

**FAN4KIDS, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

**RAVI VENKATARAMAN**  
**CERTIFIED PUBLIC ACCOUNTANT**

FAN4KIDS, INC.  
TABLE OF CONTENTS

	<u>PAGE</u>
ACCOUNTANT'S REVIEW REPORT	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF CASH FLOW	4
NOTES TO FINANCIAL STATEMENTS	5

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

The Board of Trustees  
FAN4Kids, Inc.  
Ocean Grove, NJ

I have reviewed the accompanying statement of Financial Position of FAN4Kids, Inc. as of June 30 2018, and the related statements of Activities, statement of changes in Net Assets and cash flows for the year then ended. A review includes primarily analytical procedures to management's financial data and making inquiries of FAN4Kids, Inc.'s management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

**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.

**Accountant's Responsibility**

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my (our) procedures provide a reasonable basis for my (our) conclusion.

**Accountant's Conclusion**

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

  
Ravi Venkataraman, CPA  
Princeton, NJ 08540  
April 29, 2020

**FAN4KIDS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30**

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Current Assets		
Cash at Bank	\$ 67,364	\$ 39,330
Accounts Receivable	11,260	109,008
Prepaid Expense	12,600	6,344
Total Current Assets	<u>91,224</u>	<u>154,682</u>
Total Assets	<u><u>91,224</u></u>	<u><u>154,682</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts Payable and accrued expenses	28,094	22,077
Deferred Revenue	9,900	9,900
Officer's Advance	65,000	95,000
Total Current Liabilities	<u>102,994</u>	<u>126,977</u>
Net Assets	<u>(11,770)</u>	<u>27,705</u>
Total Net assets	<u>(11,770)</u>	<u>27,705</u>
Total Liabilities and Net Assets	<u><u>\$ 91,224</u></u>	<u><u>\$ 154,682</u></u>

***See Accountant's Review Report and Notes to Financial Statements***

**FAN4KIDS, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30**

<u>REVENUES</u>	<u>2018</u>	<u>2017</u>
Foundations & Corporate Sponsors	\$ 12,000	\$ 76,500
Program Income	190,099	145,436
Interest income	1	2
City council	82,000	72,000
Donations	51,496	28,615
Special Events (Net)	(9,274)	31,101
Other income	504	-
<b>TOTAL REVENUES</b>	<b><u>326,826</u></b>	<b><u>353,654</u></b>

<u>EXPENSES</u>		
Compensation Officer	43,789	59,600
Instructor Salary	198,253	174,553
Fringe benefits	29,896	36,422
Payroll taxes	19,591	21,477
Insurance	9,039	4,604
Rent	8,100	8,100
Office Expenses	2,354	1,785
Payroll Fees	4,107	4,219
Program Supplies	7,939	10,049
Professional fees	26,834	25,525
Advertising	2,745	-
Taxes	355	7,757
Other Operating Expense	1,945	3,079
Computer Hardware & Software	3,491	1,226
Telephone & Internet	3,289	1,729
<b>TOTAL EXPENSES</b>	<b><u>361,727</u></b>	<b><u>360,125</u></b>

Excess of Revenues over Expenses	(34,901)	(6,471)
Net Assets- Beginning	27,705	34,176
Retained earning adjustment	(4,574)	-
Net Assets- Ending	<b><u>\$ (11,770)</u></b>	<b><u>\$ 27,705</u></b>

**See Accountant's Review Report and Notes to Financial Statements**

**FAN4KIDS, INC.**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEARS ENDED JUNE 30**

	<b>2018</b>	<b>2017</b>
<b><u>Cash Flow from Operating Activities</u></b>		
Change in Net Assets	(\$34,901)	(\$6,471)
Prior year Adjustment	(4,574)	0
<b><u>Changes in operating Assets and Liabilities:</u></b>		
Increase (decrease) in Other Receivables	97,748	(71,508)
Increase (decrease) in Accounts Payable	6,017	5,833
Increase (decrease) in Deferred revenue	-	(52,021)
Increase (decrease) in Loan from officer	(30,000)	95,000
Increase (decrease) in Prepaid Expense	(6,256)	(6,344)
Net Cash used by Operating activities	\$28,034	(\$35,511)
Net increase (decrease) in Cash	28,034	(\$35,511)
Cash and Cash Equivalents-Beginning of Year	\$39,330	\$74,841
Cash and Cash Equivalents-End of Year	\$67,364	\$39,330
 Supplementary Information:		
Taxes Paid	-	-
Interest paid	\$0	\$0

***See Accountant's Review Report and Notes to Financial Statements***

**FAN4KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended June 30, 2018 and 2017**

**Note 1 - Summary of Significant Accounting Policies:**

**A. General**

FAN4Kids, Inc. (“organization”), is a not-for-profit organization incorporated in the State of New Jersey. The primary purpose of the organization is to educate kids of all shapes and sizes about healthy eating and active lifestyles and empower them to make healthy decisions about fitness and nutrition. We help prevent the problems of poor eating and inactivity by instilling "Lessons That Last A Lifetime". Significant sources of revenue are obtained from governmental grants, program fees and contributions.

**B. Basis of Accounting**

The organization utilizes the accrual basis of accounting. Accordingly, revenues are recognized when they are earned and expenses are recognized when they are incurred.

**C. Basis of Presentation**

These financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No.117, Financial statements of Not-for-profit organizations. SFAS No.117 established standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into one out of three net asset categories according to externally (donor) imposed restrictions: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. For the years ended June 30, 2018 and 2017, the organization had accounting transactions in two of the three net asset category required by SFAS No.117. The unrestricted net asset category, which represents net assets that are not subject to donor imposed restrictions and the temporarily restricted net asset category, which represents net assets subject to donor imposed restrictions that will be met by the passage of time or fulfilled by the actions of the Organization.

**Revenue and support recognition**

In accordance with SFAS No.116, Accounting for contributions received and contributions made, the organization recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues

**FAN4KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended June 30, 2018 and 2017**

as unrestricted or restricted support according to donor stipulations that limit the use of these assets due to time or purpose restriction.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, restricted contributions whose restrictions expire or are otherwise satisfied within the period of receipt are reported as unrestricted revenues in the statement of activities.

Unrestricted revenues are obtained through public contributions, other income and interest income. These revenues are used to offset management and general expenses as well as to increase program services. Revenues from these sources are recognized at the time they are received or unconditionally pledged.

**Donated services.**

No amounts have been reflected in the financial statements for donated services because the criteria for recognition under SFAS 116 have not been satisfied. The Organization for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, fund raising activities, and various committee assignments. The Organization receives more than 750 volunteer hours per year.

**Grants and contracts**

The Organization accounts for those grant and contract revenues, which have been determined to be exchange transactions, in the statement of activities and changes in net assets to the extent that expenses have been incurred for the purpose specified by the grantor during the period. In applying this concept, the legal and contractual requirements of each program are used as guidance.

**Expense allocation and program services.**

Expenses are charged the program services, management and general and fundraising using the direct cost method or based on historical percentages or other reasonable basis consisted with the benefits derived by each program service.



**FAN4KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended June 30, 2018 and 2017**

**Income taxes**

The Organization is a tax-exempt organization under Section 501 © (3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been recorded in the financial statements.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and cash equivalents**

For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Subsequent Events**

The Organization has evaluated subsequent events occurring after the statement of financial position through April 29, 2020 which is the date the financial statements were available to be issued.

**Note 2. Accounts receivable:**

The Organization operates its programs under contracts with various school districts and organizations. At June 30, 2018 and 2017 the organization was due certain amounts from these sources for services rendered. The amounts were subsequently received.

**Note 3. Deferred Revenue:**

Deferred Revenue represents amounts received in advance for services to be rendered after June 30, 2018.