

**KIDS 'N KAMP (DBA CHILDHOOD CANCER
FAMILY CONNECTION)**

(A Nonprofit Organization)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

KIDS 'N KAMP (DBA CHILDHOOD CANCER FAMILY CONNECTION)

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YEARS ENDED DECEMBER 31, 2016 AND 2015

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BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT

Board of Directors
Kids 'N Kamp (dba Childhood Cancer Family Connection)
Columbus, Ohio

We have audited the accompanying financial statements of **Kids 'N Kamp (dba Childhood Cancer Family Connection)** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and changes in net assets, 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 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 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 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3601 Rigby Road • Suite 400 • Dayton, Ohio • 45342-4981
1 Woodside Drive • Richmond, Indiana • 47374-2630
4249 Easton Way • Suite 100 • Columbus, Ohio • 43219-6170
2340 Perimeter Park Drive • Suite 100 • Atlanta, Georgia • 30341-1318
10375 Old Alabama Road Connector • Suite 300 • Alpharetta, Georgia • 30022-1122

www.bradyware.com

INDEPENDENT AUDITORS' REPORT - CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Kids 'N Kamp (dba Childhood Cancer Family Connection)** as of December 31, 2016 and 2015, 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.

Brady, Ware & Schoenfeld, Inc.

Columbus, Ohio
August 8, 2017

KIDS 'N KAMP (DBA CHILDHOOD CANCER FAMILY CONNECTION)

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---|------------------|-------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ <u>77,777</u> | \$ <u>85,396</u> |
| PROPERTY AND EQUIPMENT | | |
| Computers and office equipment | 5,804 | 5,804 |
| Furnishings | 5,136 | 5,136 |
| Gaming machines | <u>70,005</u> | <u>58,125</u> |
| | 80,945 | 69,065 |
| Less accumulated depreciation | <u>62,022</u> | <u>51,682</u> |
| | <u>18,923</u> | <u>17,383</u> |
| | <u>\$ 96,700</u> | <u>\$ 102,779</u> |
| LIABILITIES AND UNRESTRICTED NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 5,385 | \$ 8,216 |
| Federal income taxes payable | 2,400 | 7,740 |
| Current portion of capital lease obligations | <u>10,155</u> | <u>10,384</u> |
| | 17,940 | 26,340 |
| CAPITAL LEASE OBLIGATIONS, NET OF CURRENT PORTION | 11,641 | 10,574 |
| UNRESTRICTED NET ASSETS | <u>67,119</u> | <u>65,865</u> |
| | <u>\$ 96,700</u> | <u>\$ 102,779</u> |

See notes to financial statements.

KIDS 'N KAMP (DBA CHILDHOOD CANCER FAMILY CONNECTION)

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---|------------------|------------------|
| PUBLIC SUPPORT AND REVENUE | | |
| Contributions and gifts | \$ 116,178 | \$ 190,109 |
| Instant bingo income, net of direct expense of \$235,694 and \$223,931 | 69,808 | 79,360 |
| Special events | 60,525 | 46,086 |
| Other income | <u>2,168</u> | <u>12</u> |
| | <u>248,679</u> | <u>315,567</u> |
| FUNCTIONAL EXPENSES | | |
| Program services | 192,250 | 191,969 |
| Management and general | 21,887 | 34,363 |
| Fundraising | <u>33,288</u> | <u>32,206</u> |
| | <u>247,425</u> | <u>258,538</u> |
| INCREASE IN UNRESTRICTED NET ASSETS | 1,254 | 57,029 |
| UNRESTRICTED NET ASSETS | | |
| Beginning of year | <u>65,865</u> | <u>8,836</u> |
| End of year | <u>\$ 67,119</u> | <u>\$ 65,865</u> |

KIDS 'N KAMP (DBA CHILDHOOD CANCER FAMILY CONNECTION)**STATEMENT OF FUNCTIONAL EXPENSES****YEAR ENDED DECEMBER 31, 2016**

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|----------------------|-----------------------------|-----------------------------------|--------------------|-------------------|
| Activities | \$ 30,601 | \$ - | \$ - | \$ 30,601 |
| Office expense | 12,831 | 1,427 | - | 14,258 |
| Equipment rental | 320 | 23 | 115 | 458 |
| Insurance | 3,689 | 1,738 | - | 5,427 |
| Licenses | - | 150 | - | 150 |
| Payroll | 84,717 | 4,707 | 4,707 | 94,131 |
| Payroll taxes | 5,733 | 553 | 622 | 6,908 |
| Postage and printing | 616 | 44 | 1,601 | 2,261 |
| Accounting | - | 9,330 | - | 9,330 |
| Counseling | 6,061 | - | - | 6,061 |
| Gifts | 4,237 | - | - | 4,237 |
| Tutoring | 1,985 | - | - | 1,985 |
| Rent | 29,561 | 3,285 | - | 32,846 |
| Telephone | 2,043 | 113 | 113 | 2,269 |
| Depreciation | 9,306 | 517 | 517 | 10,340 |
| Special events | <u>550</u> | <u>-</u> | <u>25,613</u> | <u>26,163</u> |
| | <u>\$ 192,250</u> | <u>\$ 21,887</u> | <u>\$ 33,288</u> | <u>\$ 247,425</u> |

KIDS 'N KAMP (DBA CHILDHOOD CANCER FAMILY CONNECTION)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2015

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|----------------------|-----------------------------|-----------------------------------|--------------------|-------------------|
| Activities | \$ 27,977 | \$ - | \$ - | \$ 27,977 |
| Office expense | 1,062 | 10,429 | - | 11,491 |
| Insurance | 3,389 | 1,738 | - | 5,127 |
| Licenses | - | 105 | - | 105 |
| Payroll | 83,106 | 4,617 | 4,617 | 92,340 |
| Payroll taxes | 5,863 | 565 | 636 | 7,064 |
| Postage and printing | 1,552 | 111 | 554 | 2,217 |
| Accounting | - | 8,505 | - | 8,505 |
| Counseling | 5,597 | - | - | 5,597 |
| Gifts | 5,550 | - | - | 5,550 |
| Heart to Heart | 143 | - | - | 143 |
| Scholarships | 1,500 | - | - | 1,500 |
| Tutoring | 844 | - | - | 844 |
| Rent | 25,887 | 7,302 | - | 33,189 |
| Telephone | 2,375 | 132 | 132 | 2,639 |
| Depreciation | 15,469 | 859 | 859 | 17,187 |
| Special events | <u>11,655</u> | <u>-</u> | <u>25,408</u> | <u>37,063</u> |
| | <u>\$ 191,969</u> | <u>\$ 34,363</u> | <u>\$ 32,206</u> | <u>\$ 258,538</u> |

KIDS 'N KAMP (DBA CHILDHOOD CANCER FAMILY CONNECTION)**STATEMENTS OF CASH FLOWS****YEARS ENDED DECEMBER 31, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|
| OPERATING ACTIVITIES | | |
| Increase in unrestricted net assets | \$ 1,254 | \$ 57,029 |
| Adjustments to reconcile increase in unrestricted net assets to net cash provided by operating activities: | | |
| Depreciation | <u>10,340</u> | <u>17,187</u> |
| | 11,594 | 74,216 |
| Changes in operating liabilities: | | |
| Accounts payable | (2,831) | (11,849) |
| Federal income taxes payable | <u>(5,340)</u> | <u>(10,238)</u> |
| Net Cash Provided by Operating Activities | 3,423 | 52,129 |
| FINANCING ACTIVITIES | | |
| Principal payments on capital lease obligations | <u>(11,042)</u> | <u>(17,217)</u> |
| NET INCREASE (DECREASE) IN CASH | (7,619) | 34,912 |
| CASH | | |
| Beginning of year | <u>85,396</u> | <u>50,484</u> |
| End of year | <u>\$ 77,777</u> | <u>\$ 85,396</u> |
| SUPPLEMENTAL CASH FLOW INFORMATION | | |
| Property and equipment acquired with capital leases | <u>\$ 11,880</u> | <u>\$ 18,375</u> |
| Cash paid for interest | <u>\$ 3,352</u> | <u>\$ 4,547</u> |
| Cash paid for income taxes | <u>\$ 28,803</u> | <u>\$ 20,558</u> |

KIDS 'N KAMP (DBA CHILDHOOD CANCER FAMILY CONNECTION)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kids 'N Kamp (dba Childhood Cancer Family Connection) ("the Organization") is a nonprofit Ohio organization. The Organization is classified as a public charity by the Internal Revenue Service, and is supported primarily through contributions from the general public. The Organization is devoted to the social, educational, and emotional needs of children with cancer by providing family activities, tutoring, counseling, and support opportunities.

Basis of Presentation - The Organization's financial statements are prepared on the accrual basis of accounting. The Organization's financial statement presentation is in accordance with accounting principles generally accepted in the United States of America (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization had no temporarily restricted or permanently restricted net assets at December 31, 2016 and 2015. Further, the Organization has no endowment funds.

Contributions - The Organization accounts for contributions in accordance with generally accepted accounting principles. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets, and reported in the statements of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

Financial 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 and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Property and Equipment - Office equipment and furnishings are stated at cost, or if donated, at its approximate fair value on the date of donation. Property and equipment with a purchased cost, or approximate fair value if donated, of \$500 or more are capitalized. These assets are depreciated over their estimated useful lives using the straight-line method. Routine repairs and maintenance are charged to expense when incurred, and improvements and additions are capitalized. Depreciation expense was \$10,340 and \$17,187 for the years 2016 and 2015.

The Organization reviews for impairment of long-lived assets in accordance with accounting standards. These standards require organizations to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at December 31, 2016 and 2015.

KIDS 'N KAMP (DBA CHILDHOOD CANCER FAMILY CONNECTION)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Donated Services - Donated services by volunteers have not been reflected in the accompanying financial statements, since no objective basis is available to measure the value of the majority of the services received. Nevertheless, a number of volunteers have donated significant amounts of their time to the Organization's operations.

Income Taxes - The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for unrelated business income as defined by the Code. The Organization had net unrelated business income of \$69,808 and \$79,360 from its instant bingo operations for the years 2016 and 2015. Federal income taxes, including interest and penalties, on the Organization's net unrelated business income were \$23,463 and \$9,690 for the years 2016 and 2015, and are included in direct expenses for the instant bingo operations on the accompanying statements of activities and changes in net assets.

Accounting for Uncertainty in Income Taxes - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Organization's tax returns, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. Based on its review, management does not believe the Organization has taken any material uncertain tax positions, including any position that would place the Organization's exempt status in jeopardy, as of December 31, 2016.

Reclassifications - Certain amounts in the 2015 financial statements have been reclassified to conform with the 2016 financial statement presentation.

Subsequent Events - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 8, 2017, the date the financial statements were available to be issued.

NOTE 2 - DONATED FACILITIES AND LEASES

The Organization leases five individual offices, a storage unit, and the space occupied by The Rubin Center, which is used for program family counseling and other program activities. The offices, storage unit, and The Rubin Center are all located at 3440 Olentangy River Road, Columbus, Ohio. All of the property leases are on a month-to-month basis. The Organization also periodically rents equipment on a short-term basis.

The Organization occupies all of the individual offices, the storage unit, and The Rubin Center on an in-kind basis. The estimated fair value of the rent on these facilities was \$32,221 and \$32,564 for the years 2016 and 2015. This amount is included in both contributions and gifts on the accompanying statements of activities and changes in net assets, and rent on the accompanying statements of functional expenses. In addition, the Organization is obligated to pay \$625 annually for one of the individual office spaces.

Rent expense was \$32,846 and \$33,189 for the years 2016 and 2015.

KIDS 'N KAMP (DBA CHILDHOOD CANCER FAMILY CONNECTION)

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CAPITAL LEASE OBLIGATIONS

The Organization leases instant bingo machines under capital lease agreements. The lease agreements require monthly payments ranging from \$135 to \$165 per machine and expire at various times through November 2019; the agreements include interest imputed at rates ranging from approximately 17% to 19%.

The following is a schedule of future minimum lease payments due on the capital lease obligations with the present value of the net minimum lease payments as of December 31, 2016:

| | | |
|---|----|---------------|
| 2017 | \$ | 13,320 |
| 2018 | | 9,270 |
| 2019 | | <u>3,975</u> |
| Net minimum lease payments | | 26,565 |
| Less amount representing interest | | <u>4,769</u> |
| Present value of net minimum lease payments | | 21,796 |
| Less current portion | | <u>10,155</u> |
| Long-term capital lease obligations | \$ | <u>11,641</u> |

Assets under capital lease obligations at December 31, 2016 and 2015 were as follows:

| | <u>2016</u> | <u>2015</u> |
|-------------------------------|------------------|------------------|
| Instant bingo machines | \$ 70,005 | \$ 58,125 |
| Less accumulated depreciation | <u>51,082</u> | <u>40,742</u> |
| Net book value | <u>\$ 18,923</u> | <u>\$ 17,383</u> |

Interest expense on the capital leases was \$3,352 and \$4,547 for the years 2016 and 2015. Depreciation expense on the assets under capital lease obligations was \$10,340 and \$17,187 for the years 2016 and 2015.

NOTE 4 - CONCENTRATIONS

The Organization receives its revenue and support primarily from contributors and fundraising activities located in the Central Ohio area. The concentration of revenue and support may be affected by changes in the economic or other conditions of this geographic area. The instant bingo net revenue accounts for 28% and 25% of total revenue for the years 2016 and 2015.

NOTE 5 - RELATED PARTY TRANSACTIONS AND DONATED SERVICES

The Organization uses the services of a marketing firm, owned by a family member of its former Executive Director, to assist with its fundraising activities and special events. The expense recognized for these services was \$633 and \$19,424 for the years 2016 and 2015, of which \$613 and \$17,281 were provided in-kind.

KIDS 'N KAMP (DBA CHILDHOOD CANCER FAMILY CONNECTION)

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - DESCRIPTION OF PROGRAM ACTIVITIES

The Organization's family activities include a Valentine's Day Pizza Party, Family Camp Weekend, Pumpkin Hunt and Hayride, and a Holiday Party. These events are simple family fun where the fear and pain of childhood cancer is put aside, allowing everyone to enjoy a wonderful family time with others who truly understand the situation.

Mom's Quilting Weekend allows many of the Organization's mothers the luxury of time to get in-touch with their creative side, long since forgotten due to the diagnosis of cancer in their child. This weekend also allows them to bond with other women experiencing childhood cancer diagnoses.

The Tutoring Program was developed by the Organization because the cancer patient child misses a great deal of school due to diagnosis and treatment. This Program allows the child, in spite of their disease, to maintain their grades at their own pace. Additionally, tutoring is available for the siblings in the families, who may struggle in school due to the emotional and physical upheaval in their home due to a childhood cancer diagnosis.

The Counseling Program was created by the Organization because the diagnosis of cancer affects everyone in the family; the patient child endures the pain of treatment and the loneliness of isolation; the siblings live in fear of losing their brother or sister; and the parents become exhausted both physically and emotionally.

The Helping to Understand the Need for Giggles and Support (H U G S) Program was specifically designed for families who have lost a child to cancer. Trips to the zoo, amusement parks, theatre performances, etc. are provided to families devastated by the death of one of their children, along with all of the Organization's other programs and activities.

Educational Scholarships aid the families in meeting tuition expenses. These Scholarships are offered on a financial need basis for both the patient child and their siblings, grades kindergarten through college.

Mom's Night Out are monthly dinners just for moms, giving them the opportunity to find emotional support from other moms who have children diagnosed with cancer. Friendships are formed over good food and important conversations.

Dad's Night Out are monthly dinners just for dads, giving them the opportunity to relate socially with other fathers of children who have cancer.

The Heart to Heart Program includes monthly "Dinners on 12" where pizza and pop are served in the cancer unit of the Nationwide Children's Hospital. This Program allows volunteer childhood cancer parents the opportunity to reach out to newly diagnosed families, offering compassionate conversation, an introduction to the programs of the Organization, and an alternative to hospital food.

The Ohio Kids 'N Kamp Childhood Cancer Rally held each September is designed to bring to light the issues of the disease and its devastating effects on the family unit. Doctors, patients, corporate leaders, and parents are among the speakers at this event.

The Gifts to the Families Program is designed to respond to the emergency financial needs of childhood cancer families. Rent, car repair, funeral expenses, wigs, and groceries are examples of necessities provided by the Organization for the families served by the Organization.