Adventure Programs	Education	Fund Raising	Management & General	Total
Adventure Programs	\$ 211,002				\$ 211,002
Fundraising Expenses		\$ 62,743	\$ 189,743		252,486
In Kind Expenses	544,473			\$ 4,350	548,823
Bank Charges	9,575	1,473	3,683		14,731
Board Expenses	1,377	161	161	597	2,296
Employee Benefits	6,341	1,268	1,268	3,805	12,682
Leased Employees	475,973	109,840	109,840	36,613	732,266
Employee Education	1,497	190	190		1,877
Legal and Professional	126,699	15,838	7,919	7,919	158,375
Meals and Entertainment	950	1,426	1,426	950	4,752
Memberships	2,452	530	422	127	3,531
Mileage	1,383	692	1,037	346	3,458
Postage	3,418	836	534	269	5,057
Rent and Office Expense	53,126	9,971	8,792	1,357	73,246
Printing	3,023	723	479	227	4,452
Supplies	7,321	1,735	1,178	524	10,758
Travel	451	451	451	150	1,503
Advertising	14,212	2,961	2,891	81	20,145
Cell Phone	927	927	927	309	3,090
Telephone	6,061	1,308	1,032	314	8,715
Depreciation	4,997	625	625		6,247
Insurance	7,650	956	956		9,562
Vehicle Expense	904	229	136	82	1,351
Volunteer Expenses	9,403	4,701	1,567		15,671
Investment Loss				2,835	2,835
Total Expenses	\$ <u>1,493,215</u>	\$ <u>219,584</u>	\$ <u>335,257</u>	\$ <u>60,855</u>	\$ <u>2,108,911</u>

See Notes to Financial Statements.

A KID AGAIN, INC.

Notes to Financial Statements December 31, 2016

Note 1 - Summary of Significant Accounting Principles

Organization

A Kid Again, Inc. (the Organization) is a nonprofit Ohio corporation organized in 1995. It seeks to enrich the lives of children with life threatening illnesses and their families by providing healing times of respite through fun-filled group activities and destination events, which are called adventures. The year round adventures foster laughter, joy, normalcy and supportive networking opportunities. The adventures offer the children the opportunity to be "a kid again". The Organization strives to offer children, siblings and parents a cost free occasion to enjoy quality time together and to create lasting memories. Additional program services include hospital visitations to children who are undergoing treatment, parent's night out to lighten the burdens of the parents and caregivers of the children, and periodic newsletters to volunteers and family members.

It accomplishes this mission through the dedication of a volunteer network and the generosity of our donors, providing them with the opportunity to enrich their own lives as they ease the lives of our A Kid Again Families.

To accomplish its goal, the Organization holds fundraisers, applies for grants and seeks public support.

Accounting Principles

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

These financial statements have been prepared to focus on the Organization as a whole and to present net assets, revenues, expenses, gains, and losses based on according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization 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 the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

A KID AGAIN, INC

Notes to Financial Statements (Continued) December 31, 2016

Note 1 - Summary of Significant Accounting Principles (Continued)

Basis of Presentation (Continued)

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use the income earned on the related investments for general or specific purposes.

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, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all demand deposits with financial institutions and highly liquid investments with a maturity of three (3) months or less to be cash equivalents.

Contributions Receivable

Contributions receivable consists mainly of contributions to be received from businesses and individuals in the Ohio area within the next year.

Property and Equipment

Equipment is carried at cost less applicable depreciation on the statements of financial position. Equipment is depreciated using the straight-line method over a three to ten year life.

The Organization capitalizes expenditures greater than \$1,000 for major renewals and betterments that extend the useful lives of property and equipment. Expenditures for maintenance and repairs are charged to expense as incurred.

A KID AGAIN, INC

Notes to Financial Statements (Continued) December 31, 2016

Note 1 - Summary of Significant Accounting Principles (Continued)

Income Taxes

The Organization is exempt from federal income taxes under the provisions of Section 501 (c) (3) of the Internal Revenue Code. It is also exempt from state income taxes. However, any unrelated business income may be subject to taxation. Currently, the Organization has no obligation for any unrelated business income tax. Accordingly, no provision for federal income taxes has been made in the financial statements.

The Organization has income tax returns open to Internal Revenue Service audit for the years ending December 31, 2016, 2015, 2014 and 2013.

Public Support and Revenues

Support from the public is recorded upon the receipt of cash or pledge to contribute. The Organization provides an allowance for uncollectible pledges and contributions receivable when deemed necessary, based on past experience and management's assessment of the collectibility of existing specific accounts. The Organization had an allowance of \$2,285 and \$2,285 at December 31, 2016 and 2015, respectively.

Contributions

The Organization records its contributions at their fair market value at the date of contribution and as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization; that is, in substance unconditional. Contributions that are received subject to certain donor stipulations are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

A KID AGAIN, INC

Notes to Financial Statements (Continued) December 31, 2016

Note 1 - Summary of Significant Accounting Principles (Continued)

Functional Allocation of Expenses

The cost of providing Adventures and other activities have been allocated between program expenses, education, fundraising, and management and general on a basis which management has determined to be reasonable.

Volunteer Services

The Organization gratefully acknowledges the contributed services, which it receives from volunteers who assist in its fundraising efforts and general mission. In accordance with FASB Accounting Standards Codification ASC 958-605 *Revenue Recognition* the value of such services has not been recognized in the financial statements.

Note 2 - Cash

The Organization maintains cash balances in banks. These balances are insured by the Federal Deposit Insurance Corporation. As of December 31, 2016 and 2015, the uninsured portions of these balances were \$360,786 and \$379,905, respectively.

Note 3 - Investments

Investments consist of equity securities with readily determined fair values are carried at fair value based on quoted prices in active markets (Level 1 measurements).

Investment gain of \$8,827 for the year ending December 31, 2016 consisted of realized and unrealized gains over losses.

Investment loss of \$2,835 for the year ending December 31, 2015 consisted of realized and unrealized losses over gains.

Note 4 – Beneficial Interest in Assets Held by Others

The Organization transferred money to the Columbus Foundation. The Foundation is investing the funds and distributing the net income to the Organization. The principal is available to the Organization if they request it. The income from the fund was \$3,979 and \$3,797 for the years ended 2016 and 2015 respectively. Fees charged were \$596 and \$595 for the years ended 2016 and 2015 respectively. During the years ended December 31, 2016 and 2015 the Organization had realized and unrealized (losses) and gains of \$8,827 and \$(2,835), respectively.

A KID AGAIN, INC

Notes to Financial Statements (Continued) December 31, 2016

Note 5 - Permanently Restricted Net Assets

Permanently restricted net assets consist of donor restricted assets (endowments) of which only the income can be spent by the Organization. The permanently restricted net assets as of December 31, 2016 were an internally controlled endowment with the income restricted to the accomplishment of its charitable purpose. The permanently restricted money is a part of the beneficial interest in assets held by others.

Note 6 - Supplemental Cash Flow Information

Non - Cash Transactions

During the years ended December 31, 2016 and 2015, the Organization received \$580,188 and \$548,823 in In-Kind contributions. These contributions were offset by recording an expense into the activity or account to which they relate.

Cash Paid for Income Taxes and Interest

The Organization paid no income taxes or interest for the years ended December 31, 2016 or 2015.

Note 7 - Lease

Offices

The Organization has offices in Columbus, Cincinnati, and Cleveland. On October 15, 2010 the Organization's entered into a five year lease for approximately 5,674 square feet of office space for administrative services in Columbus, Ohio. In 2015, the Organization exercised a five year renewal option effective October 15, 2015 at \$7.35 per square foot.

The Cleveland office is approximately 1024 square feet of office space. The term of the lease is from March 1, 2016 through February 28, 2018. The rent is \$900.00 per month or \$10,800.00 per year. The lease reverts to month to month, at a rate of 150% the prior month rental charge, after the set term.

The Cincinnati office is approximately 1498 square feet of office space. The term of the lease is from March 1, 2012 through February 29, 2016. The rent is \$650.00 per month or \$7,800.00 per year. There is an option to renew for an additional year which was exercised effective March 1, 2016.

A KID AGAIN, INC

Notes to Financial Statements (Continued) December 31, 2016

Note 7 – Lease (Continued)

Other

The Organization also lease storage spaces in the various cities it is located. Most of these leases are on a month to month basis.

Future minimum lease payments under operating leases are as follows as of December 31,:

2017	\$ 53,804
2018	43,504
2019	41,704
2020	<u>34,753</u>
Total	<u>\$173,765</u>

Total rent expense recorded in the financial statements for the year's ended December 31, 2016 and 2015 is \$61,153 and \$49,378. These amounts are included in the statements of functional expenses line rent and office expense.

Note 8 - Commitments and Contingencies

The Organization may be subject to various claims, legal proceedings, and investigations covering a wide range of matters that arise in the ordinary course of business. In the opinion of management all such matters are adequately covered by insurance and if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a significant effect on the financial position or results of operations of the Organization if disposed of unfavorably.

Note 9 - Subsequent Events

The Organization has evaluated subsequent events through, July 24, 2017, the date which the financial statements were available to be issued.