



**Financial Statements
and Independent Accountants' Review Report**
Year Ended December 31, 2020

Morse & Company CPAs, LLP
505 8th Avenue, Suite 1801
New York, NY 10018-4527
(212) 765-2200



Extreme Kids & Crew, Inc.

Financial Statements and Independent Accountants' Review Report

Year Ended December 31, 2020

Extreme Kids & Crew, Inc

Table of Contents

Independent accountants' review report	3
Financial statements:	
Statement of financial position	4
Statement of activities	5
Statement of functional expenses	6
Statement of cash flow	7
Notes to financial statements	8-12

Morse & Company, LLP

Certified Public Accountants
505 8th Avenue Suite 1801
New York, NY 10018-4527
(212) 765-2200

Independent Accountants' Review Report

Board of Directors
Extreme Kids & Crew, Inc.

We have reviewed the accompanying financial statements of Extreme Kids & Crew, Inc. (a nonprofit corporation), which comprise of the financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Extreme Kids & Crew, 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, we do not express such an opinion.

Management's Responsibility for the Financial Statements

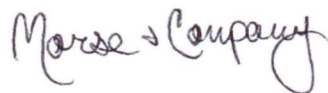
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are 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. The balances included for 2019 are presented strictly for comparative purposes and were not reviewed per this report.



Morse & Company CPA, LLP
August 12, 2021

EXTREME KIDS AND CREW, INC.
Statement of Financial Position

<i>December 31,</i>	2020	2019
Assets		
Cash and cash equivalents.....	\$ 381,163	\$ 289,711
Accounts receivable.....	35,218	46,902
Prepaid expenses and other assets.....	11,854	14,171
Security deposits.....	2,000	3,000
Property and equipment, net	22,788	27,282
Total Assets		
	453,023	381,066
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses.....	\$ 12,212	5,416
Total Liabilities		
	12,212	5,416
Net Assets:		
Without donor restrictions.....	392,664	330,650
With donor restrictions.....	48,147	45,000
Total Net Assets		
	440,811	375,650
Total Liabilities and Net Assets		
	\$ 453,023	\$ 381,066

See accompanying notes to financial statements

EXTREME KIDS AND CREW, INC.
Statement of Activities

<i>Year ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	Totals	
			2020	2019
Public support and revenue:				
Contributions.....	\$ 33,976	\$ 76,500	\$ 110,476	\$ 113,895
Grants and foundations.....	458,834	-	458,834	399,347
Government grants.....	23,500	-	23,500	-
Special events, net.....	-	-	-	95,593
Program services.....	-	-	-	7,635
Contributions in-kind.....	7,775	-	7,775	1,280
Investment and other income.....	75,620	-	75,620	89
	<u>599,705</u>	<u>76,500</u>	<u>676,205</u>	<u>617,839</u>
Net assets released from restriction.....	<u>73,353</u>	<u>(73,353)</u>	<u>-</u>	<u>-</u>
Total public support and revenue.....	<u>673,058</u>	<u>3,147</u>	<u>676,205</u>	<u>617,839</u>
Expenses:				
Program services.....	496,610	-	496,610	420,697
Management and general.....	64,137	-	64,137	67,269
Fundraising.....	50,297	-	50,297	50,443
Total expenses.....	<u>611,044</u>	<u>-</u>	<u>611,044</u>	<u>538,409</u>
Change in net assets.....	62,014	3,147	65,161	79,430
Net assets - beginning.....	<u>330,650</u>	<u>45,000</u>	<u>375,650</u>	<u>296,220</u>
Net assets, end of year	<u>\$ 392,664</u>	<u>\$ 48,147</u>	<u>\$ 440,811</u>	<u>\$ 375,650</u>

See accompanying notes to financial statements

EXTREME KIDS AND CREW, INC.
Statement of Functional Expense

	Program Services	Management and General	Fundraising	2020 Totals	2019 Totals
Personnel.....	\$ 321,267	\$ 37,938	\$ 42,957	\$ 402,162	\$ 352,022
Payroll tax and benefits.....	46,600	2,976	3,929	53,505	37,292
Advertising.....	2,667	-	-	2,667	3,249
Insurance.....	4,010	1,006	-	5,016	5,753
Occupancy	22,431	-	-	22,431	16,910
Professional fees.....	59,685	15,408	-	75,093	49,341
Repair and maintenance.....	705	-	-	705	2,322
Rental equipment and permit fees....	977	-	-	977	6,539
Travel.....	417	-	-	417	2,020
Telephone and internet.....	1,288	258	172	1,718	3,963
Development and training.....	10,394	-	-	10,394	8,812
Program and events.....	15,748	-	-	15,748	17,158
Office and miscellaneous.....	3,701	2,313	3,239	9,253	23,888
Depreciation.....	6,340	2,717	-	9,057	7,526
Bank fees and dues.....	380	1,521	-	1,901	1,614
	<u>\$ 496,610</u>	<u>\$ 64,137</u>	<u>\$ 50,297</u>	<u>\$ 611,044</u>	<u>\$ 538,409</u>

See accompanying notes to financial statements

EXTREME KIDS AND CREW, INC.
Statement of Cash Flows

<i>Year ended December 31,</i>	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 65,161	\$ 79,430
<u>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</u>		
Depreciation.....	9,057	7,526
<u>Changes in operating assets and liabilities:</u>		
Accounts receivable.....	11,684	(11,552)
Prepaid expenses and other assets.....	2,317	(7,537)
Security deposit.....	1,000	(1,250)
Accounts payable and accrued expenses.....	6,796	(14,374)
<u>Cash flows from investing activities</u>		
Disposal of fixed assets	5,400	-
Purchases of fixed assets	(9,964)	(19,559)
Net change in cash	91,452	32,684
Cash and cash equivalents, beginning of year.....	289,711	257,027
Cash and cash equivalents, end of year.....	\$ 381,163	\$ 289,711

See accompanying notes to financial statements.

Extreme Kids and Crew, Inc.

Notes to Financial Statements

NOTE 1 – ORGANIZATION

This summary of significant accounting policies of the Extreme Kids & Crew, Inc (hereinafter “Extreme Kids”) is presented to assist in understanding Extreme Kids Inc’s financial statements. The financial statements and notes are representations of Extreme Kids Inc’s management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

At Extreme Kids & Crew, we cultivate welcoming, accessible spaces where children and teens with disabilities and their people create a supportive community through the arts, play and conversation. We seek to show people that disability is not to be feared, pitied or mindlessly exalted, but understood to be an inherent part of life. We achieve this by establishing and maintaining creative community centers that serve to connect and celebrate those with disabilities and the people in their lives.

The sources of financial support are from grants and contributions from governments, individuals, foundations and corporations.

Income Tax Status:

Extreme Kids is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Extreme Kids has not been designated as a private foundation. Extreme Kids files an IRS form 990 and respective state and local tax returns. These returns are subject to review and examination by federal, state, and local authorities.

NOTE 2 – SUMMARY OF ACCOUNTING PRINCIPLES

Basis for Accounting:

The accompanying financial statements of Extreme Kids have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The classification of the Extreme Kids’ net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets - without donor restrictions and with donor restrictions - be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

Extreme Kids and Crew, Inc.

Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

These two classes are defined as follows:

Net Assets With Donor Restrictions - Net assets resulting from contributions and other inflows of assets whose use by the Extreme Kids is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Extreme Kids pursuant to those stipulations. When such stipulations end or are fulfilled, such net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as changes in net assets. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Extreme Kids reports the support as unrestricted. In addition, some donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Extreme Kids had no assets with donor restrictions as of December 31, 2020.

Net Assets Without Donor Restrictions - Net assets available for general use and not subject to donor restrictions.

Revenue is reported as increases in net assets without donor restrictions unless its use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

When Extreme Kids receives an unconditional promise to give that is expected to be collected within one year, it is recorded at net realizable value. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Cash and Cash Equivalents

Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations. For financial reporting purposes, Extreme Kids considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, except any cash and cash equivalents held by the investment trustees, which are deemed to be held for investing purposes.

Receivables

Receivables are recorded at net realizable value if expected to be collected in one year and, if material, multiyear receivables are recorded at the present value of their estimated future cash flow. Amortization of the discount on contributions receivable is included in contributions revenue.

Extreme Kids' allowance for doubtful accounts is based on management's estimate of the creditworthiness of its contributors and customers, current economic conditions and historical information.

Extreme Kids and Crew, Inc.

Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

As of December 31, 2020, management determined that no allowance for doubtful accounts is necessary.

Property and Equipment

Property and equipment is stated at its original cost or at its fair value on the dates of donation. Depreciation is provided when assets are placed in service using the straight-line method, applied over the estimated useful lives of the assets, which range from five to forty years.

Deferred Revenue

Extreme Kids receives donations and grants for its numerous programs occurring throughout the year. Deferred revenue is recognized for money received for programs that have not yet occurred.

Advertising Costs

Costs of promotion and advertising are expensed as incurred. For the year ended December 31, 2020, advertising expense amounted to approximately \$2,667.

In-Kind Contributions:

Extreme Kids recognizes contributions for goods and services that create or enhance non-financial assets and requires specialized skills, are performed by those who possess those skills, and would have been purchased if they had not been donated. As of December 31, 2020, contributions in-kind amounted to approximately \$7,775.

Donated Goods and Services

Those donated goods and services that meet the requirements for recognition under GAAP are recorded as both revenue and expense in the accompanying statements of activities at amounts determined by management to be reasonable for acquiring such goods and services.

Income Taxes

Extreme Kids follows the accounting standard for uncertainty in income taxes. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. It also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Extreme Kids is subject to regular audit by tax authorities. Management believes that it has appropriate support for the positions taken on its tax returns. In assessing the realizability of tax benefits, management considers whether it is more likely than not that some portion or all of any tax position will not be realized. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts filed. Management believes that its nonprofit status would be sustained upon examination.

Extreme Kids and Crew, Inc.

Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Extreme Kids is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and is classified as a publicly supported organization as described in Section 509(a).

Functional Allocation of Expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, expenses have been allocated among the programs and supporting services using appropriate measurement methodologies developed by management. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage and time and effort.

Liquidity and Availability of Financial Resources:

Extreme Kids regularly monitors liquidity to meet its cash flow requirements and operating needs. The availability of financial assets is primarily affected by management designation, the nature of the underlying assets, external limitations exposed by donors or contracts with others.

Use of Estimates:

The preparation of financial statements in accordance 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. Actual results could differ from those estimates.

Fixed Assets:

Fixed assets to which Extreme Kids retains title to and capital items purchased which benefit future periods and exceed pre-determined values are capitalized at cost, or if donated, at the estimated fair value at the time of donation.

Fixed assets consist of building improvements, furniture, equipment and computers, which are carried at cost and are depreciated over their useful lives using the straight-line method.

Comparative Financial Information:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Extreme Kids’ financial statements for the year ended December 31, 2019, from which the summarized information was derived. In addition, the balances included for 2019 are presented strictly for comparative purposes and were not audited per this report.

Extreme Kids and Crew, Inc.

Notes to Financial Statements

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

<i>Year ended December 31, 2020</i>	
Program equipment	\$ 60,519
Office equipment	6,143
Less: Accumulated depreciation	(43,874)
Net Property and Equipment	\$ 22,788

NOTE 4 – COMMITMENTS

Extreme Kids operated three community play spaces within Title 1 public schools, respectively owned by the New York City Board of Education, for which it paid permit fees for use during programs. Rent was month-to-month. Due to Covid-19, the organization move out of these locations mid-year and operated remotely for the remainder of the year. There are no future commitments or leases.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available to satisfy the following program restrictions at December 31, 2020:

	Balance @	Contributions	Released from	Balance @
	12/31/19		Restriction	12/31/20
Time Restrctions	-	23,500	(7,251)	16,249
Purpose Restrictions	45,000	53,000	(66,102)	31,898
Total	45,000	76,500	(73,353)	48,147

NOTE 6 – OTHER INCOME

Other income includes \$75,115 from the Payroll Protection Program. This amount was received on May 4, 2020 and was recorded as a liability until officially forgiven in December.