

**A KID AGAIN, INC.**

Columbus, Ohio

Financial Statements

December 31, 2010

**MULLIGAN, TOPY & CO.**

**Certified Public Accountants**

**Gahanna, Ohio**



**MULLIGAN, TOPY & CO.**

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**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying statements of financial position of the A Kid Again, Inc. (a not for profit corporation) as of December 31, 2010 and 2009 and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of A Kid Again, Inc. as of December 31, 2010 and 2009 and the results of its operations and changes in net assets, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Gahanna, Ohio  
October 17, 2011

*Mulligan, Topy & Co.*

# A KID AGAIN, INC.

## Statements of Financial Position December 31,

### ASSETS

	2010	2009
<b>Current Assets:</b>		
Cash	\$ 614,213	\$ 671,127
Investments	9,630	8,876
Contributions receivable	136,992	114,724
Prepaid expense	8,800	21,193
Deposit	3,701	2,046
Beneficial interest in assets held by others	92,010	90,529
Total current assets	<u>865,346</u>	<u>908,495</u>
<b>Property and Equipment:</b>		
Furniture and fixtures	104,629	95,638
Less accumulated depreciation	83,070	68,450
Net property and equipment	<u>21,559</u>	<u>27,188</u>
<b>Total Assets</b>	<u>\$ 886,905</u>	<u>\$ 935,683</u>

### LIABILITY AND NET ASSETS

<b>Current Liability:</b>		
Accounts payable	\$ 56,544	\$ 50,223
Total current liability and total liability	<u>56,544</u>	<u>50,223</u>
<b>Net Assets:</b>		
Unrestricted	683,316	763,687
Temporarily restricted	82,000	57,225
Permanently restricted	65,045	64,548
Total net assets	<u>830,361</u>	<u>885,460</u>
<b>Total Liability and Net Assets</b>	<u>\$ 886,905</u>	<u>\$ 935,683</u>

See Notes to Financial Statements.

# A KID AGAIN, INC.

## Statements of Activities For the Years Ended December 31,

	2010	2009
<b>Unrestricted Revenues, Support and Gains:</b>		
Contributions:		
Public	\$ 576,585	\$ 533,420
In-Kind	493,867	516,798
Total contributions	<u>1,070,452</u>	<u>1,050,218</u>
Fundraising	666,450	648,712
Interest income	2,921	8,233
Change in beneficial interest	1,970	12,573
Investment income	754	71
Net assets released from restrictions	57,225	18,000
Total unrestricted revenues, support and gains	<u>1,799,772</u>	<u>1,737,807</u>
<b>Unrestricted Expenses and Losses:</b>		
Adventures	1,446,675	1,392,432
Education	163,392	159,483
Fundraising	224,403	199,446
Management and general	45,673	28,565
Total unrestricted expenses and losses	<u>1,880,143</u>	<u>1,779,926</u>
Change in unrestricted net assets	<u>(80,371)</u>	<u>(42,119)</u>
<b>Change in Temporarily Restricted Net Assets:</b>		
Contributions	82,000	57,225
Net assets released from restrictions	(57,225)	(18,000)
Change in temporarily restricted net assets	<u>24,775</u>	<u>39,225</u>
<b>Change in Permanently Restricted Net Assets:</b>		
Contributions	497	750
Change in permanently restricted net assets	<u>497</u>	<u>750</u>
Change in Net Assets	<u>(55,099)</u>	<u>(2,144)</u>
Net Assets - Beginning of Year	885,460	887,604
Net Assets - End of Year	<u>\$ 830,361</u>	<u>\$ 885,460</u>

See Notes to Financial Statements.

# A KID AGAIN, INC.

## Statements of Cash Flows For the Years Ended December 31,

	2010	2009
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (55,099)	\$ (2,144)
Adjustment to reconcile change in net assets to net cash provided by (used by) operating activities:		
Depreciation	14,620	17,641
Loss on disposal of assets		1,483
Unrealized (gain) or loss	(1,454)	(11,031)
(Increase) Decrease in:		
Contributions receivable	(22,268)	422
Prepaid expense	12,393	381
Deposits	(1,655)	(2,046)
Increase (Decrease) in:		
Accounts payable	6,321	5,871
Net cash provided by (used by) operating activities	<u>(47,142)</u>	<u>10,577</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	(8,991)	(2,664)
Purchase of beneficial interest in assets held by others	(527)	(1,542)
Purchase of investments	(254)	(71)
Net cash provided by (used by) investing activities	<u>(9,772)</u>	<u>(4,277)</u>
<b>Net Increase (Decrease) in Cash</b>	<u>(56,914)</u>	<u>6,300</u>
<b>Cash - Beginning of Year</b>	671,127	664,827
<b>Cash - End of Year</b>	<u>\$ 614,213</u>	<u>\$ 671,127</u>
<b>Cash Paid for Income Taxes</b>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Cash Paid for Interest</b>	<u>\$ 0</u>	<u>\$ 0</u>

See Notes to Financial Statements.

# A KID AGAIN, INC.

## Statement of Functional Expenses For the Year Ended December 31, 2010

	Program	Education	Fund Raising	Management & General	Total
Adventure Programs	\$ 800,106				\$ 800,106
Fundraising Expenses		\$ 30,526	\$ 91,577		122,103
Bank Charges	7,925	1,925	4,495	\$ 234	14,579
Board Expenses	1,050	80	80		1,210
Chapter Development	27,000				27,000
Employee Benefits	1,977	502	295	177	2,951
Leased Employees	387,663	93,214	95,475	40,377	616,729
Director's Expenses	27,515	3,439	3,439		34,393
Employee Education	1,656	207	207		2,070
Legal and Professional	42,480	5,335	5,335		53,150
Memberships	3,663	792	632	191	5,278
Postage	6,556	1,601	1,024	516	9,697
Rent and Office Expense	76,038	14,251	12,587	1,923	104,799
Repairs and Maintenance	900	228	135	80	1,343
Printing	8,564	2,048	1,356	643	12,611
Supplies	11,326	2,665	1,831	794	16,616
Telephone	13,754	2,937	2,357	683	19,731
Depreciation	11,696	1,462	1,462		14,620
Insurance	5,161	645	645		6,451
Vehicle expense	615	156	92	55	918
Volunteer Thanks	11,030	1,379	1,379		13,788
<b>Total Expenses</b>	<b>\$ <u>1,446,675</u></b>	<b><u>163,392</u></b>	<b><u>224,403</u></b>	<b><u>45,673</u></b>	<b>\$ <u>1,880,143</u></b>

See Notes to Financial Statements.

# A KID AGAIN, INC.

## Statement of Functional Expenses For the Year Ended December 31, 2009

	Program	Education	Fund Raising	Management & General	Total
Adventure Programs	\$ 759,371				\$ 759,371
Fundraising Expenses		\$ 30,053	\$ 90,382	\$ 74	\$ 120,509
Bank Charges	6,854	1,916	4,831	265	13,866
Board Expenses	1,149	75	75		1,299
Chapter Development	4,753				4,753
Employee Benefits	2,017	512	301	181	3,011
Leased Employees	418,073	92,178	73,986	23,041	607,278
Director's Expenses	23,067	2,884	2,884		28,835
Employee Education	750	94	94		938
Legal and Professional	36,783	4,598	4,598		45,979
Memberships	3,615	815	627	193	5,250
Postage	6,280	1,535	984	490	9,289
Rent and Office Expense	68,760	13,718	11,780	2,161	96,419
Repairs and Maintenance	642	163	96	57	958
Printing	6,466	1,531	1,042	460	9,499
Supplies	11,357	2,734	1,795	860	16,746
Telephone	14,463	3,092	2,451	727	20,733
Depreciation	14,113	1,764	1,764		17,641
Insurance	5,112	639	639		6,390
Vehicle expense	626	159	94	56	935
Volunteer Thanks	8,181	1,023	1,023		10,227
<b>Total Expenses</b>	<b>\$ <u>1,392,432</u></b>	<b>\$ <u>159,483</u></b>	<b>\$ <u>199,446</u></b>	<b>\$ <u>28,565</u></b>	<b>\$ <u>1,779,926</u></b>

See Notes to Financial Statements.

# **A KID AGAIN, INC.**

## **Notes to Financial Statements December 31, 2010**

### **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 call 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.



# A KID AGAIN, INC

## Notes to Financial Statements (Continued)

December 31, 2010

### Note 1 - Summary of Significant Accounting Principles (Continued)

#### Basis of Presentation (Continued)

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.

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.

# A KID AGAIN, INC

## Notes to Financial Statements (Continued)

December 31, 2010

### 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, 2010, 2009, 2008 and 2007.

#### 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. No allowance was deemed necessary at December 31, 2010 and 2009.

#### 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, 2010

### 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.

#### Reclassifications

Certain reclassifications have been made to the 2009 financial statements presentation to correspond to the current year's format. Deferred income on the statement of financial position has been reclassified to temporarily restricted net assets. Changes in net assets are unchanged due to the reclassifications.

### Note 2 - 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 return for the year's ending December 31 is summarized as follows:

	2010	2009
Dividends	\$254	\$232
Realized Gain (Loss)	<u>500</u>	<u>(161)</u>
Total	<u>\$754</u>	<u>\$ 71</u>

# **A KID AGAIN, INC.**

## **Notes to Financial Statements (Continued) December 31, 2010**

### **Note 3 - 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 \$1,609 and \$2,248 for the years ended 2010 and 2009 respectively. Fees charged were \$584 and \$706 for the years ended 2010 and 2009 respectively. During the years ended December 31, 2010 and 2009 the Organization had realized and unrealized gains of \$945 and \$11,031, respectively.

### **Note 4 - 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, 2010 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 5 - Supplemental Cash Flow Information**

#### **Non - Cash Transactions**

During the years ended December 31, 2010 and 2009, the Organization received \$493,867 and \$516,798 in In-Kind contributions. These contributions were offset by recording an expense into the activity or account to which they relate.

During the year ended December 31, 2009, the Organization disposed of furniture and fixtures with a cost of \$33,957 and accumulated depreciation of \$31,474. The disposal resulted in a loss of \$1,483, which is reported in the functional expenses under rent and office expense.

#### **Cash Paid for Income Taxes and Interest**

The Organization paid no income taxes or interest for the years ended December 31, 2010 or 2009.

# A KID AGAIN, INC.

## Notes to Financial Statements (Continued) December 31, 2010

### Note 6 - Lease

#### Offices

The Organization has offices in Columbus, Cincinnati and Dayton. The Columbus office prior to October 15, 2010, received its office space rent free from an unrelated donor. The Cincinnati office is on a month to month lease and the Dayton office is rented at less than fair market value. Rent is recorded at its estimated fair market value as an In-Kind contribution and rent expense in the accompanying financial statements. Total In-Kind rent income and expense recorded in the financial statements for the years December 31, 2010 and 2009 is was \$48,145 and \$58,742, respectively.

On October 15, 2010 the Organization's leased approximately 5,674 square feet of office space for administrative services in Columbus, Ohio. The term of the lease is for five years beginning on October 15, 2010, and ending on October 14, 2015. There is an option to renew for an additional five years at the end of the five-year period at \$7.35 per square foot. The lease allows the Organization to terminate the lease after three (3) years by paying a termination fee of \$8,500.00. The Organization is trying to sublet the office space but is obligated for the lease payments until it is sublet.

#### 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. However, there is a forty-one (41) month lease in Cincinnati which expires April 30, 2011.

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

2011	\$ 20,898
2012	25,060
2013	34,635
2014	37,177
2015	<u>30,320</u>
Total	<u>\$148,090</u>

Total rent expense, including In-Kind rent expense, recorded in the financial statements for the year's ended December 31, 2010 and 2009 is \$73,731 and \$79,720. These amounts are included in the statements of functional expenses line rent and office expense.

# **A KID AGAIN, INC.**

## **Notes to Financial Statements (Continued)**

**December 31, 2010**

### **Note 7 - 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 8 - Subsequent Events**

The Organization has evaluated subsequent events through, October 17, 2011 the date which the financial statements were available to be issued.