CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

A Kid Again, Inc.

Financial Statements

December 31, 2021 and 2020

with Independent Auditors' Report

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CLARK SCHAEFER HACKETT
BUSINESS ADVISORS
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Independent Auditors' Report

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

Opinion

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, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, and the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of A Kid Again, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about A Kid Again, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 A Kid Again, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about A Kid Again, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
August 10, 2022

Assets

		2021	2020
Current assets:			
Cash and cash equivalents	$	2,068,745	1,852,338
Contributions receivable, net		1,187,215	33,473
Investments		629,029	569,080
Prepaid expenses		75,587	29,905
Deposit		38,221	4,351
Beneficial interest in assets held by others		234,760	206,121
		4,233,557	2,695,268
Property and equipment:			
Furniture and fixtures		32,291	10,750
Vehicles		39,344	39,344
		71,635	50,094
Less accumulated depreciation		42,166	28,650
		29,469	21,444
Noncurrent assets:			
Contributions receivable, net of current portion		413,046	-
	$	4,676,072	2,716,712

Liabilities and Net Assets

		2021	2020
Current liabilities:			
Accounts payable	$	51,885	37,075
Accrued liabilities		158,048	85,078
Capital lease payable, current portion		4,008	1,542
Unearned revenues		82,435	139,250
		296,376	262,945
Long term liabilities:			
Capital lease payable, long term		8,178	4,626
Total liabilities		304,554	267,571
Net assets:			
Without donor restrictions		2,786,518	2,415,141
With donor restrictions		1,585,000	34,000
		4,371,518	2,449,141
	$	4,676,072	2,716,712

A Kid Again, Inc.
Statement of Activities
Year Ended December 31, 2021

		Without donor Restrictions	With donor Restrictions	Total
Revenue and support:				
Contributions and grants:				
Public	$	2,684,573	1,585,000	4,269,573
In-Kind		1,139,335	-	1,139,335
Fundraising		1,389,773	-	1,389,773
Investment returns, net		52,008	-	52,008
Change in beneficial interest in assets held by others		28,639	-	28,639
Net assets released from restrictions		34,000	(34,000)	-
		5,328,328	1,551,000	6,879,328
Operating expenses:				
Programs		4,329,695	-	4,329,695
Management and general		99,385	-	99,385
Fundraising		527,871	-	527,871
		4,956,951	-	4,956,951
Change in net assets		371,377	1,551,000	1,922,377
Net assets - beginning of year		2,415,141	34,000	2,449,141
Net assets - end of year	$	2,786,518	1,585,000	4,371,518

See accompanying notes to the financial statements.

		Without donor Restrictions	With donor Restrictions	Total
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		47,000	(47,000)	-
		3,717,057	(13,000)	3,704,057
Operating expenses:				
Programs		2,690,193	-	2,690,193
Management and general		74,794	-	74,794
Fundraising		287,560	-	287,560
		3,052,547	-	3,052,547
Change in net assets		664,510	(13,000)	651,510
Net assets - beginning of year		1,750,631	47,000	1,797,631
Net assets - end of year	$	2,415,141	34,000	2,449,141

	Programs	Management and General	Fundraising	Total Expenses
Adventure program expenses/fees	$ 701,978	-	86,760	788,738
In-kind expense	1,014,009	-	125,326	1,139,335
Employee benefits	269,811	11,978	33,411	315,200
Salaries and taxes	1,608,354	71,398	199,165	1,878,917
Contractual services	223,854	5,088	25,437	254,379
Professional development	17,816	403	2,022	20,241
Facility expenses	120,184	3,039	15,193	138,416
Office expenses	230,090	5,228	25,467	260,785
Advertising	30,929	-	3,823	34,752
Depreciation	13,516	-	-	13,516
Insurance	99,154	2,251	11,267	112,672
	$ 4,329,695	99,385	527,871	4,956,951

	Programs	Management and General	Fundraising	Total Expenses
Adventure program expenses/fees	$ 291,454	-	-	291,454
Fundraising expenses	98,075	-	12,122	110,197
In-kind expense	346,544	-	42,831	389,375
Salaries, taxes, and benefits	1,377,402	61,146	170,566	1,609,114
Contractual services	109,731	2,494	12,469	124,694
Professional development	9,260	210	1,052	10,522
Facility expenses	89,297	2,030	10,147	101,474
Office expenses	146,312	5,612	13,164	165,088
Advertising	97,143	-	12,006	109,149
Depreciation	8,785	661	-	9,446
Insurance	17,486	397	1,987	19,870
Chapter development	98,704	2,244	11,216	112,164
	$ 2,690,193	74,794	287,560	3,052,547

		2021	2020
Cash flows from operating activities:			
Change in net assets	$	1,922,377	651,510
Adjustments to reconcile change in net assets to net cash flows from operating activities:			
Depreciation		13,516	9,445
Realized and unrealized gain on investments		(62,263)	(22,196)
Change in beneficial interest in assets held by others		(28,639)	(17,200)
Effects of changes in operating assets and liabilities:			
Contributions receivable		(1,566,788)	33,345
Prepaid expenses		(45,682)	(7,902)
Deposits		(33,870)	-
Accounts payable		14,810	1,307
Accrued expenses		72,970	(6,977)
Unearned revenue		(56,815)	122,381
Net cash flows from operating activities		229,616	763,713
Cash flows from investing activities:			
Purchase of property and equipment		(11,461)	-
Proceeds from sale of investments		50,120	171,078
Purchase of investments		(47,806)	(176,277)
Net cash flows from investing activities		(9,147)	(5,199)
Cash flows from financing activities -			
Capital lease payments		(4,062)	(1,542)
Change in cash and cash equivalents		216,407	756,972
Cash and cash equivalents - beginning of year		1,852,338	1,095,366
Cash and cash equivalents - end of year	$	2,068,745	1,852,338
Supplemental Cash Flows Information:			
Non-cash financing activity:			
Purchase of assets through capital lease	$	10,080	7,710

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:

> <u>Net assets without donor restrictions</u> - 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.
>
> <u>Net assets with donor restrictions</u> - 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, 2021 or 2020.

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, 2021 and 2020. As of December 31, 2021 and 2020, the allowance for uncollectible contributions was $2,285.

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 $1,389,773 and $1,024,772 for the years ended 2021 and 2020, 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 salaries, benefits, rent, supplies, contractual services, advertising, and insurance 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. CONTRIBUTIONS RECEIVABLE:

The following table summarizes contributions receivable at December 31:

		2021	2020
Due in less than one year	$	1,189,500	35,758
Due in one to five years		425,000	-
		1,614,500	35,758
Less discounts for present value		11,954	-
		1,602,546	35,758
Less allowance for doubtful accounts		2,285	2,285
	$	1,600,261	33,473

The Organization used an imputed interest rate of 1.89% as of December 31, 2021 to discount contributions due after more than one year at their present value.

3. 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, 2021.

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2021:

		Level 1	Level 2	Level 3	Total
Investments:					
Money markets	$	115,772	-	-	115,772
Fixed income		200,035	-	-	200,035
Mutual funds		313,222	-	-	313,222
	$	629,029	-	-	629,029
Beneficial interest in assets held by others	$	-	-	234,760	234,760

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

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

4. OPERATING LEASES:

The Organization leases office space in Columbus, Cincinnati, Cleveland, Philadelphia, and Indianapolis. The leases are for various terms through May 2027, 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, 2021 are as follows:

2022	$ 98,952
2023	107,626
2024	97,570
2025	69,449
2026	32,296
Total	$ 405,893

Rent expense charged to operations was $102,971 and $74,472 for the years ended December 31, 2021 and 2020, respectively.

5. CAPITAL LEASES

The Organization leases copiers in Cincinnati and Columbus. The leases are for 60-month terms through December 2024 and September 2025.

Furniture and fixtures	$ 17,790
Less: accumulated depreciation	(5,604)
Net book value	$ 12,186

Minimum future lease payments as of December 31, 2021 are as follows:

Year ending December 31:	
2022	$ 4,008
2023	4,008
2024	4,008
2025	1,512
Total Minimum Lease Payments	13,536
Less: Amount representing interest	(1,350)
Present Value of Minimum Lease Payments	$ 12,186

6. 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, 2021 and 2020 are restricted for Adventures and expansion in the next fiscal year.

7. 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.

8. 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:

	2021	2020
Financial assets:		
Cash and cash equivalents	$ 2,068,745	1,852,338
Contribution receivables, net	1,600,261	33,473
Investments	629,029	569,080
Beneficial interest subject to variance power	234,760	206,121
Financial assets available at year-end	4,532,795	2,661,012
Less those unavailable for general expenditures within one year due to:		
Beneficial interest subject to variance power	234,760	206,121
Restricted by donor with time or purpose restrictions	1,585,000	34,000
Financial assets unavailable at year-end	1,819,760	240,121
Financial assets available to meet cash needs for general expenditures within one year	$ 2,713,035	2,420,891

9. PAYCHECK PROTECTION PROGRAM LOAN:

The Organization applied for a Paycheck Protection Program loan (PPP Loan) for $430,700 with a rate of 1%, which was approved and received on April 30, 2020. The Organization considered the loan a conditional contribution, incurring qualifying expenses to meet the conditions during 2020, and accordingly, recognized the full amount in grants and contributions in 2020. The Organization received full forgiveness of this loan in 2021.

Additionally, the Organization applied for a 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. The Organization considered the loan a conditional contribution, incurring qualifying expenses to meet the conditions during 2021, and accordingly, recognized the full amount in grants and contributions in 2021.

10. 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 10, 2022 the date on which the financial statements were available to be issued.

The Organization received full forgiveness of the $293,579 Paycheck Protection Program loan (PPP loan) in January 2022.