

CAMP COURANT, INC.

Independent Auditors' Report

Financial Statements

September 30, 2014 and 2013

CAMP COURANT, INC.

Contents

Independent Auditors' Report.....	1 - 2
Statements of Financial Position.....	3
Statements of Activities and Changes in Net Assets.....	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6 - 11
Schedule of Functional Expenses.....	12 - 13

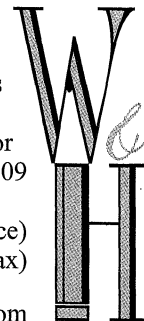
WHITTLESEY & HADLEY, P.C.

Certified Public Accountants/Consultants

280 Trumbull Street, 24th Floor
Hartford, Connecticut 06103-3509

860.522.3111 (voice)
860.728.0232 (fax)

www.whcpa.com



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Camp Courant, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Camp Courant, Inc., which comprise the statements of financial position as of September 30, 2014, and the related statements of activities and changes in net assets, schedule of functional expenses and cash flows for the years then ended, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of 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 auditors' 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 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 position of Camp Courant, Inc. as of September 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Offices in Hartford, Connecticut & Holyoke, Massachusetts

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages 12 and 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Camp Courant, Inc.'s 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 20, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Whittlesey & Hadley, P.C.

Hartford, Connecticut
December 5, 2014

CAMP COURANT, INC.

Statements of Financial Position

September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and cash equivalents	\$ 164,878	\$ 105,348
Marketable securities	290,898	221,843
Grants receivable, net	30,851	57,793
Contributions receivable, net	218,890	69,057
Other assets	3,389	8,369
Land, buildings and equipment, net	<u>2,110,638</u>	<u>2,191,765</u>
Total assets	<u>\$ 2,819,544</u>	<u>\$ 2,654,175</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 94,431	\$ 48,819
Line of credit	<u>3,000</u>	<u>-</u>
Total liabilities	<u>97,431</u>	<u>48,819</u>
Net Assets:		
Unrestricted, undesignated	2,251,589	2,356,324
Unrestricted, board designated reserve	<u>292,954</u>	<u>236,932</u>
Total unrestricted	<u>2,544,543</u>	<u>2,593,256</u>
Temporarily restricted	<u>177,570</u>	<u>12,100</u>
Total net assets	<u>2,722,113</u>	<u>2,605,356</u>
Total liabilities and net assets	<u>\$ 2,819,544</u>	<u>\$ 2,654,175</u>

The accompanying notes are an integral part of the financial statements.

CAMP COURANT, INC.

Statements of Activities and Changes in Net Assets

For the year ended September 30, 2014
(with comparative totals for the year ended September 30, 2013)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
Support and revenue				
Grants and contributions	\$ 614,187	\$ 76,500	\$ 690,687	\$ 544,668
Individual contributions	121,200	-	121,200	142,971
Special events income	341,121	-	341,121	221,092
Investment income	79,930	-	79,930	68,008
Trust income	77,309	-	77,309	70,718
Satisfaction of program restrictions	10,470	(10,470)	-	-
Total support and revenue	<u>1,244,217</u>	<u>66,030</u>	<u>1,310,247</u>	<u>1,047,457</u>
Expenses				
Camp operations	918,691	-	918,691	805,156
Fundraising	209,633	-	209,633	182,693
Special events	60,651	-	60,651	44,353
General and administrative	6,000	-	6,000	9,051
Depreciation	106,927	-	106,927	95,359
Total expenses	<u>1,301,902</u>	<u>-</u>	<u>1,301,902</u>	<u>1,136,612</u>
Change in net assets from operating activities	(57,685)	66,030	8,345	(89,155)
Other changes in net assets				
Capital contributions	-	99,440	99,440	-
Unrealized gain on marketable securities	8,972	-	8,972	3,976
Total change in net assets	(48,713)	165,470	116,757	(85,179)
Net assets, beginning of year	<u>2,593,256</u>	<u>12,100</u>	<u>2,605,356</u>	<u>2,690,535</u>
Net assets, end of year	<u>\$ 2,544,543</u>	<u>\$ 177,570</u>	<u>\$ 2,722,113</u>	<u>\$ 2,605,356</u>

The accompanying notes are an integral part of the financial statements.

CAMP COURANT, INC.

Statements of Cash Flows

For the years ended September 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 116,757	\$ (85,179)
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	106,927	95,359
Unrealized gain on marketable securities	(8,972)	(3,976)
In-kind capital contributions	(20,000)	-
(Increase)/decrease in assets:		
Grants receivable, net	26,942	(6,426)
Contributions receivable, net	(149,833)	(22,217)
Other assets	4,980	(2,516)
Increase/(decrease) in liabilities:		
Accounts payable and accrued liabilities	45,612	24,401
	122,413	(554)
Cash flows from investing activities:		
Purchases of marketable securities	(60,083)	(51,261)
Cash paid for land, buildings and equipment	(5,800)	(17,522)
	(65,883)	(68,783)
Cash flows from financing activities:		
Net proceeds from revolving line of credit	3,000	-
	59,530	(69,337)
Cash and cash equivalents at beginning of year	105,348	174,685
Cash and cash equivalents at end of year	\$ 164,878	\$ 105,348
Supplemental information		
Acquisition of land, buildings and equipment	\$ 25,800	\$ -
Acquisition through in-kind capital contributions	(20,000)	-
	\$ 5,800	\$ -

The accompanying notes are an integral part of the financial statements.

CAMP COURANT, INC.

Notes to Financial Statements

September 30, 2014 and 2013

NOTE 1 – ORGANIZATION

Camp Courant, Inc. (“the Camp”) is a summer day camp for the City of Hartford children located on Batterson Park Road in Farmington, Connecticut. The Camp serves approximately 1,000 children annually. The Camp derives the majority of its income from public contributions and investment income.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Assets, liabilities, revenues and program expenses are recognized on the accrual basis.

Financial Statement Presentation

The Camp follows the recommendations of the FASB Accounting Standards Codification topic Not-for-Profit Entities Presentation of Financial Statements, in which the Camp reports information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that are satisfied either by the passage of time or expenditures that meet the donor-specified purpose.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions which do not expire. Generally, the donors of these assets permit the Camp to use all or part of the income earned on related investments for general or specific purposes. The Camp did not have any permanently restricted net assets in the current fiscal year.

The expiration of a donor-imposed restriction on a contribution or on endowment income is recognized in the period in which the restriction expires and at that time the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Camp follows the policy of reporting donor-imposed restricted contributions and endowment income whose restrictions are met within the same fiscal year as unrestricted support.

Marketable Securities

The Camp carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative and Summarized Financial Information

The financial statements include certain prior-year comparative and summarized financial information. Such information does not include sufficient detail by itself 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 the Camp's financial statements for the year ended September 30, 2013 from which the comparative and summarized information was derived.

Land, Buildings and Equipment

Land improvements, buildings, building improvements and equipment are recorded on the basis of cost. Expenditures for normal repairs at the Camp are charged to operations as incurred, expenditures or in-kind contributions which substantially increase the useful lives of the building and equipment, are capitalized. Provision for depreciation of improvements and equipment is stated using the straight-line method over the economic life of the asset.

Use of 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.

Lease

The Camp leases the campsite from the City of Hartford under the terms of an annual lease at a rental of one dollar per year. The lease has been renewed through October 4, 2050 with a 25 year renewal option at the end of the lease at the rental rate of one dollar per year.

Statement of Cash Flows

For purposes of reporting cash flows and financial position, cash and cash equivalents include cash on hand and short-term investments maturing within 30 days.

Board Designated Net Assets

The purpose of this fund is to provide funding for capital improvements or repairs to the Camp facility, to expand programs and initiatives of the Camp, and to meet cash flow needs during the year.

Endowment Fund

The Camp has transferred management of the endowment fund to the Hartford Foundation for Public Giving ("HFPG"). A separate fund has been established at HFPG by transferring endowment funds raised. The market value of this transferred endowment fund as of September 30, 2014 and 2013 is \$1,937,861 and \$1,863,166, respectively. This fund will be a permanently restricted fund in HFPG, Inc. subject to the authority of HFPG's Board of Directors with income designated for Camp Courant, Inc. or a similar type of program. It is called The Fund for Hartford's Camp Courant. The Board of HFPG will continue to authorize annual payments to the Camp as long as it continues to operate as a charitable organization providing quality camping and related services for the needy children in the region. In 2014 and 2013, the Camp received a payment of \$72,880 and \$63,765, respectively, from HFPG, which is recorded as investment income in the statements of activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contributions Receivable

Accounts are stated at the amounts management expects to collect from outstanding balances. Management determines the adequacy of the allowance based upon reviews of individual activity, recent loss experience, current economic conditions and other pertinent factors. The allowance for uncollectible accounts receivable was \$-0- as of September 30, 2014 and 2013.

Subsequent Events Measurement Date

The Camp monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements for the year ended September 30, 2014 through December 5, 2014 the date on which financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the September 30, 2013 financial statements to conform to the September 30, 2014 financial statement presentation.

NOTE 3 – FAIR VALUE MEASUREMENT

Fair value estimates are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. In accordance with GAAP, the fair value estimates are measured within the fair value hierarchy. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

When available, quoted market prices are used. In other cases, fair values are based on estimates using present value or other valuation techniques. Valuation techniques based on unobservable inputs are highly subjective and require judgments regarding significant matters such as the amount and timing of future cash flows and the selection of discount rates that may appropriately reflect market and credit risks. Changes in these judgments often have a material impact on the fair value estimates. In addition, since these estimates are as of a specific point in time, they are susceptible to material near-term changes.

The following table presents investments measured at fair value at September 30, 2014:

	Level 1	Level 2	Level 3	Total
Growth funds	\$ 141,233	\$ -	\$ -	\$ 141,233
Government and agency bonds	68,367	-	-	68,367
Corporate bonds	30,332	-	-	30,332
Small and mid-cap funds	28,623	-	-	28,623
International funds	22,343	-	-	22,343
Total marketable securities	<u>\$ 290,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,898</u>

NOTE 3 – FAIR VALUE MEASUREMENT (CONTINUED)

The following table presents investments measured at fair value at September 30, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Growth funds	\$ 83,778	\$ -	\$ -	\$ 83,778
Corporate bonds	99,648	-	-	99,648
Small and mid-cap funds	21,725	-	-	21,725
International funds	16,692	-	-	16,692
Total marketable securities	<u>\$ 221,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,843</u>

NOTE 4 – UNRESTRICTED – BOARD DESIGNATED NET ASSETS

The changes in the Camp’s unrestricted board designated reserve are as follows:

Unrestricted board designated reserve, beginning of year	\$ 236,932
Additions	40,000
Interest and dividends	7,050
Unrealized gain	<u>8,972</u>
Unrestricted board designated reserve, end of year	<u>\$ 292,954</u>

The Camp has adopted investment and spending policies for unrestricted board designated reserve assets that attempt to provide a predictable stream of funding to programs supported by its reserve. Interest and any realized or unrealized gains earned on the reserve is either held as part of the board designated reserve or used for operations. Unrestricted board designated reserve funds represent investments that have not yet been designated by the board for use.

NOTE 5 – LAND, BUILDING AND EQUIPMENT

The Camp capitalizes property and equipment in excess of \$1,000 at cost or fair value, if donated. The costs and accumulated depreciation of property and equipment at September 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Land improvements	\$ 315,417	\$ 315,417
Building and improvements	3,257,840	3,252,040
Equipment	269,507	249,507
Total cost	<u>3,842,764</u>	<u>3,816,964</u>
Less: accumulated depreciation	<u>(1,732,126)</u>	<u>(1,625,199)</u>
Net book value	<u>\$ 2,110,638</u>	<u>\$ 2,191,765</u>

NOTE 6 – IN-KIND CONTRIBUTIONS

The Hartford Courant provides certain support services and advertising at no cost to the Camp. Additionally, various other companies provide services and products at no cost to the Camp. Contributed services are recognized as revenue if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically would need to be purchased if not provided by donation. Contributed services are recorded at the fair value of the services provided. Contributed services and promises to contribute services that do not meet the above criteria are not recognized as revenues and are not reported in the accompanying financial statements. These contributions were recognized as follows for the year ended September 30,:

	<u>2014</u>	<u>2013</u>
Camp operations	\$ 68,530	\$ 45,889
Fundraising	64,084	51,387
General and administrative	<u>6,000</u>	<u>6,000</u>
Total in-kind contributions	<u>\$ 138,614</u>	<u>\$ 103,276</u>

The Camp also serves as an agent for federal food program contributions and contributed articles of clothing which are provided to Camp participants. No accounting recognition is given to these items.

The Camp reports gifts of buildings and equipment as unrestricted support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent explicit donor stipulations about how long those donated assets must be maintained, the Camp reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Camp reclassifies temporarily restricted net assets to unrestricted net assets at that time.

NOTE 7 – LINE-OF-CREDIT

The Camp has a \$75,000 line of credit from the Hartford Economic Development Corporation through May 30, 2015. The line was collateralized by all securities and interest was paid monthly on outstanding balances at an interest rate of 4%. As of September 30, 2014 and 2013 the Camp has outstanding balances of \$3,000 and \$-0-, respectively.

NOTE 8 – TAX EXEMPT STATUS

The Camp is a non-profit corporation which has been determined to be exempt from federal income taxes, under Section 501(c)(3) of the Internal Revenue Code. Also, the Camp is exempt from state income taxes. As such, no provision for income taxes has been made in the accompanying financial statements.

Tax positions initially need to be recognized in the financial statements when it is more-likely-than-not that the position will be sustained upon examination by the tax authorities. As of September 30, 2014 and 2013, the Camp has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements and believes that it has appropriate support for income tax positions taken in its tax returns. Currently, the Camp's informational returns for 2010 through 2012 remain open to inspection by the Internal Revenue Service, with the 2013 tax return to be filed in 2014.

NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at September 30,:

	2014	2013
Column Repairs	\$ 100,580	\$ 1,640
250th Anniversary Gala	38,500	-
Camperships	25,000	-
Greenhouse	8,256	8,959
Other	5,234	1,501
	<u>\$ 177,570</u>	<u>\$ 12,100</u>

NOTE 10 – CREDIT RISK

The Camp maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Camp has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash equivalents.

NOTE 11 – COMMITMENTS

As of September 30, 2014, the Camp has one non-cancelable operating lease agreement for the rental of office equipment, expiring August 2016. Future minimum lease payments are as follows for the years ended September 30,:

2015	\$ 5,880
2016	5,390

Rental expense under the operating lease was \$7,118 and \$7,233 for the years ended September 30, 2014 and 2013, respectively.

NOTE 12 – RETIREMENT PLAN

Employees of the Camp may participate in an Internal Revenue Code Section 403(b) retirement savings plan. The Camp will contribute a 50% match up to 8% of the employee's salary. Contributions of \$2,474 and \$324 were made by the Camp for the years ended September 30, 2014 and 2013, respectively.

NOTE 13 – RELATED PARTIES

The Camp employs one family member of management and the Board of Directors and engages in business relationships with the firms where family members of management and the Camp's Board of Directors are employed. Related party transactions totaled \$13,041 for the year ended September 30, 2014.

CAMP COURANT, INC.

Schedule of Functional Expenses

For the year ended September 30, 2014
(with comparative totals for the year ended September 30, 2013)

	<u>Cash</u>	<u>In-kind</u>	<u>2014 Totals</u>	<u>2013 Totals</u>
Camp operating expenses:				
Salaries and wages	\$ 470,477	\$ -	\$ 470,477	\$ 415,233
Payroll taxes and fringes	79,138	-	79,138	66,569
Food and beverages	6,220	-	6,220	3,733
Repairs and maintenance	37,910	12,500	50,410	33,165
Transportation	65,713	-	65,713	64,765
Drugs and medical care	988	-	988	1,359
Utilities	19,600	-	19,600	18,453
Camp operating	22,009	21,000	43,009	42,203
Professional fees	22,145	25,964	48,108	48,577
Other insurance	47,701	-	47,701	42,558
Arts and crafts supplies	6,867	-	6,867	5,503
Sports equipment	3,745	-	3,745	1,653
Special camp programs	25,958	-	25,958	18,340
Information technology	2,516	750	3,266	7,015
Security	4,388	-	4,388	4,007
Printing, postage and office	22,258	6,916	29,174	20,868
Staff travel and entertainment	9,437	-	9,437	7,554
Miscellaneous	3,091	1,400	4,492	3,601
	<u>850,160</u>	<u>68,530</u>	<u>918,691</u>	<u>805,156</u>
Fundraising expenses:				
Salaries and wages	102,547	-	102,547	90,506
Payroll taxes and fringes	5,957	-	5,957	5,011
Publicity, marketing, public relations and promotions	-	48,498	48,498	45,387
Rent and utilities	-	6,000	6,000	6,000
Professional fees	1,513	1,774	3,288	3,320
Printing, postage and office	19,989	6,212	26,201	18,741
Staff travel and entertainment	12,012	-	12,012	9,615
Miscellaneous	3,531	1,600	5,130	4,113
	<u>\$ 145,550</u>	<u>\$ 64,084</u>	<u>\$ 209,633</u>	<u>\$ 182,693</u>

CAMP COURANT, INC.

Schedule of Functional Expenses (Cont'd)

For the year ended September 30, 2014
(with comparative totals for the year ended September 30, 2013)

	<u>Cash</u>	<u>In-kind</u>	<u>2014 Totals</u>	<u>2013 Totals</u>
General and administrative expenses:				
Bad debt expense	\$ -	\$ -	\$ -	\$ 3,051
Rent and utilities	-	6,000	6,000	6,000
Total general and administrative expense	-	6,000	6,000	9,051
Other:				
Special events	60,651	-	60,651	44,353
Depreciation	106,927	-	106,927	95,359
Total other	167,578	-	167,578	139,712
Total expenses	<u>\$ 1,163,288</u>	<u>\$ 138,614</u>	<u>\$ 1,301,902</u>	<u>\$ 1,136,612</u>