

A KID AGAIN, INC.

Columbus, Ohio

Financial Statements
December 31, 2013



MULLIGAN, TOPY & CO.

Certified Public Accountants

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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, 2013 and 2012 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, 2013 and 2012 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
August 29, 2014

Mulligan, Fogny & Co.

A KID AGAIN, INC.

Statements of Financial Position December 31,

ASSETS

	2013	2012
Current Assets:		
Cash	\$ 701,512	\$ 625,042
Investments		10,687
Contributions receivable	139,848	83,546
Prepaid expense	10,650	11,757
Deposit	3,701	3,701
Beneficial interest in assets held by others	123,243	108,216
Total current assets	<u>978,954</u>	<u>842,949</u>
Property and Equipment:		
Furniture and fixtures	1,990	68,858
Vehicle	30,353	30,353
Total property and equipment	<u>32,343</u>	<u>99,211</u>
Less accumulated depreciation	7,881	62,792
Net property and equipment	<u>24,462</u>	<u>36,419</u>
Total Assets	<u>\$ 1,003,416</u>	<u>\$ 879,368</u>

LIABILITY AND NET ASSETS

Current Liability:		
Accounts payable	\$ 25,068	\$ 28,641
Total current liability and total liability	<u>25,068</u>	<u>28,641</u>
Net Assets:		
Unrestricted	821,193	735,728
Temporarily restricted	92,111	49,954
Permanently restricted	65,045	65,045
Total net assets	<u>978,348</u>	<u>850,727</u>
Total Liability and Net Assets	<u>\$ 1,003,416</u>	<u>\$ 879,368</u>

See Notes to Financial Statements.

A KID AGAIN, INC.

Statements of Activities For the Years Ended December 31,

	2013	2012
Unrestricted Revenues, Support and Gains:		
Contributions:		
Public	\$ 596,687	\$ 595,051
In-Kind	498,020	524,240
Total contributions	<u>1,094,706</u>	<u>1,119,291</u>
Fundraising	737,547	755,044
Miscellaneous income	158	
Interest income	15,733	5,626
Investment income	1,518	6,442
Net assets released from restrictions	30,000	80,364
Total unrestricted revenues, support and gains	<u>1,879,663</u>	<u>1,966,767</u>
Unrestricted Expenses and Losses:		
Adventures	1,358,188	1,376,086
Education	165,978	166,057
Fundraising	226,569	244,615
Management and general	43,464	39,666
Total unrestricted expenses and losses	<u>1,794,199</u>	<u>1,826,424</u>
Change in unrestricted net assets	85,464	140,343
Change in Temporarily Restricted Net Assets:		
Contributions and fundraising	72,157	19,954
Net assets released from restrictions	(30,000)	(80,364)
Change in temporarily restricted net assets	<u>42,157</u>	<u>(60,410)</u>
Change in Net Assets	<u>127,621</u>	<u>79,933</u>
Net Assets - Beginning of Year	850,727	770,794
Net Assets - End of Year	<u>\$ 978,348</u>	<u>\$ 850,727</u>

See Notes to Financial Statements.

A KID AGAIN, INC.

Statements of Cash Flows For the Years Ended December 31,

	2013	2012
Cash Flows from Operating Activities:		
Change in net assets	\$ 127,621	\$ 79,933
Adjustment to reconcile change in net assets to net cash provided by (used by) operating activities:		
Depreciation	10,616	8,923
Realized and unrealized (gain) or loss	(1,518)	(6,442)
(Gain) Loss on disposal of property and equipment	158	35
(Increase) Decrease in:		
Contributions receivable	(56,302)	(10,255)
Prepaid expense	1,107	2,344
Deposits		(1,766)
Increase (Decrease) in:		
Accounts payable	(3,573)	(20,180)
Net cash provided by (used by) operating activities	<u>78,108</u>	<u>52,592</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment		(31,413)
Purchase of beneficial interest in assets held by others	(1,298)	(4,164)
Purchase of investments	(340)	(297)
Net cash provided by (used by) investing activities	<u>(1,638)</u>	<u>(35,874)</u>
Net Increase (Decrease) in Cash	<u>76,470</u>	<u>16,718</u>
Cash - Beginning of Year	<u>625,042</u>	<u>608,324</u>
Cash - End of Year	<u>\$ <u>701,512</u></u>	<u>\$ <u>625,042</u></u>

See Notes to Financial Statements.

A KID AGAIN, INC.

Statement of Functional Expenses For the Year Ended December 31, 2013

	Program	Education	Fund Raising	Management & General	Total
Adventure Programs	\$ 721,460				\$ 721,460
Fundraising Expenses		\$ 32,943	\$ 99,614		132,557
Bank Charges	14,146	2,176	5,441		21,763
Board Expenses	1,511	176	176	\$ 654	2,517
Employee Benefits	4,147	830	830	2,489	8,296
Leased Employees	401,213	92,588	92,588	30,863	617,252
Director's Expenses	23,512	5,038	3,358	1,679	33,587
Employee Education	413	51	51		515
Legal and Professional	69,762	8,720	4,360	4,360	87,202
Memberships	2,691	582	464	140	3,877
Postage	4,136	1,011	646	326	6,119
Rent and Office Expense	41,568	7,791	6,882	1,052	57,293
Repairs and Maintenance	305	77	46	28	456
Printing	456	109	72	34	671
Supplies	17,111	4,029	2,766	1,199	25,105
Advertising	20,070	4,301	4,301		28,672
Telephone	10,276	2,195	1,761	510	14,742
Depreciation	8,494	1,061	1,061		10,616
Insurance	10,236	1,280	1,280		12,796
Vehicle expense	1,438	364	216	130	2,148
Volunteer Thanks	5,243	656	656		6,555
Total Expenses	\$ <u>1,358,188</u>	\$ <u>165,978</u>	\$ <u>226,569</u>	\$ <u>43,464</u>	\$ <u>1,794,199</u>

See Notes to Financial Statements.

A KID AGAIN, INC.

Statement of Functional Expenses For the Year Ended December 31, 2012

	Program	Education	Fund Raising	Management & General	Total
Adventure Programs	\$ 735,385				\$ 735,385
Fundraising Expenses		\$ 38,303	\$ 115,821		154,124
Bank Charges	9,756	2,370	5,534	\$ 289	17,949
Board Expenses	1,939	148	148		2,235
Employee Benefits	7,168	1,820	1,070	642	10,700
Leased Employees	338,556	81,406	83,381	35,262	538,605
Director's Expenses	24,734	3,091	3,091		30,916
Employee Education	698	87	87		872
Legal and Professional	156,506	19,654	19,654		195,814
Memberships	2,957	640	510	154	4,261
Postage	2,892	707	452	228	4,279
Rent and Office Expense	41,547	7,787	6,878	1,051	57,263
Repairs and Maintenance	309	78	46	28	461
Printing	1,065	255	169	80	1,569
Supplies	19,552	4,602	3,161	1,370	28,685
Telephone	10,077	2,152	1,727	500	14,456
Depreciation	7,139	892	892		8,923
Insurance	7,255	907	907		9,069
Vehicle expense	687	174	103	62	1,026
Volunteer Thanks	7,864	984	984		9,832
Total Expenses	\$ <u>1,376,086</u>	\$ <u>166,057</u>	\$ <u>244,615</u>	\$ <u>39,666</u>	\$ <u>1,826,424</u>

See Notes to Financial Statements.

A KID AGAIN, INC.

Notes to Financial Statements December 31, 2013

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, 2013

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.

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, 2013

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, 2013, 2012, 2011 and 2010.

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, 2013 and 2012.

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, 2013

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, 2013, the uninsured portions of these balances were \$100,818.

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 income for the year's ending December 31, 2013 and 2012 consisted of realized and unrealized gains of \$1,518 and \$6,442, respectively.

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 \$4,020 and \$4,644 for the years ended 2013 and 2012 respectively. Fees charged were \$520 and \$480 for the years ended 2013 and 2012 respectively. During the years ended December 31, 2013 and 2012 the Organization had realized and unrealized gains of \$8,207 and \$6,282, respectively.

A KID AGAIN, INC

Notes to Financial Statements (Continued) December 31, 2013

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, 2013 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, 2013 and 2012, the Organization received \$498,020 and \$524,240 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, 2013 or 2012.

Note 7 - Lease

Offices

The Organization has offices in Columbus and Cincinnati. 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.

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.

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.

A KID AGAIN, INC

Notes to Financial Statements (Continued) December 31, 2013

Note 7 – Lease (Continued)

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

2014	\$ 44,977
2015	38,120
2016	<u>1,300</u>
Total	\$ <u>84,397</u>

Total rent expense recorded in the financial statements for the year's ended December 31, 2013 and 2012 is \$44,751 and \$37,754. 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, August 29, 2014 the date which the financial statements were available to be issued.