

BUDDY UP FOR LIFE, INC.
FKA BUDDY UP TENNIS, INC.

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

MARCH 31, 2021 AND 2020

TIDWELL
 **group**

BUDDY UP FOR LIFE, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Buddy Up for Life, Inc.
New Albany, Ohio

We have audited the accompanying financial statements of Buddy Up for Life, Inc. (a non-profit corporation), FKA Buddy Up Tennis, Inc., which comprise the statements of financial position as of March 31, 2021 and 2020, and the related statements of activities and change in net assets and cash flows for the year ended March 31, 2021 and the period January 1, 2019 through March 31, 2020, 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.

Auditor's 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 the 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of Buddy Up for Life, Inc. as of March 31, 2021 and 2020, and the results of its change in net assets and its cash flows for the year ended March 31, 2021 and the period January 1, 2019 through March 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

Tidwell Group, LLC

Columbus, Ohio
September 21, 2021

BUDDY UP FOR LIFE, INC.

STATEMENTS OF FINANCIAL POSITION

March 31, 2021 AND 2020

	ASSETS	
	<u>2021</u>	<u>2020</u>
Current Assets		
Cash	\$ 303,674	\$ 217,290
Accounts receivable	3,795	3,183
Prepaid expenses	<u>4,775</u>	<u>6,229</u>
Total Assets	<u>\$ 312,244</u>	<u>\$ 226,702</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	<u>\$ 19,167</u>	<u>\$ 44,937</u>
Total Liabilities	19,167	44,937
Net Assets		
Without donor restrictions	<u>293,077</u>	<u>181,765</u>
Total Liabilities and Net Assets	<u>\$ 312,244</u>	<u>\$ 226,702</u>

See notes to the financial statements.

BUDDY UP FOR LIFE, INC.

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

Year ended March 31, 2021 and Period ended March 31, 2020

	2021	2020
Revenue		
Fundraising revenue	\$ 182,633	\$ 744,970
Grant revenue	16,629	10,035
Program revenue	45,901	144,362
Donation revenue	89,611	94,387
Loan forgiveness	8,582	-
Total Revenue	<u>343,356</u>	<u>993,754</u>
Program Service Expenses		
Coaches	13,961	42,825
Courts and club fees	10,183	61,445
Equipment	2,984	8,000
Payroll and related taxes	46,880	21,923
Travel	90	45,529
Other program expenses	17,915	66,267
	<u>92,013</u>	<u>245,989</u>
General and Fundraising Expenses		
Fundraising	1,233	510,605
Payroll and related taxes	24,632	34,482
Office supplies	2,174	6,862
Advertising and promotions	50,846	26,338
Professional services	38,600	39,702
Insurance	1,153	553
Miscellaneous	21,393	34,554
	<u>140,031</u>	<u>653,096</u>
Total Expenses	<u>232,044</u>	<u>899,085</u>
Change in Net Assets	111,312	94,669
Net Assets - Beginning of Period	<u>181,765</u>	<u>87,096</u>
Net Assets - End of Period	<u>\$ 293,077</u>	<u>\$ 181,765</u>

See notes to the financial statements.

BUDDY UP FOR LIFE, INC.

STATEMENTS OF CASH FLOWS

Year ended March 31, 2021 and Period ended March 31, 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 111,312	\$ 94,669
Adjustments to Reconcile Change in Net Assets to Net Cash From Operating Activities:		
Decrease (Increase) in Assets:		
Accounts receivable	(612)	552
Prepaid expenses	1,454	1,120
Increase (Decrease) in Liabilities:		
Accounts payable and accrued liabilities	(25,770)	6,095
Deferred revenue	-	(23,837)
Net Cash From Operating Activities	<u>86,384</u>	<u>78,599</u>
Net Change in Cash	86,384	78,599
Cash - Beginning of Period	<u>217,290</u>	<u>138,691</u>
Cash - End of Period	<u><u>\$ 303,674</u></u>	<u><u>\$ 217,290</u></u>

See notes to the financial statements.

BUDDY UP FOR LIFE, INC.

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2021 and Period ended March 31, 2020

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Effective March 19, 2021, the Organization changed its name from Buddy Up Tennis, Inc. to Buddy Up for Life, Inc. to align with its current mission. Buddy Up for Life, Inc. (the Organization) was organized as a non-profit corporation on August 21, 2009 under the laws of the State of Ohio. The Organization was formed for the purpose of providing individuals with Down syndrome the opportunity to learn and play tennis in a structured program with the assistance of role models and to engage in other fitness, wellness, and social activities. The Organization hosts tennis and fitness clinics and fitness camps in various locations across the United States of America.

The Organization's primary sources of revenue are fundraising activities, grants received from non-federal agencies, program service fees, and contributions from donors.

The Organization elected to change its fiscal year end from December 31 to March 31 beginning with the period ended March 31, 2020.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and change in net assets are classified and reported as follows:

Without Donor Restrictions - Net assets available for use in general operation and not subject to donor restrictions. All of the Organization's net assets are without donor restrictions.

With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

BUDDY UP FOR LIFE, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year ended March 31, 2021 and Period ended March 31, 2020

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets are reported as reclassifications between applicable net asset classes.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as without donor restrictions or with donor restrictions support, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restrictions.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant awards that are contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. Amounts received in excess of expenses or asset acquisitions are reflected as refundable advances.

B. Grant awards that are exchange transactions

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

Cash and Cash Equivalents

For the purpose of reporting cash flows, cash and cash equivalents includes petty cash, demand deposits, and savings accounts.

BUDDY UP FOR LIFE, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year ended March 31, 2021 and Period ended March 31, 2020

Accounts Receivable

Program service fees are due at the time of enrollment in the program. Accounts receivable consists of amounts due for program services. The Organization does not accrue interest on accounts receivable balances.

Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon periodic review of accounts by management. GAAP requires that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. There were no bad debts expensed during the year ended March 31, 2021 or period January 1, 2019 through March 31, 2020.

Contributed Services

Donated services are measured at fair values as determined by management in the statement of activities and change in net assets as revenue and expenses in the period they are received. During the year ended March 31, 2021 and period January 1, 2019 through March 31, 2020, the Organization received contributed professional services with a fair value on the dates of donation of \$31,250. In addition, the Organization received contributions of nonprofessional volunteer services during the year ended March 31, 2021 and the period ended March 31, 2020 for approximately 350 and 785 volunteers to assist with program and fundraising activities, respectively. The nonprofessional volunteer services are not reported in the statement of activities and change in net assets.

Advertising Costs

The Organization's policy is to expense advertising costs when incurred.

Income Taxes

The Organization applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code, except for income derived from unrelated business activities, as defined in the Code. There was no income tax expense for the year ended March 31, 2021 or period January 1, 2019 through March 31, 2020.

BUDDY UP FOR LIFE, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year ended March 31, 2021 and Period ended March 31, 2020

The Organization is required to and does file tax returns with the IRS and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Organization has no other tax positions which must be considered for disclosure. Generally, income tax returns filed by the Organization are subject to examination by the IRS for a period of three years. While no income tax returns are currently being examined by the IRS, tax years since 2017 remain open.

Functional Expenses and Cost Allocation

The cost of providing the various programs and other activities has been summarized on a functional basis in the notes to the financial statements. Administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Joint costs are allocated to benefiting programs using various allocation methods, depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefit of all organization programs, which cannot be readily identified with a final cost objective.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Organization has executed a License Agreement with Adaptive Tennis Consulting, LLC for usage of the Buddy Up Tennis, Inc. trademark and certain logos. Adaptive Tennis Consulting, LLC is owned by the Executive Director of the Organization. The license agreement was executed during 2014 and runs for an initial term of 5 years, renewing automatically for successive five year terms unless otherwise terminated. There were no fees charged to Buddy Up Tennis, Inc. related to the license agreement during the year ended March 31, 2021 and the period January 1, 2019 through March 31, 2020.

The Organization is currently working on an amended agreement for the change in name to Buddy Up for Life, Inc. Management states that the term of the agreement will be similar to the existing agreement.

BUDDY UP FOR LIFE, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year ended March 31, 2021 and Period ended March 31, 2020

NOTE 4 - CONCENTRATIONS

Credit Risk

The Organization maintains its cash balances in financial institutions insured by the Federal Deposit Insurance Corporation. Deposit accounts, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fundraising

The Organization receives a substantial portion of its revenues from fundraising efforts. During the year ended March 31, 2021 and the period January 1, 2019 through March 31, 2020, the Organization received 53% and 75%, respectively, from its fundraising revenue.

NOTE 5 - FUNCTIONAL EXPENSES

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities and change in net assts. Administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

NOTE 6 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. This amount consists of cash and accounts receivable as presented on the accompanying statements of financial position. None of these amounts are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position.

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. The Organization maintains financial assets on hand to meet normal operating expenses.

BUDDY UP FOR LIFE, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Year ended March 31, 2021 and Period ended March 31, 2020

NOTE 7 –PAYCHECK PROTECTION PROGRAM

In April 2020, Buddy Up Tennis, Inc. entered into a note payable with a lender under the Paycheck Protection Program (PPP) for \$8,582 with interest at 1% and matures in April 2022. The Organization received notice from their lender that the PPP loan was forgiven on January 25, 2021 and is recorded as debt forgiveness for the year ended March 31, 2021.

NOTE 8 - UNCERTAINTIES RELATED TO COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) occurred. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts may include reduced contributions and increased operating costs. Additional impacts include reduced program fees caused by the Organization's inability to conduct its tennis and fitness clinics. The future effects of these issues are unknown.

NOTE 9 - SUBSEQUENT EVENTS

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management has evaluated the activity of Buddy Up for Life, Inc. through September 21, 2021 (the date the financial statements were available to be issued) and concluded that no subsequent event has occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statement.