



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

A Kid Again, Inc.

Financial Statements

December 31, 2020 and 2019

with Independent Auditors' Report

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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 statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses 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 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 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 audits 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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
August 24, 2021

A Kid Again, Inc.
 Statements of Financial Position
 December 31, 2020 and 2019

Assets

	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 1,852,338	1,095,366
Contributions receivable, net	33,473	66,818
Investments	569,080	541,684
Prepaid expenses	29,905	22,003
Deposit	4,351	4,351
Beneficial interest in assets held by others	<u>206,121</u>	<u>188,922</u>
	<u>2,695,268</u>	<u>1,919,144</u>
Property and equipment:		
Furniture and fixtures	10,750	3,040
Vehicles	<u>39,344</u>	<u>39,344</u>
	50,094	42,384
Less accumulated depreciation	<u>28,650</u>	<u>19,205</u>
	<u>21,444</u>	<u>23,179</u>
	<u>\$ 2,716,712</u>	<u>1,942,323</u>

See accompanying notes to the financial statements.

A Kid Again, Inc.
 Statements of Financial Position (continued)
 December 31, 2020 and 2019

Liabilities and Net Assets

	<u>2020</u>	<u>2019</u>
Current liabilities:		
Accounts payable	\$ 37,075	35,768
Accrued liabilities	85,078	92,055
Capital lease payable, current portion	1,542	-
Unearned revenues	<u>139,250</u>	<u>16,869</u>
Total current liabilities	262,945	144,692
Long term liabilities:		
Capital lease payable, long term	<u>4,626</u>	-
Total liabilities	<u>267,571</u>	<u>144,692</u>
Net assets:		
Without donor restrictions	2,415,141	1,750,631
With donor restrictions	<u>34,000</u>	<u>47,000</u>
	<u>2,449,141</u>	<u>1,797,631</u>
	 \$ <u>2,716,712</u>	 <u>1,942,323</u>

See accompanying notes to the financial statements.

A Kid Again, Inc.
Statement of Activities
Year Ended December 31, 2020

	<u>Without donor Restrictions</u>	<u>With donor Restrictions</u>	<u>Total</u>
Revenue and support:			
Contributions and grants:			
Public	\$ 2,207,994	34,000	2,241,994
In-Kind	389,555	-	389,555
Fundraising	1,024,772	-	1,024,772
Investment returns, net	30,536	-	30,536
Change in beneficial interest in assets held by others	17,200	-	17,200
Net assets released from restrictions	<u>47,000</u>	<u>(47,000)</u>	<u>-</u>
	<u>3,717,057</u>	<u>(13,000)</u>	<u>3,704,057</u>
Operating expenses:			
Programs	2,690,193	-	2,690,193
Management and general	74,794	-	74,794
Fundraising	<u>287,560</u>	<u>-</u>	<u>287,560</u>
	<u>3,052,547</u>	<u>-</u>	<u>3,052,547</u>
Change in net assets	664,510	(13,000)	651,510
Net assets - beginning of year	<u>1,750,631</u>	<u>47,000</u>	<u>1,797,631</u>
Net assets - end of year	<u>\$ 2,415,141</u>	<u>34,000</u>	<u>2,449,141</u>

See accompanying notes to the financial statements.

A Kid Again, Inc.
Statement of Activities
Year Ended December 31, 2019

	<u>Without donor Restrictions</u>	<u>With donor Restrictions</u>	<u>Total</u>
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	<u>81,875</u>	<u>(81,875)</u>	<u>-</u>
	<u>3,525,021</u>	<u>(34,875)</u>	<u>3,490,146</u>
Operating expenses:			
Programs	2,789,914	-	2,789,914
Management and general	66,418	-	66,418
Fundraising	<u>445,516</u>	<u>-</u>	<u>445,516</u>
	<u>3,301,848</u>	<u>-</u>	<u>3,301,848</u>
Change in net assets	223,173	(34,875)	188,298
Net assets - beginning of year	<u>1,527,458</u>	<u>81,875</u>	<u>1,609,333</u>
Net assets - end of year	<u>\$ 1,750,631</u>	<u>47,000</u>	<u>1,797,631</u>

See accompanying notes to the financial statements.

A Kid Again, Inc.
 Statement of Functional Expenses
 Year Ended December 31, 2020

	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Adventure programs	\$ 291,454	-	-	291,454
Fundraising expenses	98,075	-	12,122	110,197
In-kind expense	346,544	-	42,831	389,375
Bank charges	21,945	1,652	-	23,597
Board expenses	-	741	-	741
Salaries, taxes and benefits	1,377,402	61,146	170,566	1,609,114
Employee education	2,564	58	291	2,913
Legal and professional	109,731	2,494	12,469	124,694
Meals and entertainment	8,789	661	-	9,450
Memberships	6,696	152	761	7,609
Mileage	5,526	126	628	6,280
Postage	14,084	320	1,601	16,005
Rent and office	89,297	2,030	10,147	101,474
Printing	26,087	593	2,964	29,644
Supplies	39,736	903	4,515	45,154
Travel	5,141	118	584	5,843
Advertising	97,143	-	12,006	109,149
Cell phone	1,804	41	205	2,050
Telephone	11,434	260	1,299	12,993
Depreciation	8,785	661	-	9,446
Insurance	17,486	397	1,987	19,870
Vehicle	8,699	197	989	9,885
Volunteer	3,067	-	379	3,446
Chapter development	<u>98,704</u>	<u>2,244</u>	<u>11,216</u>	<u>112,164</u>
	<u>\$ 2,690,193</u>	<u>74,794</u>	<u>287,560</u>	<u>3,052,547</u>

See accompanying notes to the financial statements.

A Kid Again, Inc.
 Statement of Functional Expenses
 Year Ended December 31, 2019

	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
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	<u>5,333</u>	<u>193</u>	<u>900</u>	<u>6,426</u>
	<u>\$ 2,789,914</u>	<u>66,418</u>	<u>445,516</u>	<u>3,301,848</u>

See accompanying notes to the financial statements.

A Kid Again, Inc.
Statements of Cash Flows
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 651,510	188,298
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	9,445	8,050
Bad debt expense	-	1,772
Realized and unrealized (gain) loss on investments	(22,196)	(13,337)
Change in beneficial interest in assets held by others	(17,200)	(30,266)
Effects of changes in operating assets and liabilities:		
Contributions receivable	33,345	(12,272)
Prepaid expenses	(7,902)	(3,181)
Accounts payable	1,307	18,615
Accrued expenses	(6,977)	91,055
Unearned revenue	<u>122,381</u>	<u>16,869</u>
Net cash flows from operating activities	<u>763,713</u>	<u>265,603</u>
Cash flows from investing activities:		
Proceeds from sale of investments	171,078	175
Purchase of investments	<u>(176,277)</u>	<u>(278,184)</u>
Net cash flows from investing activities	<u>(5,199)</u>	<u>(278,009)</u>
Cash flows from financing activities -		
Capital lease payments	<u>(1,542)</u>	-
Change in cash and cash equivalents	756,972	(12,406)
Cash and cash equivalents - beginning of year	<u>1,095,366</u>	<u>1,107,772</u>
Cash and cash equivalents - end of year	<u>\$ 1,852,338</u>	<u>1,095,366</u>
Supplemental Cash Flows Information:		
Non-cash financing activity:		
Purchase of assets through capital lease	\$ 7,710	-
In-kind donations	<u>\$ 389,555</u>	<u>861,461</u>

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.

Basis of presentation

The financial statements of the Organization have been prepared in accordance with U.S. GAAP, 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, 2020 or 2019.

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 unconditionally promised or pledged 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, 2020 and 2019. As of December 31, 2020 and 2019, 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 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 have 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 \$1,024,772 and \$1,317,407 for the years ended 2020 and 2019, 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 or 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.

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, equity securities, fixed income, and mutual funds - 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, 2020.

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money markets	\$ 278,344	-	-	278,344
Equities	187,507	-	-	187,507
Fixed income	49,411	-	-	49,411
Mutual funds	<u>53,818</u>	<u>-</u>	<u>-</u>	<u>53,818</u>
	<u>\$ 569,080</u>	<u>-</u>	<u>-</u>	<u>569,080</u>
Beneficial interest in assets held by others	<u>\$ -</u>	<u>-</u>	<u>206,121</u>	<u>206,121</u>

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

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

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:

A Kid Again, Inc.
 Notes to the Financial Statements
 December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Balance at beginning of year	\$ 188,922	158,656
Change in beneficial interest in assets held by others	<u>17,200</u>	<u>30,266</u>
Balance at end of year	<u>\$ 206,122</u>	<u>188,922</u>

3. OPERATING LEASES:

The Organization leases office space in Columbus, Cincinnati, Cleveland, and Indianapolis. The leases are for various terms through 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, 2020 are as follows:

Year ending December 31:

2021	\$ 66,302
2022	64,721
2023	66,140
2024	55,558
2025	<u>47,283</u>
Total	<u>\$ 300,004</u>

Rent expense charged to operations was \$74,472 and \$72,304 for the years ended December 31, 2020 and 2019, 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, 2020 and 2019 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 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:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 1,852,338	1,095,366
Contribution receivables, net	33,473	66,818
Investments	<u>569,080</u>	<u>541,684</u>
 Financial assets available at year-end	 <u>2,454,891</u>	 <u>1,703,868</u>
 Less those unavailable for general expenditures within one year due to:		
Restricted by donor with time or purpose restrictions	34,000	47,000
 Financial assets available to meet cash needs for general expenditures within one year	 \$ <u>2,420,891</u>	 <u>1,656,868</u>

7. PAYCHECK PROTECTION PLAN LOAN:

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. The loan was included in grants and contributions in 2020.

8. 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 August 24, 2021, the date on which the financial statements were available to be issued.

The Organization received full forgiveness of the \$430,700 Paycheck Protection Plan loan (PPP loan) in 2021.

Additionally, the Organization applied for a Paycheck Protection Plan loan (PPP Loan) for \$293,579 with a rate of 1%, which was approved and received on January 31, 2021 with a maturity date of January 31, 2026. In August 2021, the Organization initiated seeking full forgiveness of the loan.

