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# **CAMP ENCOURAGE**

## **FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2016 (UNAUDITED) AND 2015 (AUDITED)**

***Welch & Associates, L.L.C.***  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**KANSAS CITY, MISSOURI**

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# CAMP ENCOURAGE

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

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## **Independent Accountant's Review Report**

Camp Encourage  
(A Missouri Nonprofit Organization)  
Kansas City, Missouri

We have reviewed the accompanying financial statements of Camp Encourage, which comprise the statements of financial position as of December 31, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 Statement**

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 (GAAP); 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 error or fraud.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. 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 GAAP. 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 conformity with GAAP.

## Report on 2015 Financial Statements

The 2015 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated September 19, 2016. We have not performed any auditing procedures since that date.

A handwritten signature in blue ink that reads "Welch & Associates, L.L.C." in a cursive style.

**Welch & Associates, L.L.C.**

Kansas City, Missouri

July 31, 2017

# **FINANCIAL STATEMENTS**

**CAMP ENCOURAGE**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2016 (Unaudited) AND 2015 (Audited)**

	2016	2015
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 61,190	\$ 38,803
Contributions and Other Accounts Receivable	4,333	1,312
Prepaid Expenses	2,531	1,443
Inventory	1,257	228
Total Current Assets	69,311	41,786
Rent and Utility Deposits	1,361	1,446
<b>EQUIPMENT</b>		
Office Equipment	3,000	3,000
Computer Equipment	2,205	2,205
Camp Equipment	4,598	4,598
Total Fixed Assets	9,803	9,803
Accumulated Depreciation	(5,346)	(2,985)
Net Fixed Assets	4,457	6,818
Total Assets	\$ 75,129	\$ 50,050
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Payroll Taxes Withheld and Payable	\$ 1,895	\$ 1,870
Total Current Liabilities	1,895	1,870
Total Liabilities	1,895	1,870
<b>NET ASSETS</b>		
Unrestricted Net Assets	55,658	29,319
Temporary Restricted Net Assets	17,576	18,861
Total Net Assets	73,234	48,180
Total Liabilities and Net Assets	\$ 75,129	\$ 50,050

See independent accountant's review report and notes accompanying financial statements

**CAMP ENCOURAGE**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016 (Unaudited)**

	Unrestricted	Temporarily Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Public Support:			
Contributions and Grants			
Service Organizations	\$ 4,826	\$ 41,376	\$ 46,202
Individuals	37,599	1,200	38,799
Foundations	14,758	6,500	21,258
Corporations	17,680	-	17,680
United Way	522	-	522
In-kind Contributions - Camp Staff	60,000	-	60,000
Revenue:			
Special Event Revenue, Net of Costs of			
Direct Benefits to Donors of \$13,584	14,512	-	14,512
Camp Fees, net of \$44,400 in Camp			
Scholarships	70,490	-	70,490
Rental Income	7,268	-	7,268
Other Income	48	-	48
Net Assets Released from Restrictions	50,361	(50,361)	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>278,064</b>	<b>(1,285)</b>	<b>276,779</b>
<b>EXPENSES</b>			
Program Services:			
Summer Camp	158,168	-	158,168
<b>TOTAL PROGRAM SERVICES</b>	<b>158,168</b>	<b>-</b>	<b>158,168</b>
Supporting Services:			
Management and General	36,893	-	36,893
Fund Development	56,664	-	56,664
<b>TOTAL EXPENSES</b>	<b>251,725</b>	<b>-</b>	<b>251,725</b>
<b>CHANGE IN NET ASSETS</b>	<b>26,339</b>	<b>(1,285)</b>	<b>25,054</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>29,319</b>	<b>18,861</b>	<b>48,180</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 55,658</b>	<b>\$ 17,576</b>	<b>\$ 73,234</b>

See independent accountant's review report and notes accompanying financial statements

**CAMP ENCOURAGE**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015 (Audited)**

	Unrestricted	Temporarily Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Public Support:			
Contributions and Grants			
Service Organizations	\$ 3,000	\$ 44,119	\$ 47,119
Individuals	17,943	14,550	32,493
Foundations	14,600	3,786	18,386
Corporations	13,862	600	14,462
United Way	429	-	429
In-kind Contributions - Camp Staff	60,000	-	60,000
Revenue:			
Special Event Revenue, Net of Costs of			
Direct Benefits to Donors of \$8,658	14,651	-	14,651
Camp Fees, net of \$55,700 in Camp			
Scholarships	57,830	-	57,830
Rental Income	7,178	-	7,178
Other Income	32	-	32
Net Assets Released from Restrictions	44,194	(44,194)	-
	233,719	18,861	252,580
<b>EXPENSES</b>			
Program Services:			
Summer Camp	155,777	-	155,777
	155,777	-	155,777
Supporting Services:			
Management and General	26,501	-	26,501
Fund Development	49,699	-	49,699
	231,977	-	231,977
	1,742	18,861	20,603
NET ASSETS, BEGINNING OF YEAR	27,577	-	27,577
	\$ 29,319	\$ 18,861	\$ 48,180

See independent accountant's review report and notes accompanying financial statements



**CAMP ENCOURAGE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016 (Unaudited)**

<b>EXPENSES</b>	<b>Summer Camp</b>	<b>Management and General</b>	<b>Fund Development</b>	<b>Costs of Direct Benefits to Donors</b>	<b>Total</b>
Salary and Wages	\$ 24,500	\$ 15,350	\$ 28,150	\$ -	\$ 68,000
Payroll Taxes and Other Personnel Costs	2,004	1,839	2,377	-	6,220
Contract Services	11,655	751	7,771	-	20,177
In-kind Expense - Camp Staff	60,000	-	-	-	60,000
Occupancy Expenses	6,203	3,886	7,128	4,225	21,442
Office Expenses	2,291	1,498	5,901	-	9,690
Information Technology	414	301	494	-	1,209
Camp Supplies and Related Expense	6,597	-	-	-	6,597
Camp Facility Lodging and Meals	36,283	-	-	-	36,283
Camp Activity Fees and Equipment Rental	3,675	-	-	-	3,675
Camp Transportation	308	-	-	-	308
Background Checks	1,019	-	-	-	1,019
Professional Fees	-	8,450	-	-	8,450
Insurance	312	1,063	1,169	-	2,544
Merchant and Transaction Fees	-	1,306	1,210	-	2,516
Special Event Food and Beverages	-	-	-	6,998	6,998
Other Operating Expense	1,541	2,169	1,749	2,361	7,820
Depreciation Expense	1,366	280	715	-	2,361
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>158,168</b>	<b>36,893</b>	<b>56,664</b>	<b>13,584</b>	<b>265,309</b>
Less Cost of Direct Benefits to Donors Netted with Revenue on the Statement of Activities	-	-	-	(13,584)	(13,584)
<b>TOTAL EXPENSES INCLUDED IN EXPENSE SECTION ON THE STATEMENT OF ACTIVITIES</b>	<b>\$ 158,168</b>	<b>\$ 36,893</b>	<b>\$ 56,664</b>	<b>\$ -</b>	<b>\$ 251,725</b>

See independent accountant's review report and notes accompanying financial statements

**CAMP ENCOURAGE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015 (Audited)**

	<u>Summer Camp</u>	<u>Management and General</u>	<u>Fund Development</u>	<u>Costs of Direct Benefits to Donors</u>	<u>Total</u>
<b>EXPENSES</b>					
Salary and Wages	\$ 24,500	\$ 14,817	\$ 26,017	\$ -	\$ 65,334
Payroll Taxes and Other Personnel Costs	2,169	1,439	2,101	-	5,709
Contract Services	5,798	248	6,438	700	13,184
In-kind Expense - Camp Staff	60,000	-	-	-	60,000
Occupancy Expenses	5,473	3,309	5,811	-	14,593
Office Expenses	2,516	704	4,733	-	7,953
Information Technology	311	248	331	-	890
Camp Supplies and Related Expense	5,480	-	-	-	5,480
Camp Facility Lodging and Meals	39,284	-	-	-	39,284
Camp Activity Fees and Equipment Rental	4,369	-	-	-	4,369
Camp Transportation	865	-	-	-	865
Background Checks	2,193	-	-	-	2,193
Professional Fees	-	2,345	-	-	2,345
Insurance	176	579	647	-	1,402
Merchant and Transaction Fees	-	1,133	830	-	1,963
Special Event Food and Beverages	-	-	-	5,356	5,356
Other Operating Expense	1,303	1,224	2,345	2,602	7,474
Depreciation Expense	1,340	455	446	-	2,241
<b>TOTAL EXPENSES BY FUNCTION</b>	<u>155,777</u>	<u>26,501</u>	<u>49,699</u>	<u>8,658</u>	<u>240,635</u>
Less Cost of Direct Benefits to Donors Netted with Revenue on the Statement of Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,658)</u>	<u>(8,658)</u>
<b>TOTAL EXPENSES INCLUDED IN EXPENSE SECTION ON THE STATEMENT OF ACTIVITIES</b>	<u>\$ 155,777</u>	<u>\$ 26,501</u>	<u>\$ 49,699</u>	<u>\$ -</u>	<u>\$ 231,977</u>

See independent accountant's review report and notes accompanying financial statements

**CAMP ENCOURAGE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 (Unaudited) AND 2015 (Audited)**

	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 25,054	\$ 20,603
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,361	2,241
(Increase) decrease in operating assets:		
Contributions and Other Accounts Receivable	(3,021)	(1,312)
Prepaid Expenses	(1,088)	(1,443)
Inventory	(1,029)	142
Rent and Utility Deposits	85	(130)
Increase in operating liabilities:		
Payroll Taxes Withheld and Payable	25	696
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>22,387</b>	<b>20,797</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-	(1,198)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-</b>	<b>(1,198)</b>
<b>NET INCREASE IN CASH</b>	<b>22,387</b>	<b>19,599</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>38,803</b>	<b>19,204</b>
<b>CASH - END OF YEAR</b>	<b>\$ 61,190</b>	<b>\$ 38,803</b>

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:**

Cash paid during the year		
Interest	\$ -	\$ -
Income Taxes	\$ -	\$ -

See independent accountant's review report and notes accompanying financial statements

**CAMP ENCOURAGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Camp Encourage (the Organization) is a 501(c)(3) not-for-profit organization formed to encourage social growth, independence, and self-esteem in youth with autism spectrum disorders (ASD) through a quality, overnight camp experience located in the greater Kansas City area.

The Organization provides two, four-day, three-night camp opportunities, which offer a quality experience involving relationship development, recreation, and relaxation to over one hundred campers annually. In upholding the Organization's value that quality supports and services should be available to all, regardless of financial need, \$44,400 and \$55,700 of need based camp scholarships were provided to campers in the years ended December 31, 2016 and 2015, respectively. Key components that make Camp Encourage unique include, but are not limited to:

Direct social instruction

- Sensory supports
- Visual strategies
- Positive behavioral supports
- Involvement of graduate and doctoral students
- Peer models
- Zip line
- Traditional camp activities such as horseback riding, archery, fishing, swimming, hayride, art activities, and singing by the campfire; and
- Activities tailored around the individual camper's interests and skills

Camp Encourage provides an accepting atmosphere and is staffed with well trained counselors, activity facilitators, medical personnel, and behavior specialists.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

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

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the Statements of Cash Flows, cash deposits, and all other liquid investments with an original maturity of three months or less are considered to be cash and cash equivalents. There were no cash equivalents held at December 31, 2016 and 2015.

**CAMP ENCOURAGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Promises to Give

Unconditional promises to give are recorded as revenues or gains in the period received and as assets, decrease of liabilities, or expenses depending on the form of the benefits received. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were no conditional promises to give at December 31, 2016 and 2015.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Under ASC Topic 958, the Organization is required to report 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.

Unrestricted

Unrestricted net assets are not subject to donor imposed restrictions, or the donor-imposed restrictions have expired.

Temporarily Restricted

Temporarily restricted net assets include contributions for which donor-imposed time or purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted.

Permanently Restricted

Permanently restricted net assets include donor-imposed restrictions that stipulate the resources be maintained permanently, but permit the Organization to use, or expend part or all of the income derived from the donated assets for either specified or unspecified purposes. There are no permanently restricted net assets at December 31, 2016 and 2015.

Donated Assets

Donated assets, if any, and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used for specific purpose are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Contributions

The Organization follows ASC Topic 958 for the accounting of contributions received and made during the financial statement period. In accordance with ASC Topic 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor imposed restrictions.

**CAMP ENCOURAGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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 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 Statement of Activities as net assets released from restrictions.

Contributed Services

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills which are performed by individuals possessing those skills, and (c) would otherwise be purchased by the Organization if not donated.

In 2016 and 2015 respectively, more than 50 and 40 unpaid volunteers with specialized skills contributed approximately 2,100 and 2,000 hours respectively of professional services that met the criteria for recognition in the financial statements. Professional volunteers providing services at camp included pharmacists, nurses, speech pathologists, occupational therapy assistants, teachers, school counselors, and photographers. The value of these services is included in the Statement of Activities and Changes in Net Assets as In-kind Contributions – Camp Staff and In-kind Expenses – Camp Staff for \$60,000 for the years ended December 31, 2016 and 2015.

In 2016 and 2015, over 100 volunteers contributed approximately 8,000 additional hours in support of the Organization's programs and fundraising activities that did not meet the criteria for recognition in the financial statements.

Fair Value Measurement

The carrying amounts of assets and liabilities, except for equipment, are reported on the balance sheets at their approximate fair values. The measurement of reported value of equipment is discussed below.

Equipment

Equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Major additions over \$1,000 are capitalized, and maintenance and repairs that do not improve or extend the life of the respective assets are charged against net assets in the current period. Depreciation is computed using the straight-line method over the useful lives of the assets, ranging from 3 to 5 years.

Functional Allocation of Expenses

The costs of providing the programs and other activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**CAMP ENCOURAGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Income Taxes

The Organization has been designated as a tax-exempt organization pursuant to Internal Revenue Code (IRC) Section 501(c)(3). Further, the Organization has been determined not to be private foundations per IRC Section 509(a). Accordingly, no provision for income tax expense has been made.

Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through July 31, 2017, the date the financial statements were available to be issued and there were no material events requiring recognition or disclosure.

**NOTE 3 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

In 2016 and 2015, the Organization received a significant amount of its funding from fees for services. Changes in economic conditions may have a significant effect on these revenues.

**NOTE 4: OPERATING LEASE**

The Organization rents office space under a lease agreement expiring in November 2017. Minimum lease payments under the lease agreement for the years ended December 31, 2016 and 2015 totaled \$14,535 and \$13,160, respectively. The gross lease payments due through November 2017 total \$13,475.

The Organization sub-leases a portion of its office space under a non-cancellable agreement to a for-profit entity. The Organization's total rental income for the sublease for the years ended December 31, 2016 and 2015 was \$7,268 and \$7,178 respectively. Under the sublease agreement, the sub-lessee has agreed to pay the Organization one-half of the gross lease amount on a monthly basis.

**NOTE 5 – RESTRICTED NET ASSETS**

As of December 31, 2016 and 2015, temporarily restricted net assets were available for the following restricted purposes:

	<b>2016</b>	<b>2015</b>
Camp Scholarships	\$11,076	\$15,075
Camp Activities	<u>6,500</u>	<u>3,786</u>
	<u>\$17,576</u>	<u>\$18,861</u>

During the years ended December 31, 2016 and 2015 net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors as follows:

	<b>2016</b>	<b>2015</b>
Camp Scholarships	\$44,400	\$44,194
Camp Activities	<u>5,961</u>	<u>0</u>
	<u>\$50,361</u>	<u>\$44,194</u>