



**Financial Statements
and Independent Accountants' Review Report**
Year Ended December 31, 2021

Morse & Company CPAs, LLP
88 Morgan Street, Suite 5503
Jersey City, NJ 07302
(212) 765-2200



Extreme Kids & Crew, Inc.

**Financial Statements
and Independent Accountants' Review Report**
Year Ended December 31, 2021

Extreme Kids & Crew, Inc

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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, 2021, 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.



Morse & Company CPAs, LLP

May 22, 2022

EXTREME KIDS AND CREW, INC.
Statement of Financial Position

<i>December 31,</i>	2021	2020
Assets		
Cash and cash equivalents.....	\$ 364,443	\$ 381,163
Accounts receivable.....	45,820	35,218
Prepaid expenses and other assets.....	8,764	11,854
Security deposits.....	1,000	2,000
Property and equipment, net	21,448	22,788
Total Assets		
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses.....	\$ 22,159	\$ 12,212
Total Liabilities		
Net Assets:		
Without donor restrictions.....	353,881	392,664
With donor restrictions.....	65,435	48,147
Total Net Assets		
Total Liabilities and Net Assets		
	\$ 441,475	\$ 453,023

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	
			2021	2020
Public support and revenue:				
Contributions.....	\$ 68,929	\$ -	\$ 68,929	\$ 110,476
Grants and foundations.....	246,668	113,000	359,668	458,834
Government grants.....	14,500	-	14,500	23,500
Special events, net.....	85,549	-	85,549	-
Contributions in-kind.....	9,060	-	9,060	7,775
Investment and other income.....	81,442	-	81,442	75,620
	<u>506,148</u>	<u>113,000</u>	<u>619,148</u>	<u>676,205</u>
Net assets released from restriction.....	<u>95,712</u>	<u>(95,712)</u>	<u>-</u>	<u>-</u>
Total public support and revenue.....	<u>601,860</u>	<u>17,288</u>	<u>619,148</u>	<u>676,205</u>
Expenses:				
Program services.....	511,844	-	511,844	496,610
Management and general.....	70,321	-	70,321	64,137
Fundraising.....	58,478	-	58,478	50,297
Total expenses.....	<u>640,643</u>	<u>-</u>	<u>640,643</u>	<u>611,044</u>
Change in net assets.....	(38,783)	17,288	(21,495)	65,161
Net assets - beginning.....	<u>392,664</u>	<u>48,147</u>	<u>440,811</u>	<u>375,650</u>
Net assets, end of year	<u>\$ 353,881</u>	<u>\$ 65,435</u>	<u>\$ 419,316</u>	<u>\$ 440,811</u>

See accompanying notes to financial statements

EXTREME KIDS AND CREW, INC.
Statement of Functional Expense

	Program Services	Management and General	Fundraising	2021 Totals	2020 Totals
Personnel.....	\$ 314,152	\$ 35,178	\$ 43,638	\$ 392,968	\$ 402,162
Payroll tax and benefits.....	54,146	4,953	5,629	64,728	53,505
Advertising.....	2,392	-	-	2,392	2,667
Insurance.....	2,941	1,270	-	4,211	5,016
Occupancy	33,286	-	-	33,286	22,431
Professional fees.....	82,203	17,292	-	99,495	75,093
Repair and maintenance.....	-	-	-	-	705
Rental equipment and permit fees....	-	125	-	125	977
Travel.....	325	26	121	472	417
Telephone and internet.....	1,415	-	300	1,715	1,718
Development and training.....	7,405	-	-	7,405	10,394
Program and events.....	6,637	-	4,825	11,462	15,748
Office and supplies.....	4,118	7,197	1,551	12,866	8,189
Postage and shipping.....	791	33	117	941	1,064
Depreciation.....	1,033	4,129	-	5,162	9,057
Bank fees and dues.....	1,000	118	2,297	3,415	1,901
	<u>\$ 511,844</u>	<u>\$ 70,321</u>	<u>\$ 58,478</u>	<u>\$ 640,643</u>	<u>\$ 611,044</u>

See accompanying notes to financial statements

EXTREME KIDS AND CREW, INC.
Statement of Cash Flows

<i>Year ended December 31,</i>	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ (21,495)	\$ 65,161
<u>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</u>		
Depreciation.....	5,162	9,057
<u>Changes in operating assets and liabilities:</u>		
Accounts receivable.....	(10,602)	11,684
Prepaid expenses and other assets.....	3,090	2,318
Security deposit.....	1,000	1,000
Accounts payable and accrued expenses.....	9,947	6,796
<u>Cash flows from investing activities</u>		
Disposal of fixed assets	-	5,400
Purchases of fixed assets	(3,822)	(9,964)
Net change in cash	(16,720)	91,452
Cash and cash equivalents, beginning of year.....	381,163	289,711
Cash and cash equivalents, end of year.....	\$ 364,443	\$ 381,163

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.

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”).

Basis of Presentation

The classification of 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.

These two classes are defined as follows:

Net Assets Without Donor Restrictions - represents all activity without donor-imposed restrictions as well as activity with donor-imposed restrictions that expire within the same period.

Net Assets With Donor Restrictions – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact in perpetuity.

Extreme Kids and Crew, Inc.

Notes to Financial Statements

Revenue Recognition

Extreme Kids follows the requirements of Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958-605 for recording contributions, which are recorded at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Contributions and grants expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk adjusted present value techniques.

Extreme Kids follows the requirements of FASB's ASC 606 for recognizing revenue from contracts with customers. Grants are recognized as revenue in the corresponding period in which they are earned. Unearned contracts and agreements that have not been collected at year-end are reflected as a receivable, while those received in advance of the membership period are treated as deferred income.

All receivables at December 31, 2021 are due within one year. Receivables are reviewed for collectability. Based on knowledge of specific donors and factoring in historical experience, no allowance for doubtful accounts exists as of December 31, 2021. Write-offs will be made in the period the receivable is deemed to be uncollectable.

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.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to Extreme Kids' ongoing services. Non-operating activities are limited to the net gain or loss in accrued

Extreme Kids and Crew, Inc.

Notes to Financial Statements

Cash and Cash Equivalents

Extreme Kids considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents except for cash held in the investment accounts.

Concentration of Credit Risk

Financial instruments that potentially subject Extreme Kids to concentration of credit risk consist of cash, money market accounts, and investment securities which are placed with financial institutions that management deems to be creditworthy. Throughout the year, balances did not exceed insurance levels.

Fixed Assets

Fixed Assets that Extreme Kids owns and which benefit future periods are capitalized at cost or, if donated, at the estimated fair value at the time of donation. Routine maintenance that does not extend the life of fixed assets is expensed when incurred. Depreciation is recorded using the straight-line method over each asset's estimated useful life. 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.

In-Kind Contributions:

Extreme Kids recognizes contributions for donated space and/or 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.

Many individuals volunteer their time and perform a variety of tasks to assist with specific assistance programs, campaign solicitation, and various committee assignments. No amounts have been reflected in the financial statements for these types of donated services because they do not meet the criteria for recognition as outlined above.

Advertising Costs

Costs of promotion and advertising are expensed as incurred. There were marketing efforts during the year end December 31, 2021.

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.

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

Extreme Kids and Crew, Inc.

Notes to Financial Statements

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.

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 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).

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, 2021, from which the summarized information was derived.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

<i>Year ended December 31, 2021</i>	
Program equipment	\$ 60,519
Office equipment	9,964
Less: Accumulated depreciation	(49,035)
Net Property and Equipment	\$ 21,448

NOTE 4 – AVAILABILITY AND LIQUIDITY

Extreme Kids’ financial assets available to meet cash needs for general expenditures within one year are \$364,443, which consist of just cash at December 31, 2021. There are no external or internal limits imposed

Extreme Kids and Crew, Inc.

Notes to Financial Statements

on these balances. As part of its liquidity management, Extreme Kids operates its programs within a board approved budget and relies on grants and contributions to fund its operations and program activities.

NOTE 5 – 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. At the onset of COVID, Extreme Kids moved program operations out of the DOE sites and delivered programs remotely via the Zoom platform. Through 2021, remote only programming continued until the summer and fall of 2021. During the 2021 summer, Extreme Kids held in-person events at public parks throughout New York City. At the start of the 2021 school year, Extreme Kids re-opened its after-school program within one of the Title 1 public schools previously occupied. Rent was month-to-month. There are no future commitments or leases.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available to satisfy the following program restrictions at December 31, 2021:

	Balance @ 12/31/20	Contributions	Released from Restriction	Balance @ 12/31/21
Time Restrctions	16,249		(16,249)	-
Purpose Restrictions	31,898	113,000	(79,463)	65,435
Total	48,147	113,000	(95,712)	65,435

NOTE 7 – OTHER INCOME

Other income includes \$80,942 from the Payroll Protection Program. This amount was received in April 2021 as a liability, and was forgiven in December 2021, upon which the revenue was recorded.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through May 22, 2022, the date the financial statements were available to be issued. All events that have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements have been made.