

CAMP COURANT, INC.

Independent Auditors' Report

Financial Statements

September 30, 2016 and 2015

CAMP COURANT, INC.

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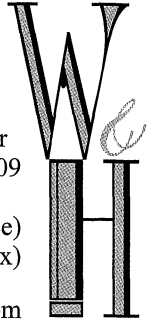
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INDEPENDENT AUDITORS' REPORT

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 statement of financial position as of September 30, 2016, and the related statements of activities and changes in net assets, and cash flows for the year 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, 2016, 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.

Hartford • Hamden • Holyoke

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 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 29, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Whittlesey & Hailey, P.C.".

Hartford, Connecticut
February 7, 2017

CAMP COURANT, INC.

Statements of Financial Position

September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 300,686	\$ 172,846
Marketable securities	306,305	249,169
Grants receivable, net	83,100	93,151
Contributions receivable, net	118,703	102,312
Other assets	11,758	14,611
Land, buildings and equipment, net	<u>2,979,404</u>	<u>2,111,159</u>
 Total assets	 <u>\$ 3,799,956</u>	 <u>\$ 2,743,248</u>
 Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 184,103	\$ 122,395
Line of credit	<u>15,000</u>	<u>-</u>
 Total liabilities	 <u>199,103</u>	 <u>122,395</u>
 Net Assets:		
Unrestricted, undesignated	2,995,787	2,227,836
Unrestricted, board designated reserve	317,479	288,172
Total unrestricted	<u>3,313,266</u>	<u>2,516,008</u>
Temporarily restricted	<u>287,587</u>	<u>104,845</u>
 Total net assets	 <u>3,600,853</u>	 <u>2,620,853</u>
 Total liabilities and net assets	 <u>\$ 3,799,956</u>	 <u>\$ 2,743,248</u>

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

CAMP COURANT, INC.

Statement of Activities and Changes in Net Assets

For the year ended September 30, 2016
(with comparative totals for the year ended September 30, 2015)

	Unrestricted	Temporarily Restricted	2016 Total	2015 Total
Support and revenue				
Grants and contributions	\$ 575,469	\$ 20,500	\$ 595,969	535,555
Individual contributions	120,851	-	120,851	124,868
Special events income	370,166	-	370,166	320,478
Investment income	85,711	-	85,711	81,221
Trust income	52,712	-	52,712	58,581
Release from restrictions	89,714	(89,714)	-	-
Total support and revenue	1,294,623	(69,214)	1,225,409	1,120,703
Expenses				
Camp operations	991,036	-	991,036	1,017,239
Administrative	28,108	-	28,108	8,000
Fundraising	284,883	-	284,883	278,302
Total expenses	1,304,027	-	1,304,027	1,303,541
Change in net assets from operating activities	(9,404)	(69,214)	(78,618)	(182,838)
Other changes in net assets				
Capital contributions	813,623	251,956	1,065,579	96,376
Loss on disposal of fixed assets	(27,548)	-	(27,548)	-
Unrealized gain/(loss) on marketable securities	20,587	-	20,587	(14,798)
Total change in net assets	797,258	182,742	980,000	(101,260)
Net assets, beginning of year	2,516,008	104,845	2,620,853	2,722,113
Net assets, end of year	\$ 3,313,266	\$ 287,587	\$ 3,600,853	\$ 2,620,853

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

CAMP COURANT, INC.

Statements of Cash Flows

For the years ended September 30, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ 980,000	\$ (101,260)
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	113,769	111,961
Loss on disposal of fixed assets	27,548	-
Unrealized (gain)/loss on marketable securities	(20,587)	14,798
In-kind capital contributions	(29,500)	-
Capital contributions	(1,065,579)	(96,376)
(Increase)/decrease in assets:		
Grants receivable, net	10,051	(62,300)
Contributions receivable, net	(16,391)	116,578
Other assets	2,853	(11,222)
Increase in liabilities:		
Accounts payable and accrued liabilities	61,708	27,964
Net change in cash from operating activities	63,872	143
Cash flows from investing activities:		
Sales/(purchases) of marketable securities	(36,549)	26,931
Capital contributions	1,065,579	96,376
Cash paid for land, buildings and equipment	(980,062)	(112,482)
Net change in cash from investing activities	48,968	10,825
Cash flows from financing activities:		
Net proceeds from/(payments on) line of credit	15,000	(3,000)
Net change in cash	127,840	7,968
Cash and cash equivalents, beginning of year	172,846	164,878
Cash and cash equivalents, end of year	\$ 300,686	\$ 172,846
Supplemental information		
Acquisition of land, buildings and equipment	\$ 1,009,562	\$ 112,482
Acquisition through in-kind capital contributions	(29,500)	-
Cash paid for land, buildings and equipment	\$ 980,062	\$ 112,482
Cash paid for interest	\$ 211	\$ 35

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

CAMP COURANT, INC.

Notes to Financial Statements

September 30, 2016 and 2015

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

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. The Camp follows the recommendations of the FASB Accounting Standards Codification topic *Not-for-Profit Entities Presentation of Financial Statements*, whereby 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.

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as unrestricted.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash & Cash Equivalents

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.

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.

Fair Value Measurement

The Agency adopted the Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification (FASB ASC 820), which defines fair value and establishes a framework for measuring fair value in generally accepted accounting principles. The topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The topic also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs may be used to measure fair values:

- 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 the Camp's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

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.

Grants and Contributions Receivable

Grants and contributions receivable 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, 2016 and 2015. All contributions receivable are due within twelve months.

Land, Buildings and Equipment

Land improvements, buildings, building improvements and equipment are recorded at 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 buildings, improvements and equipment is stated using the straight-line method over the economic life of the asset.

The Camp capitalizes property and equipment in excess of \$1,000 at cost or fair value, if donated.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Reclassifications

Certain reclassifications have been made to the September 30, 2015 financial statements to conform to the September 30, 2016 financial statement presentation.

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, 2016 through February 7, 2017 the date on which financial statements were available to be issued.

NOTE 3 – MARKETABLE SECURITIES

The following table presents marketable securities measured at fair value using level 1 inputs at September 30,:

	<u>2016</u>	<u>2015</u>
Growth funds	\$ 125,737	\$ 112,286
Government and agency bonds	71,293	67,505
Taxable municipal bonds	32,971	-
Corporate bonds	21,425	20,795
Small and mid-cap funds	32,661	28,702
International funds	22,218	19,881
	<u> </u>	<u> </u>
Total marketable securities	<u>\$ 306,305</u>	<u>\$ 249,169</u>

NOTE 4 – LAND, BUILDING AND EQUIPMENT

The costs and accumulated depreciation of property and equipment at September 30, 2016 and 2015 are as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Land improvements	\$ 315,417	\$ -	\$ (113,854)	\$ 201,563
Building and improvements	3,370,322	978,551	(148,220)	4,200,653
Equipment	269,507	31,011	-	300,518
	<hr/>	<hr/>	<hr/>	<hr/>
Total fixed assets	3,955,246	1,009,562	(262,074)	4,702,734
Accumulated depreciation	(1,844,087)	(113,769)	234,526	(1,723,330)
	<hr/>	<hr/>	<hr/>	<hr/>
Land, buildings and and equipment, net	<u>\$ 2,111,159</u>	<u>\$ 895,793</u>	<u>\$ (27,548)</u>	<u>\$ 2,979,404</u>

NOTE 5 – LINE OF CREDIT

The Camp has a \$75,000 line of credit from the Hartford Economic Development Corporation through May 30, 2017. 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, 2016 and 2015 the Camp has outstanding balances of \$15,000 and \$-0-, respectively.

NOTE 6 – BOARD DESIGNATED NET ASSETS

The Camp’s Board of Directors has designated a portion of unrestricted net assets 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.

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.

The changes in the Camp’s unrestricted board designated reserve for 2016 and 2015 are as follows:

	2016	2015
Beginning balance	\$ 288,172	\$ 292,954
Interest and dividends	8,720	10,016
Unrealized gain/(loss)	20,587	(14,798)
	<hr/>	<hr/>
Board designated net assets, end of year	<u>\$ 317,479</u>	<u>\$ 288,172</u>

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2016</u>	<u>2015</u>
Capital		
Playground	\$ 94,541	\$ -
Discovery Room	77,570	-
Other	<u>96,043</u>	<u>82,257</u>
Total net assets restricted for capital use	268,154	82,257
Total net assets restricted for programming	<u>19,433</u>	<u>22,588</u>
Total temporarily restricted net assets	<u>\$ 287,587</u>	<u>\$ 104,845</u>

Releases of net asset restrictions were as follows for the years ending September 30,:

	<u>2016</u>	<u>2015</u>
Capital	\$ 67,199	\$ 284,207
Operating	<u>22,515</u>	<u>7,514</u>
Total releases of restrictions	<u>\$ 89,714</u>	<u>\$ 291,721</u>

NOTE 8 – IN-KIND CONTRIBUTIONS

The Hartford Courant and various other companies provide certain support services and advertising 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>2016</u>	<u>2015</u>
Camp operations	\$ 34,749	\$ 46,131
Fundraising	56,116	58,590
General and administrative	12,500	8,000
Buildings and land improvements	<u>29,500</u>	<u>-</u>
Total in-kind contributions	<u>\$ 132,865</u>	<u>\$ 112,721</u>

NOTE 8 – IN-KIND CONTRIBUTIONS (CONTINUED)

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 9 – LEASES

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.

As of September 30, 2016, the Camp has one non-cancelable operating lease agreement for the rental of office equipment, expiring October 2021. Future minimum lease payments are as follows for the years ended September 30,:

2017	3,327
2018	3,069
2019	3,069
2020	3,069
2021	3,069
Thereafter	256

Rental expense under the operating lease was \$6,957 and \$7,461 for the years ended September 30, 2016 and 2015, respectively.

NOTE 10 – 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 \$5,486 and \$5,388 were made by the Camp for the years ended September 30, 2016 and 2015, respectively.

NOTE 11 – 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, 2016 and 2015 is \$1,869,693 and \$1,794,128, 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 2016 and 2015, the Camp received a payment of \$52,712 and \$58,581, respectively, from HFPG, which is recorded as investment income in the statements of activities.

CAMP COURANT, INC.

Schedule of Functional Expenses

For the year ended September 30, 2016

	Camp Operations	Administrative	Fundraising	Total
Salaries	\$ 478,163	\$ -	\$ 104,963	\$ 583,126
Payroll taxes	82,750	-	6,229	88,979
Food and beverages	6,642	-	-	6,642
Repairs and maintenance	32,312	-	-	32,312
Transportation	67,802	-	-	67,802
Drugs and medical care	2,870	-	-	2,870
Utilities	27,274	-	-	27,274
Publicity, marketing, public relations	-	-	36,200	36,200
Camp operating	41,038	-	-	41,038
Professional fees	18,689	-	1,193	19,882
Insurance	49,995	-	-	49,995
Arts and crafts supplies	3,974	-	-	3,974
Sports equipment	2,283	-	-	2,283
Special camp programs	8,439	-	-	8,439
Information technology	9,713	-	-	9,713
Security	3,671	-	-	3,671
Staff travel and entertainment	7,291	-	9,279	16,570
Miscellaneous	3,889	-	4,385	8,274
Rent and utilities	-	12,500	12,500	25,000
Printing, postage and office	30,472	-	27,023	57,495
Special events	-	-	83,111	83,111
Bad debt expense	-	15,608	-	15,608
Depreciation	113,769	-	-	113,769
Total	\$ 991,036	\$ 28,108	\$ 284,883	\$ 1,304,027

CAMP COURANT, INC.

Schedule of Functional Expenses

For the year ended September 30, 2015

	Camp Operations	Administrative	Fundraising	Total
Salaries	\$ 499,666	\$ -	\$ 109,683	\$ 609,349
Payroll taxes	82,600	-	6,217	88,817
Food and beverages	5,019	-	-	5,019
Repairs and maintenance	40,938	-	-	40,938
Transportation	70,609	-	-	70,609
Drugs and medical care	724	-	-	724
Utilities	24,567	-	-	24,567
Publicity, marketing, public relations	-	-	41,004	41,004
Camp operating	37,322	-	-	37,322
Professional fees	19,692	-	1,257	20,949
Insurance	47,973	-	-	47,973
Arts and crafts supplies	5,095	-	-	5,095
Sports equipment	3,098	-	-	3,098
Special camp programs	19,932	-	-	19,932
Information technology	3,016	-	-	3,016
Security	3,831	-	-	3,831
Staff travel and entertainment	7,334	-	9,334	16,668
Miscellaneous	5,121	-	5,878	10,999
Rent and utilities	-	8,000	8,000	16,000
Printing, postage and office	28,741	-	25,487	54,228
Special events	-	-	71,442	71,442
Depreciation	111,961	-	-	111,961
Total	\$ 1,017,239	\$ 8,000	\$ 278,302	\$ 1,303,541