A Kid Again, Inc.

Financial Statements

December 31, 2019 and 2018

with Independent Auditors' Report

CLARK SCHAEFER HACKETT
CPAs & ADVISORS

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CLARK SCHAEFER HACKETT
CPAs & Advisors

4449 Easton Way, Suite 400, Columbus, Ohio 43219
P. 614.885.2208 | F. 614.885.8159 | cshco.com

Independent Auditors' Report

To the Board of Directors
A Kid Again, Inc.
Columbus, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of A Kid Again, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year 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 maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from 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 auditors' judgment, including the assessment of the risks of material misstatement of the 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 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, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of A Kid Again, Inc. as of December 31, 2018, were audited by another auditor whose report dated November 5, 2019, expressed an unmodified opinion on those statements.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
September 14, 2020

Assets

		2019	2018
Current assets:			
Cash and cash equivalents	$	1,095,366	1,107,772
Contributions receivable, net of allowance of $2,285 as of December 31, 2019 and 2018		66,818	56,318
Investments		541,684	250,338
Prepaid expenses		22,003	18,822
Deposit		4,351	4,351
Beneficial interest in assets held by others		188,922	158,656
		1,919,144	1,596,257
Property and equipment:			
Furniture and fixtures		3,040	3,040
Vehicles		39,344	39,344
		42,384	42,384
Less accumulated depreciation		19,205	11,155
		23,179	31,229
	$	1,942,323	1,627,486

Liabilities and Net Assets

		2019	2018
Current liabilities:			
Accounts payable	$	35,768	17,153
Accrued liabilities		92,055	1,000
Unearned revenues		16,869	-
		144,692	18,153
Net assets:			
Without donor restrictions		1,750,631	1,527,458
With donor restrictions		47,000	81,875
		1,797,631	1,609,333
	$	1,942,323	1,627,486

See accompanying notes to the financial statements.

		Without donor Restrictions	With donor Restrictions	Total
Revenue and support:				
Contributions and grants:				
Public	$	1,221,725	47,000	1,268,725
In-Kind		861,461	-	861,461
Fundraising		1,317,407	-	1,317,407
Investment returns, net		12,287	-	12,287
Change in beneficial interest in assets held by others		30,266	-	30,266
Net assets released from restrictions		81,875	(81,875)	-
		3,525,021	(34,875)	3,490,146
Operating expenses:				
Programs		2,789,914	-	2,789,914
Management and general		66,418	-	66,418
Fundraising		445,516	-	445,516
		3,301,848	-	3,301,848
Change in net assets		223,173	(34,875)	188,298
Net assets - beginning of year		1,527,458	81,875	1,609,333
Net assets - end of year	$	1,750,631	47,000	1,797,631

		Without donor Restrictions	With donor Restrictions	Total
Revenue and support:				
Contributions and grants:				
Public	$	1,140,798	81,875	1,222,673
In-Kind		863,219	-	863,219
Fundraising		911,635	-	911,635
Investment returns, net		(800)	-	(800)
Change in beneficial interest in assets held by others		(5,355)	-	(5,355)
Net assets released from restrictions		392,355	(392,355)	-
		3,301,852	(310,480)	2,991,372
Operating expenses:				
Programs		2,669,549	-	2,669,549
Management and general		79,726	-	79,726
Fundraising		431,281	-	431,281
		3,180,556	-	3,180,556
Change in net assets		121,296	(310,480)	(189,184)
Net assets - beginning of year		1,406,162	392,355	1,798,517
Net assets - end of year	$	1,527,458	81,875	1,609,333

	Programs	Management and General	Fundraising	Total Expenses
Adventure programs	$ 342,887	-	-	342,887
Fundraising expenses	100,000	-	195,577	295,577
In-kind expense	812,935	-	48,526	861,461
Bank charges	19,574	2,175	-	21,749
Board expenses	-	1,636	-	1,636
Salaries, taxes and benefits	1,161,173	51,547	143,790	1,356,510
Employee education	1,183	43	200	1,426
Legal and professional	40,655	1,469	6,857	48,981
Meals and entertainment	9,791	1,088	-	10,879
Memberships	5,575	202	940	6,717
Mileage	12,251	443	2,067	14,761
Postage	7,046	255	1,188	8,489
Rent and office	87,950	3,179	14,835	105,964
Printing	27,025	977	4,558	32,560
Supplies	22,247	804	3,753	26,804
Travel	6,080	220	1,026	7,326
Advertising	71,321	-	13,083	84,404
Cell phone	1,455	53	245	1,753
Telephone	13,401	484	2,260	16,145
Depreciation	7,245	805	-	8,050
Insurance	13,308	481	2,245	16,034
Vehicle	10,073	364	1,699	12,136
Volunteer	9,634	-	1,767	11,401
Bad debt	1,772	-	-	1,772
Chapter development	5,333	193	900	6,426
	$ 2,789,914	66,418	445,516	3,301,848

	Programs	Management and General	Fundraising	Total Expenses
Adventure programs	$ 263,249	-	-	263,249
Fundraising expenses	70,144	-	212,127	282,271
In-kind expense	823,219	-	40,000	863,219
Bank charges	14,557	-	4,852	19,409
Board expenses	1,232	478	129	1,839
Salaries, taxes and benefits	1,125,788	66,222	132,446	1,324,456
Employee education	1,176	-	131	1,307
Legal and professional	75,296	4,183	4,183	83,662
Meals and entertainment	5,794	966	2,897	9,657
Memberships	10,456	446	1,481	12,383
Mileage	627	105	314	1,046
Postage	5,754	365	722	6,841
Rent and office	83,559	1,805	11,640	97,004
Printing	9,506	282	621	10,409
Supplies	18,092	1,279	2,155	21,526
Travel	2,561	428	1,281	4,270
Advertising	103,422	465	9,243	113,130
Cell phone	1,416	236	708	2,360
Telephone	11,113	473	1,557	13,143
Depreciation	7,429	-	825	8,254
Insurance	14,861	-	1,651	16,512
Vehicle	7,044	507	845	8,396
Volunteer	13,254	-	1,473	14,727
Chapter development	-	1,486	-	1,486
	$ 2,669,549	79,726	431,281	3,180,556

See accompanying notes to the financial statements.

		2019	2018
Cash flows from operating activities:			
Change in net assets	$	188,298	(189,184)
Adjustments to reconcile change in net assets			
to net cash flows from operating activities:			
Depreciation		8,050	8,254
Bad debt expense		1,772	-
Realized and unrealized (gain) loss on investments		(13,337)	1,841
Change in beneficial interest in assets held by others		(30,266)	5,355
Effects of changes in operating assets and liabilities:			
Contributions receivable		(12,272)	(35,343)
Prepaid expenses		(3,181)	1,984
Accounts payable		18,615	(19,415)
Accrued expenses		91,055	-
Unearned revenue		16,869	-
Net cash flows from operating activities		265,603	(226,508)
Cash flows from investing activities:			
Purchase of property and equipment		-	(18,095)
Proceeds from sale of investments		175	-
Purchase of investments		(278,184)	(1,011)
Net cash flows from investing activities		(278,009)	(19,106)
Change in cash and cash equivalents		(12,406)	(245,614)
Cash and cash equivalents - beginning of year		1,107,772	1,353,386
Cash and cash equivalents - end of year	$	1,095,366	1,107,772
Supplemental Cash Flows Information:			
In-kind donations	$	861,461	863,219

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of A Kid Again, Inc.. are set forth to facilitate the understanding of data presented in the financial statements:

Nature of activities
A Kid Again, Inc. (the Organization) is a not-for-profit 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.

Use of estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of new accounting standard
During 2019, the Organization adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. The ASU, as updated, represents a comprehensive overhaul of substantially all previous revenue recognition guidance within U.S. GAAP. Additionally, the ASU requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective January 1, 2019, the first day of the Organization’s fiscal year using the modified retrospective approach.

As part of the adoption of the ASU, the Organization elected the following transition practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price; and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients. Management has analyzed the provisions of the ASU and have concluded that no changes are necessary to conform with the new standard.

During 2019, the Organization adopted Accounting Standards Update 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction and whether a contribution is considered conditional. The presentation of the Organization’s financial statements has not been changed as a result of the standard.

Basis of presentation
The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

> Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.
>
> Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will likely be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization does not have net assets that are perpetual in nature at December 31, 2019 or 2018.

Cash and cash equivalents
For the purpose of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contributions receivable
Contributions receivable are recognized as revenues in the period received and as assets, decreases of liabilities, or in-kind expenses depending on the form of the benefits received. Conditional contributions are recognized when the conditions on which they depend are substantially met. Allowances are provided for amounts estimated to be uncollectible, based on management's analysis of specific outstanding contributions at December 31, 2019 and 2018. As of December 31, 2019 and 2018, the allowance for uncollectible contributions was $2,285.

All contributions receivables are due to be paid to the Organization within one year from the statement of financial position date.

Investments
Investments in equity securities with readily determinable fair market values are reported at their fair value based on quoted market prices in the statements of financial position. Realized and unrealized gains and losses, interest and dividends are shown net of investment expenses in the statements of activities as investment returns, net.

Beneficial interest in assets held by others
Beneficial interest in assets held by others represents the Organization's interest in investments held by The Columbus Foundation, which are comprised of various equity funds, alternative assets, income funds and cash. The underlying holdings are all based on unadjusted quoted market prices and the related investment income, realized and unrealized gains and losses net of investment fees included in the accompanying statements of activities as a change in beneficial interest in assets held by others. The Organization advises The Columbus Foundation as to the distribution of the funds.

Property and equipment
Property and equipment are recorded at cost. Major expenditures for property acquisitions and those expenditures which substantially increase useful lives are capitalized. Depreciation on property and equipment is provided using the straight-line method over the estimated useful life, which ranges from three to fifteen years.

Unearned revenues
Unearned revenues represent cash received for sponsorships or events, which has not yet taken place.

Contributions
Contributions of cash and other assets, including unconditional promises to give in the future (pledges), are reported as restricted revenue if received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue recognition
The Organization's primary revenue and support is obtained from contributions, grants, and fundraising revenues. Revenues from contributions and grants are recognized when a donor's unconditional commitment is received.

Fundraising revenues are based on the satisfaction of performance obligations at a point in time, which is the completion of the event. Total revenue recognized at a point in time is $1,317,407 and $911,635 for December 31, 2019 and 2018, respectively.

Advertising expense
The Organization uses advertising to promote its mission. The production costs of advertising are expensed as incurred.

Functional allocation of expenses
The financial statements report certain categories of expenses that are attributable to one of more service administrative functions of the Organization. The Organization allocated a portion of administrative expenses to program services and fundraising based on various direct costs related to each program and an analysis of personnel time for each program.

Income taxes
The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Risk and uncertainties
The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position.

Reclassification
Certain reclassifications have been made to the December 31, 2018 financial statement presentation to correspond to the current year's format.

2. FAIR VALUE MEASUREMENTS

U.S. GAAP defines fair value as the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. U.S. GAAP specifies a hierarchy of inputs to valuation techniques, which categorizes inputs to fair value measurement that reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). The following summarizes the fair value hierarchy:

Level 1: Unadjusted quoted market prices for identical assets and liabilities in an active market that the Organization has the ability to access.

Level 2: Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3: Inputs are unobservable for the assets or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

U.S. GAAP requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Money markets and equity securities - Carried at fair value, which is based on quoted market prices.

Beneficial interest in assets held by others – Valuation is determined by the underlying interest in funds held by The Columbus Foundation, which are primarily invested in marketable securities with quoted market prices, without adjustment by management.

A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date. There have been no changes in the methodologies used during the year ended December 31, 2019.

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2019:

		Level 1	Level 2	Level 3	Total
Investments:					
Money markets	$	79,611	-	-	79,611
Fixed income		214,105	-	-	214,105
Mutual funds		247,968	-	-	247,968
	$	541,684	-	-	541,684
Beneficial interest in assets held by others	$	-	-	188,922	188,922

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2018:

		Level 1	Level 2	Level 3	Total
Investments:					
Money markets	$	224,409	-	-	224,409
Mutual funds		25,929	-	-	25,929
	$	250,338	-	-	250,338
Beneficial interest in assets held by others	$	-	-	158,656	158,656

Changes in fair value of beneficial interest in assets held by others, which are measured on a recurring basis using significant unobservable (Level 3) input:

		2019	2018
Balance at beginning of year	$	158,656	164,011
Contributions to beneficial interest in assets held by others		-	-
Change in beneficial interest in assets held by others		30,266	(5,355)
Release of asests from beneficial interest in assets held by others		-	-
Balance at end of year	$	188,922	158,656

3. OPERATING LEASES:

The Organization leases office space in Columbus, Cincinnati, Cleveland, and Indianapolis. The lease terms go through various terms ended in October 2025, with monthly payments ranging from $900 to $4,728 per month. The Indianapolis office lease is through an in-kind contribution of approximately $4,000 per year.

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

Minimum future rental payments under non-cancelable operating leases as of December 31, 2019 are as follows:

Year ending December 31:	
2020	$ 73,654
2021	66,302
2022	64,721
2023	66,140
2024	55,558
Thereafter	47,283
Total	$ 373,658

Rent expense charged to operations was $72,304 and $60,304 for the years ended December 31, 2019 and 2018, respectively.

4. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets are restricted for specific purpose or subsequent years' activities. Net assets with donor restrictions as of December 31, 2019 and 2018 are restricted for Adventures to be held in the next fiscal year.

5. CONCENTRATION OF CREDIT RISK:

The Organization maintains its cash balances at several financial institutions. At times, these accounts may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

6. LIQUIDITY DISCLOSURES:

The Organization is substantially supported by contributions and fundraising events. Because a donor's restriction requires resources to be used in a particular manner or AKA in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the Organization's liquidity management it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table presents the financial assets available to meet cash needs for general expenditures within one year at December 31:

		2019	2018
Financial assets:			
Cash and cash equivalents	$	1,095,366	1,107,772
Contribution receivables, net		66,818	56,318
Investments		541,684	250,338
Financial assets available at year-end		1,703,868	1,414,428
Less those unavailable for general expenditures within one year due to:			
Restricted by donor with time or purpose restrictions		47,000	81,875
Financial assets available to meet cash needs for general expenditures within one year	$	1,656,868	1,332,553

7. SUBSEQUENT EVENTS:

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through September 14, 2020, the date on which the financial statements were available to be issued.

Subsequent to the date of the financial statements, an outbreak of a novel strain of coronavirus (COVID-19) has disrupted supply chains and affected production and sales across a range of industries. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. Impact on the donors, employees, and vendors cannot be predicted, and the extent to which COVID-19 may impact the Organization's financial condition or results of the operations is uncertain at this time.

Additionally, as a result of COVID-19, the Organization applied for a Paycheck Protection Plan loan (PPP Loan) for $430,700 with a rate of 1%, which was approved and received on April 30, 2020 with a maturity date of April 30, 2022. As of now, the Organization has neither sought forgiveness nor determined the amount of forgiveness the Organization will seek.