

FAN4KIDS, INC.

**FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

**RAVI VENKATARAMAN
CERTIFIED PUBLIC ACCOUNTANT**

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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 2020 and 2019, and the related statements of Activities, statement of changes in Net Assets and cash flows for the years 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
September 15, 2021

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

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current Assets		
Cash at Bank	\$ 220,724	\$ 108,614
Accounts Receivable	49,335	61,098
Prepaid Expense	675	-
Total Current Assets	<u>270,734</u>	<u>169,712</u>
Total Assets	<u><u>270,734</u></u>	<u><u>169,712</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts Payable and accrued expenses	3,700	27,054
Deferred Revenue	67,500	45,500
Officer's Advance	60,000	65,405
Total Current Liabilities	<u>131,200</u>	<u>137,959</u>
Long Term Liabilities		
SBA-PPP Loan	<u>106,142</u>	<u>-</u>
Total Long Term Liabilities	106,142	-
Net Assets without Donor Restrictions	<u>33,392</u>	<u>31,753</u>
Total Net assets	33,392	31,753
Total Liabilities and Net Assets	<u><u>\$ 270,734</u></u>	<u><u>\$ 169,712</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>2020</u>	<u>2019</u>
Foundations & Corporate Sponsors	\$ 57,503	\$ 52,500
Program Income	279,857	231,448
Interest income	2	2
City council	98,000	93,000
Donations	35,176	55,490
Special Events (Net)	(45)	10,674
TOTAL REVENUES	<u>470,493</u>	<u>443,114</u>
 <u>EXPENSES</u>		
Compensation Officer	53,000	44,000
Instructor Salary	241,298	193,680
Fringe benefits	56,799	38,358
Payroll taxes	24,340	20,365
Insurance	4,617	5,760
Rent	8,100	7,800
Office Expenses	2,723	3,869
Payroll Fees	6,097	4,730
Program Supplies	7,495	10,674
Professional fees	57,007	59,485
Advertising	3,183	3,571
Filing fees	105	445
Other Operating Expense	1,399	3,261
Computer Hardware & Software	843	500
Telephone & Internet	1,848	3,093
TOTAL EXPENSES	<u>468,854</u>	<u>399,591</u>
 Excess of Revenues over Expenses	 1,639	 43,523
Net Assets- Beginning	31,753	(11,770)
Net Assets- Ending	<u>\$ 33,392</u>	<u>\$ 31,753</u>

See Accountant's Review Report and Notes to Financial Statements

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

	2020	2019
<u>Cash Flow from Operating Activities</u>		
Change in Net Assets	1,639	43,523
<u>Changes in operating Assets and Liabilities:</u>		
Increase (decrease) in Accounts Receivable	11,763	(49,838)
Increase (decrease) in Accounts Payable	(23,354)	(1,040)
Increase (decrease) in Deferred revenue	22,000	35,600
Increase (decrease) in Loan from officer	(5,405)	405
Increase (decrease) in Prepaid Expense	(675)	12,600
Net Cash used by Operating activities	5,968	41,250
<u>Cash Flow from Financing Activities</u>		
SBA -PPP Loan	106,142	-
Net Cash from Financing activities	106,142	-
Net increase (decrease) in Cash	112,110	41,250
Cash and Cash Equivalents-Beginning of Year	108,614	67,364
Cash and Cash Equivalents-End of Year	220,724	108,614
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, 2020 and 2019

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, 2020 and 2019, 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, 2020 and 2019

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, 2020 and 2019

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 September 15, 2021 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, 2020 and 2019 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, 2020.