

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
AND
CAMP JOHN MARC FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2017 AND 2016**

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
and CAMP JOHN MARC FOUNDATION
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December 31, 2017 and 2016**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Special Camps for Special Kids

We have audited the accompanying consolidated financial statements of Special Camps for Special Kids *dba* Camp John Marc and Camp John Marc Foundation (both nonprofit organizations) which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 audits 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 auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Special Camps for Special Kids *dba* Camp John Marc and Camp John Marc Foundation as of December 31, 2017 and 2016, and the changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 22-25 is presented for purposes of additional analysis and is not a required part of the basic 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 consolidated 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.



Salmon Sims Thomas & Associates
A Professional Limited Liability Company

May 31, 2018

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
and CAMP JOHN MARC FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 and 2016**

ASSETS

| | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|
| Cash, unrestricted | \$ 1,237,126 | \$ 804,931 |
| Cash restricted for endowment | 198,000 | 198,000 |
| Prepaid expenses and other assets | 99,181 | 77,498 |
| Investments, unrestricted | 10,256 | - |
| Investments, Board designated | 10,773,815 | 8,930,292 |
| Land held for sale | - | 408,000 |
| Property and equipment | | |
| Unrestricted property and equipment, net of accumulated depreciation | 5,517,771 | 5,766,674 |
| Temporarily restricted land | 544,666 | 544,666 |
| | <u>544,666</u> | <u>544,666</u> |
| Total Assets | <u>\$ 18,380,815</u> | <u>\$ 16,730,061</u> |

LIABILITIES AND NET ASSETS

| | | |
|----------------------------------|----------------------|----------------------|
| Liabilities: | | |
| Accounts payable | \$ 114,413 | \$ 69,088 |
| Deferred rent | 6,368 | 7,992 |
| Accrued expenses | 11,573 | 4,768 |
| | <u>132,354</u> | <u>81,848</u> |
| Total Liabilities | <u>132,354</u> | <u>81,848</u> |
| Net Assets: | | |
| <i>Unrestricted</i> | | |
| Undesignated | 6,376,485 | 6,668,028 |
| Board designated | 10,773,815 | 8,930,292 |
| Total Unrestricted | <u>17,150,300</u> | <u>15,598,320</u> |
| <i>Temporarily restricted</i> | 900,161 | 851,893 |
| <i>Permanently restricted</i> | 198,000 | 198,000 |
| | <u>198,000</u> | <u>198,000</u> |
| Total Net Assets | <u>18,248,461</u> | <u>16,648,213</u> |
| Total Liabilities and Net Assets | <u>\$ 18,380,815</u> | <u>\$ 16,730,061</u> |

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

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
and CAMP JOHN MARC FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | <u>Unrestricted</u> | Temporarily <u>Restricted</u> | Permanently <u>Restricted</u> | <u>Total</u> |
|--|--------------------------|----------------------------------|----------------------------------|--------------------------|
| Support and Revenue: | | | | |
| Contributions | \$ 391,588 | \$ 217,298 | \$ - | \$ 608,886 |
| Contributed services | 121,000 | - | - | 121,000 |
| Camp user fees | 556,925 | - | - | 556,925 |
| Special events | 1,116,921 | - | - | 1,116,921 |
| Investment return | 1,310,918 | - | - | 1,310,918 |
| | <u>3,497,352</u> | <u>217,298</u> | <u>-</u> | <u>3,714,650</u> |
| Net assets released from restrictions: | | | | |
| Satisfied by payments | 169,030 | (169,030) | - | - |
| | <u>169,030</u> | <u>(169,030)</u> | <u>-</u> | <u>-</u> |
| Total Support and Revenue | <u>3,666,382</u> | <u>48,268</u> | <u>-</u> | <u>3,714,650</u> |
| Expenses: | | | | |
| Camp operations | 1,908,302 | - | - | 1,908,302 |
| Management and general | 227,721 | - | - | 227,721 |
| Fund raising | 63,048 | - | - | 63,048 |
| | <u>63,048</u> | <u>-</u> | <u>-</u> | <u>63,048</u> |
| Total Expenses | <u>2,199,071</u> | <u>-</u> | <u>-</u> | <u>2,199,071</u> |
| Non-operating activities | | | | |
| Gain from sale of investment land | 84,669 | - | - | 84,669 |
| | <u>84,669</u> | <u>-</u> | <u>-</u> | <u>84,669</u> |
| Change in Net Assets | 1,551,980 | 48,268 | - | 1,600,248 |
| Net Assets at Beginning of Year | <u>15,598,320</u> | <u>851,893</u> | <u>198,000</u> | <u>16,648,213</u> |
| Net Assets at End of Year | <u>\$ 17,150,300</u> | <u>\$ 900,161</u> | <u>\$ 198,000</u> | <u>\$ 18,248,461</u> |

The accompanying notes are an integral part of this financial statement.

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
and CAMP JOHN MARC FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | <u>Unrestricted</u> | Temporarily <u>Restricted</u> | Permanently <u>Restricted</u> | <u>Total</u> |
|--|-------------------------|----------------------------------|----------------------------------|-------------------------|
| Support and Revenue: | | | | |
| Contributions | \$ 203,761 | \$ 397,045 | \$ - | \$ 600,806 |
| Camp user fees | 545,569 | - | - | 545,569 |
| Special events | 985,783 | - | - | 985,783 |
| Investment return | 673,530 | - | - | 673,530 |
| Other income | 4,638 | - | - | 4,638 |
| | <u>2,413,281</u> | <u>397,045</u> | <u>-</u> | <u>2,810,326</u> |
| Net assets released from restrictions: | | | | |
| Satisfied by payments | <u>320,162</u> | <u>(320,162)</u> | <u>-</u> | <u>-</u> |
| Total Support and Revenue | <u>2,733,443</u> | <u>76,883</u> | <u>-</u> | <u>2,810,326</u> |
| Expenses: | | | | |
| Camp operations | 2,033,362 | - | - | 2,033,362 |
| Management and general | 334,810 | - | - | 334,810 |
| Fund raising | 107,630 | - | - | 107,630 |
| | <u>2,475,802</u> | <u>-</u> | <u>-</u> | <u>2,475,802</u> |
| Change in Net Assets | 257,641 | 76,883 | - | 334,524 |
| Net Assets at Beginning of Year | <u>15,340,679</u> | <u>775,010</u> | <u>198,000</u> | <u>16,313,689</u> |
| Net Assets at End of Year | <u>\$15,598,320</u> | <u>\$ 851,893</u> | <u>\$ 198,000</u> | <u>\$16,648,213</u> |

The accompanying notes are an integral part of this financial statement.

**SPECIAL CAMPS FOR SPECIAL KIDS dba CAMP JOHN MARC
and CAMP JOHN MARC FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | <u>Camp Operations</u> | <u>Management & General</u> | <u>Fund Raising</u> | <u>Total</u> |
|--|----------------------------|-------------------------------------|-------------------------|---------------------|
| Salaries and wages | \$ 646,418 | \$ 61,137 | \$ 26,202 | \$ 733,757 |
| Payroll taxes | 50,172 | 4,004 | 1,716 | 55,892 |
| Employee health and retirement | 92,210 | 7,323 | 3,138 | 102,671 |
| Insurance | 73,142 | 16,451 | - | 89,593 |
| Professional fees | - | 81,603 | - | 81,603 |
| Bank and investment fees | - | 8,535 | - | 8,535 |
| Supplies | 183,752 | 1,085 | 465 | 185,302 |
| Technology | 12,753 | 3,069 | 1,315 | 17,137 |
| Postage and shipping | 1,932 | 2,007 | 580 | 4,519 |
| Occupancy | 244,799 | 22,148 | 6,640 | 273,587 |
| Equipment rental and repairs | 4,772 | 928 | - | 5,700 |
| Printing and artwork | 7,078 | 767 | 329 | 8,174 |
| Transportation costs | 51,238 | 256 | - | 51,494 |
| Conferences, conventions and meetings | 5,084 | - | - | 5,084 |
| Memberships, dues and subscriptions | 5,429 | 586 | 174 | 6,189 |
| Other office expenses | 56,420 | 17,822 | - | 74,242 |
| Special events | - | - | 22,489 | 22,489 |
| Total Expenses before Depreciation | <u>1,435,199</u> | <u>227,721</u> | <u>63,048</u> | <u>1,725,968</u> |
| Depreciation | <u>473,103</u> | <u>-</u> | <u>-</u> | <u>473,103</u> |
| Total Expenses | <u>\$ 1,908,302</u> | <u>\$ 227,721</u> | <u>\$ 63,048</u> | <u>\$ 2,199,071</u> |

The accompanying notes are an integral part of this financial statement.

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
and CAMP JOHN MARC FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | <u>Camp Operations</u> | <u>Management & General</u> | <u>Fund Raising</u> | <u>Total</u> |
|--|----------------------------|-------------------------------------|--------------------------|----------------------------|
| Salaries and wages | \$ 721,464 | \$ 163,430 | \$ 70,041 | \$ 954,935 |
| Payroll taxes | 62,381 | 23,820 | 5,911 | 92,112 |
| Employee health and retirement | 95,647 | 18,177 | 7,790 | 121,614 |
| Insurance | 94,341 | 15,942 | - | 110,283 |
| Professional fees | - | 53,497 | - | 53,497 |
| Bank and investment fees | - | 10,186 | - | 10,186 |
| Supplies | 205,038 | 6,364 | - | 211,402 |
| Technology | 13,955 | 4,771 | 2,045 | 20,771 |
| Postage and shipping | 2,671 | 1,653 | 801 | 5,125 |
| Occupancy | 217,271 | 20,246 | 6,074 | 243,591 |
| Equipment rental and repairs | 623 | 2,178 | - | 2,801 |
| Printing and artwork | 2,430 | 1,701 | 729 | 4,860 |
| Transportation costs | 43,494 | 394 | 169 | 44,057 |
| Conferences, conventions and meetings | 3,690 | 902 | - | 4,592 |
| Memberships, dues and subscriptions | - | 6,787 | - | 6,787 |
| Other office expenses | 42,545 | 4,762 | - | 47,307 |
| Special events | 60,202 | - | 14,070 | 74,272 |
| Total Expenses before Depreciation | <u>1,565,752</u> | <u>334,810</u> | <u>107,630</u> | <u>2,008,192</u> |
| Depreciation | <u>467,610</u> | <u>-</u> | <u>-</u> | <u>467,610</u> |
| Total Expenses | <u><u>\$ 2,033,362</u></u> | <u><u>\$ 334,810</u></u> | <u><u>\$ 107,630</u></u> | <u><u>\$ 2,475,802</u></u> |

The accompanying notes are an integral part of this financial statement.

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
and CAMP JOHN MARC FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|--|---------------------|-------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 1,600,248 | \$ 334,524 |
| Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 473,103 | 467,610 |
| Non cash donation - horses | - | (6,400) |
| Non cash donation - tree house | (121,000) | - |
| Gain from sale of investment land | (84,669) | - |
| Realized gain on sales of investments | (38,817) | (187,580) |
| Unrealized investment loss (gain) | (950,761) | (234,176) |
| Reinvested dividends | (319,719) | (251,109) |
| Changes in operating assets and liabilities: | | |
| Unconditional promises to give | - | 2,000 |
| Prepaid and other assets | (21,683) | 18,439 |
| Accounts payable | 45,325 | (3,752) |
| Deferred rent | (1,624) | (862) |
| Accrued expenses | 6,805 | 401 |
| Deferred compensation liability | - | (689,187) |
| Net Cash Provided (Used) by Operating Activities | <u>587,208</u> | <u>(550,092)</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (103,182) | (119,965) |
| Purchases of investments | (544,482) | (764,122) |
| Proceeds from deferred compensation trust liquidation | - | 689,187 |
| Proceeds from sales of land held for sale | 492,651 | 480,445 |
| Net Cash Provided (Used) by Investing Activities | <u>(155,013)</u> | <u>285,545</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 432,195 | (264,547) |
| Unrestricted cash at beginning of year | <u>804,931</u> | <u>1,069,478</u> |
| Unrestricted cash at end of year | <u>\$ 1,237,126</u> | <u>\$ 804,931</u> |

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

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
and CAMP JOHN MARC FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017 and 2016**

Note 1 – Organization and Summary of Significant Accounting Policies

The summary of significant accounting policies of Special Camps for Special Kids *dba* Camp John Marc (Special Camps) and Camp John Marc Foundation (Foundation) (collectively, the Organization) is presented to assist in understanding the consolidated financial statements. The consolidated financial statements and notes are representations of the Organization's management, who is responsible for the fairness and objectivity embodied in the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization

Special Camps is a not-for-profit organization qualified under Section 501(c)(3) of the Internal Revenue Code. In 1987, Special Camps was established to provide and operate camp facilities and improve the quality of life of Texas area children with chronic illnesses or major physical disabilities, while providing necessary daily medical treatment. Construction of the original camping facilities was substantially complete in May 1991. The first camping season began in June 1991.

Each year Special Camps benefits over 2,000 kids ages six to sixteen from all over the state of Texas with conditions such as spina bifida, muscular dystrophy, sickle cell anemia, hemophilia, childhood cancer, cystic fibrosis, juvenile arthritis, kidney disease, and asthma. Individual camps are illness-specific, introducing children to others dealing with the same debilitating disease as their own. Special Camps serves as a model for the national and international therapeutic camping community.

The Foundation is a not-for-profit organization qualified under Section 501(c)(3) of the Internal Revenue Code, and was created on January 28, 2004 to operate as a supporting organization (509(a)(2)) for Special Camps. The purpose of the Foundation is to hold, manage, and invest endowment funds of Special Camps, solicit contributions for Special Camps, and distribute funds and assets for the benefit of Special Camps.

Principles of Consolidation

Under the consolidation requirement per Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810-10 *Consolidation*, a not-for-profit organization must consolidate another not-for-profit organization in which it has a controlling financial interest. For this reason, Special Camps' and Foundation's statements of financial position as of December 31, 2017 and 2016, and statements of activities, functional expenses and cash flows for the years ended December 31, 2017 and 2016, have been consolidated. All transactions between the two entities were eliminated upon consolidation.

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
and CAMP JOHN MARC FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017 and 2016**

Note 1 – Organization and Summary of Significant Accounting Policies (CONTINUED)

Cash Equivalents

The Organization considers all short-term investments with an original maturity of ninety days or less to be cash equivalents. The Organization places cash, which, at times, may exceed federally insured limits with high-credit-quality institutions. The Organization has not experienced any losses on such amounts.

Investments

Investments, consisting of equity securities and mutual funds, are stated at their current market values. Equity securities are comprised of individual equity shares of publicly traded companies. Mutual funds consist of domestic government and corporate bonds, foreign bonds, domestic value and growth stocks, and foreign stocks. Investment return consists of interest and dividend income, realized gains or losses, and unrealized gains or losses. Investment income is included in unrestricted income from operations, unless restricted by the donor.

Unconditional Promises to Give

Contributions are recognized when a donor makes a pledge to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions (primarily restrictions as to purpose and/or time) are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. There was no allowance for uncollectible promises to give at December 31, 2017 and 2016.

Property and Equipment

Property and equipment are stated at cost, when purchased, or at fair value as of the date of the gift, when donated. Major expenditures and expenditures which substantially increase useful lives are capitalized. Maintenance, repairs, and replacements, which do not improve or extend the lives of the respective assets, are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed, and any gain or loss is included in operations.

Donated assets are reported as unrestricted support unless the donor has restricted the asset for 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 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

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
and CAMP JOHN MARC FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017 and 2016**

**Note 1 – Organization and Summary of Significant Accounting Policies (CONTINUED)
Property and Equipment (Continued)**

placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Depreciation and amortization are calculated using the straight-line method at rates sufficient to amortize the related costs over the estimated useful lives of the respective assets. Estimated useful lives are as follows:

| | |
|-------------------------------|---------------|
| Building and improvements | 30 years |
| Furniture and fixtures | 7 years |
| Computer and office equipment | 5 to 7 years |
| Camp facilities | 5 to 30 years |
| Horses and tack | 5 years |
| Vehicles | 5 years |

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in recording depreciation and amortization, allocation of functional expenses and realizable value of unconditional promises to give. It is at least reasonably possible that the significant estimates used will change within the next year. Actual results could vary from estimates.

Contributed Services

Management recognizes contributions of services if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been presented on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among camp operations, management and general, and fund raising.

**SPECIAL CAMPS FOR SPECIAL KIDS dba CAMP JOHN MARC
and CAMP JOHN MARC FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017 and 2016**

Note 1 – Organization and Summary of Significant Accounting Policies (CONTINUED)

Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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 asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at December 31, 2017 and 2016.

Mutual funds: Mutual funds are valued at the closing price reported in an active market in which the mutual fund is traded.

Equities: Valued at the closing price in an active market in which the equity is traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The provisions of Topic 820 did not have an impact on the Organization's nonfinancial assets and nonfinancial liabilities that are not permitted or required to be measured at fair value on a recurring basis.

Income Taxes

Special Camps is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in Section 501(c)(3) of the IRC. Special Camps has been classified as an organization that is not a private foundation under IRC Section 509(a)(2), and as such, contributions to Special Camps qualify for deductions as charitable contributions. However, income generated from activities unrelated to Special Camp's exempt purpose is subject to tax under IRC Section 511. There was no net income from unrelated business for the years ended December 31, 2017 and 2016.

**SPECIAL CAMPS FOR SPECIAL KIDS dba CAMP JOHN MARC
and CAMP JOHN MARC FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017 and 2016**

**Note 1 – Organization and Summary of Significant Accounting Policies (CONTINUED)
Income Taxes (Continued)**

The Foundation is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in Section 501(c)(3) of the IRC. The Foundation has been classified as an organization that is not a private foundation under IRC Section 509(a)(2), and as such, contributions to the Foundation qualify for deductions as charitable contributions. However, income generated from activities unrelated to the Foundation's exempt purpose is subject to tax under IRC Section 511. There was no net income from unrelated business for the years ended December 31, 2017 and 2016.

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities or accrued in the statement of financial position. Federal and state tax returns of the entity are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

Compensated Absences

Compensated absences for personal time have not been accrued since they cannot be reasonably estimated. The Organization's policy is to recognize these costs when actually paid.

Date of Management's Review

The Organization has evaluated subsequent events through May 31, 2018, which is the date the financial statements were available to be issued.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which established a comprehensive revenue recognition standard for virtually all industries under GAAP, including those that previously followed industry specific guidance such as real estate, construction and software industries. The revenue standard's core principal is built on the contract between a vendor and a customer for the provision of goods and services. It attempts to depict the exchange of rights and obligations between the parties in the pattern of revenue recognition based on the consideration to which the vendor is entitled. To accomplish this objective, the standard requires five basic steps: (1) identify the contract with the customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

**SPECIAL CAMPS FOR SPECIAL KIDS dba CAMP JOHN MARC
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017 and 2016**

**Note 1 – Organization and Summary of Significant Accounting Policies (CONTINUED)
Recent Accounting Pronouncements (Continued)**

The statement is effective for private entities for annual periods beginning after December 15, 2018. The Organization is in the process of evaluating the potential impact of ASU 2014-09 on its financial statements and it has not yet determined the method by which the standard will be adopted in 2019.

In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, as an update to Accounting Standards Codification (ASC) 230, Statement of Cash Flows. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The updated guidance will be effective for annual periods beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The new guidance should be applied on a retrospective basis. The updated guidance will result in a change in the statement of cash flow to include restricted cash and restricted cash equivalents. No other material impact is expected.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, as an update to ASC 958, Not-for-Profit Entities. This update makes several improvements to current reporting requirements that address complexities in the use of the currently required three classes of net assets and enhance required disclosures related to donor restrictions of net assets. The updated guidance will be effective for annual periods beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. The new guidance should be applied on a retrospective basis.

The updated guidance will result in a change in the classes of net assets reported on the face of the statement of financial position from three classes (unrestricted, temporarily restricted, and permanently restricted) to two classes (net assets without donor restrictions and net assets with donor restrictions). The Organization will be adopting this update in fiscal year 2018. No other material impact is expected.

The update also requires all not-for-profit entities to report expenses by function and by natural classification, either on the face of the financial statements or in the footnotes. Additional qualitative information about the methods used to allocate costs is also required to be disclosed. The updated guidance will be effective for annual periods beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. The new guidance should be applied on a retrospective basis. The Organization has already adopted this update. No other material impact is expected.

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
and CAMP JOHN MARC FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017 and 2016**

Note 2 – Investments

Investments are stated at fair value as of December 31, 2017 and 2016 and consisted of the following:

| | <u>Cost</u> | <u>Fair Value</u> | <u>Unrealized Appreciation</u> |
|-------------------------------|--------------------|---------------------|--------------------------------|
| 2017 | | | |
| Professionally managed funds: | | | |
| Equity mutual funds | \$3,995,597 | \$6,808,000 | \$ 2,812,403 |
| Fixed income mutual funds | <u>4,047,522</u> | <u>3,976,071</u> | <u>(71,451)</u> |
| | <u>\$8,043,119</u> | <u>\$10,784,071</u> | <u>\$ 2,740,952</u> |
| 2016 | | | |
| Professionally managed funds: | | | |
| Equity mutual funds | \$3,588,050 | \$5,478,967 | \$ 1,890,919 |
| Fixed income mutual funds | <u>3,552,833</u> | <u>3,451,325</u> | <u>(101,508)</u> |
| | <u>\$7,140,883</u> | <u>\$8,930,292</u> | <u>\$ 1,789,411</u> |

Investment return is summarized as follows:

| | | |
|-----------------|-------------------------|---------------------|
| 2017 | | |
| Interest income | | \$ 1,621 |
| Dividend income | | 319,719 |
| Realized gains | | 38,817 |
| Unrealized gain | | <u>950,761</u> |
| | Total investment return | <u>\$ 1,310,918</u> |
| 2016 | | |
| Interest income | | \$ 665 |
| Dividend income | | 240,081 |
| Realized gains | | 187,580 |
| Unrealized gain | | <u>245,204</u> |
| | Total investment return | <u>\$ 673,530</u> |

Land Held for Sale

In 2015, the Organization was a fifty percent beneficiary to a donated piece of land in Bosque County, Texas from the Estate of William Clarke. As of December 31, 2016, the value of the Organization's fifty percent stake was \$408,000. In January 2017, the Organization sold their entire fifty percent stake in the land for \$492,669 realizing a gain of \$84,669.

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
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Note 3 – Operating Leases

In January 2015, the Organization signed an agreement for its office space. The lease requires monthly payments of \$3,048 escalating to \$3,302 by year 2020. The lease will expire in March 2020.

Future minimum lease payments under the noncancellable leases are approximately as follows:
Year ending December 31,

| | | |
|------|----|--------|
| 2018 | \$ | 38,700 |
| 2019 | | 39,400 |
| 2020 | | 9,900 |
| 2021 | | - |

Note 4 – Property and Equipment

Property and equipment at December 31, 2017 and 2016 consisted of the following:

| | <u>2017</u> | <u>2016</u> |
|---|---------------------|---------------------|
| Unrestricted property and equipment: | | |
| Land and land improvements | \$ 538,564 | \$ 538,564 |
| Buildings | 10,577,877 | 10,382,770 |
| Camp program facilities | 643,292 | 643,292 |
| Fixtures, furnishings, and equipment | 1,702,751 | 1,679,314 |
| Access roads | 67,147 | 67,147 |
| Vehicles | 72,882 | 72,882 |
| Horses and tack | <u>43,420</u> | <u>41,920</u> |
| | 13,645,933 | 13,425,889 |
| Accumulated depreciation | <u>(8,128,162)</u> | <u>(7,659,215)</u> |
| Net unrestricted property and equipment | 5,517,771 | 5,766,674 |
| Temporarily restricted land | <u>544,666</u> | <u>544,666</u> |
| | <u>\$ 6,062,437</u> | <u>\$ 6,311,340</u> |

Note 5 – Board Designated Net Assets

The Board of Directors has designated certain investments as an endowment fund. These investments are held in separate bank and investment accounts.

Board designations do not meet the criteria for being classified as restricted net assets. Board designations are not donor-imposed restrictions and are subject to change at the Board's discretion.

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
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Note 5 – Board Designated Net Assets (Continued)

Board restricted net assets are available for the following purpose as of December 31, 2017 and 2016:

| | <u>2017</u> | <u>2016</u> |
|----------------------|--------------|-------------|
| Foundation endowment | \$10,773,815 | \$8,930,292 |

Note 6 – Temporarily Restricted Net Assets

Temporarily restricted net assets are available to fund capital projects, or for subsequent periods. Net assets are released from donor restrictions by incurring capital expenditures relating to the donors' original purpose, or the expiration of time restrictions.

Temporarily restricted net assets are available for the following purposes or periods as of December 31, 2017 and 2016:

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------|-------------------|-------------------|
| Live Oak campaign | \$ 39,545 | \$ 50,041 |
| Donated land | 544,666 | 544,666 |
| Subsequent periods | 176,893 | 105,526 |
| Our House | 83,907 | 94,510 |
| Scholarships | 55,150 | 57,150 |
| Temporarily Restricted Net Assets | <u>\$ 900,161</u> | <u>\$ 851,893</u> |

Special Camps has land that was donated in 1987 with an original value of \$544,666 that is temporarily restricted until the year 2086 for the use of Special Camps. Otherwise, the land must be given to the Texas Scottish Rite Hospital for Children.

Temporarily restricted net assets released from restriction for the years ended December 31, 2017 and 2016 were as follows:

| | <u>2017</u> | <u>2016</u> |
|--------------------|-------------------|-------------------|
| Live Oak campaign | \$ 49,901 | \$ 38,470 |
| Subsequent periods | 105,526 | 170,884 |
| Camping | 10,603 | 25,631 |
| Scholarships | 3,000 | 3,850 |
| Other | - | 81,327 |
| | <u>\$ 169,030</u> | <u>\$ 320,162</u> |

**SPECIAL CAMPS FOR SPECIAL KIDS dba CAMP JOHN MARC
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Note 7 – Permanently Restricted Net Assets

Net assets of \$198,000 are permanently restricted to establish an endowment fund for Special Camps. Earnings from endowments may be used to fund operations of Special Camps. (See Note 9 for more information on endowments.)

Note 8 – Retirement Plans

In 2003, Special Camps established a 403(b)(7) defined contribution plan (Plan). The Plan covers all eligible employees, as defined. Under the Plan, employees can contribute a portion of their pre-tax compensation. The Foundation contributed \$32,300 and \$31,945 in to the Plan for the years ended December 31, 2017 and 2016, respectively.

In 2003, Special Camps approved an employment agreement (Agreement) with its former Executive Director (Employee). The Agreement was a non-qualified deferred compensation plan as described in subsection (f) of Section 457 of the Internal Revenue Code. Under the Agreement, Special Camps contributed a discretionary amount annually (as determined by the Executive Committee of Special Camps), through the date of the Employee's termination of service, to a rabbi trust (Trust) established by Special Camps. The Trust invested in stocks and bonds. Upon termination of service, the Employee became 100% vested in all contributions to the Trust. The Trust was liquidated in 2016 and all proceeds were paid to the employee.

Note 9 – Endowments

Effective January 1, 2008, the Organization adopted the provisions of FASB guidance related to, *Endowments for Non-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*. This position provides guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and also required disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Organization's endowments were established to support Special Camps and include both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with the endowment funds, including funds designated by the Board, are classified and reported based on the existence or absence of donor-imposed restrictions

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
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Note 9 – Endowments (Continued)

Interpretation of Relevant Law

The Board of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act of 2007 (the Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Act. In accordance with the Act, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Changes in endowment net assets for the year ended December 31, 2017 were as follows:

| | <u>Unrestricted</u> | <u>Temporarily restricted</u> | <u>Permanently restricted</u> | <u>Total</u> |
|---|----------------------|-----------------------------------|-----------------------------------|----------------------|
| Endowment net assets, beginning of year | \$ 8,930,292 | \$ - | \$ 198,000 | \$ 9,128,292 |
| Contributions | 551,643 | - | - | 551,643 |
| Investment Income | 356,923 | - | - | 356,923 |
| Realized and unrealized gain | 951,542 | - | - | 951,542 |
| Expenses | (16,585) | - | - | (16,585) |
| Endowment net assets, end of year | <u>\$ 10,773,815</u> | <u>\$ -</u> | <u>\$ 198,000</u> | <u>\$ 10,971,815</u> |

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
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Note 9 – Endowments (Continued)

Changes in endowment net assets for the year ended December 31, 2016 were as follows:

| | <u>Unrestricted</u> | <u>Temporarily restricted</u> | <u>Permanently restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|---------------------|
| Endowment net assets, beginning of year | \$ 7,964,646 | \$ - | \$ 198,000 | \$ 8,162,646 |
| Contributions | 350,000 | - | - | 350,000 |
| Investment Income | 240,081 | - | - | 240,081 |
| Realized and unrealized gain | 379,168 | - | - | 379,168 |
| Expenses | (3,603) | - | - | (3,603) |
| Endowment net assets, end of year | <u>\$ 8,930,292</u> | <u>\$ -</u> | <u>\$ 198,000</u> | <u>\$ 9,128,292</u> |

Funds with Deficiencies

There were no endowment funds with deficiencies.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the principal of the endowment assets. Endowment assets include those assets of donor-restricted funds as well as board designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner in diverse investments without a target return other than earning the highest rate of return without undue risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Organization invests only in publicly traded mutual funds of a diversified mix, with 40% in fixed income and 60% in equity investments.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Organization has a policy of appropriating for distribution funds on a need basis each year. In establishing these policies, the Organization considered the expected return on its endowment.

**SPECIAL CAMPS FOR SPECIAL KIDS *dba* CAMP JOHN MARC
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December 31, 2017 and 2016**

Note 10 – Fair Value Measurements

Fair values of assets measured on a recurring basis at December 31, 2017 and 2016 are as follows:

| | Fair Value Measurements at Reporting Date Using: | | | |
|---------------------------|---|--|--|-------------|
| <u>Fair Value</u> | <u>Quoted Prices in Active markets for Identical Assets/Liabilities (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> | |
| December 31, 2017 | | | | |
| Equity mutual funds | \$ 6,797,744 | \$ 6,797,744 | \$ - | \$ - |
| Fixed income mutual funds | <u>3,976,071</u> | <u>3,976,071</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 10,773,815</u> | <u>\$ 10,773,815</u> | <u>\$ -</u> | <u>\$ -</u> |
| December 31, 2016 | | | | |
| Equity mutual funds | \$ 5,478,967 | \$ 5,478,967 | \$ - | \$ - |
| Fixed income mutual funds | <u>3,451,325</u> | <u>3,451,325</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 8,930,292</u> | <u>\$ 8,930,292</u> | <u>\$ -</u> | <u>\$ -</u> |

Note 11 – Related Party Transactions

The Organization purchased insurance from an entity managed by a board member. Total amounts paid to the entity were approximately \$70,035 and \$40,259 during the years ending in December 31, 2017 and 2016, respectively.

During 2017, the Organization contracted with an entity owned by a board member to construct a tree house. Total amount paid to the entity was \$61,107.

Special Camps utilized interior design services from an entity owned by a board member for the completion of certain camp facilities. Total amounts paid to the entity were approximately \$2,155 and \$5,620 during the years ending in December 31, 2017 and 2016, respectively.

SUPPLEMENTARY INFORMATION

SPECIAL CAMPS FOR SPECIAL KIDS
dba CAMP JOHN MARC AND CAMP JOHN MARC FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

| | Special Camps for Special Kids <i>dba</i> Camp John Marc | Camp John Marc Foundation | Reclassifications and Eliminations | Total |
|---|--|---------------------------------|--|----------------------|
| Assets | | | | |
| Cash, unrestricted | \$ 1,237,126 | \$ - | \$ - | \$ 1,237,126 |
| Cash restricted for endowment | 198,000 | - | - | 198,000 |
| Prepaid expenses and other assets | 93,770 | 5,411 | - | 99,181 |
| Investments, unrestricted | 10,256 | - | - | 10,256 |
| Investments, Board designated | - | 10,773,815 | - | 10,773,815 |
| Property and equipment | | | | |
| Unrestricted property and equipment, net of accumulated depreciation | 5,517,771 | - | - | 5,517,771 |
| Temporarily restricted land | 544,666 | - | - | 544,666 |
| Total Assets | <u>\$ 7,601,589</u> | <u>\$ 10,779,226</u> | <u>\$ -</u> | <u>\$ 18,380,815</u> |
| Liabilities and Net Assets | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 114,413 | \$ - | \$ - | \$ 114,413 |
| Deferred rent | 6,368 | - | - | 6,368 |
| Accrued expenses | 11,573 | - | - | 11,573 |
| Total Liabilities | <u>132,354</u> | <u>-</u> | <u>-</u> | <u>132,354</u> |
| Net Assets: | | | | |
| Unrestricted | 6,371,074 | 10,779,226 | - | 17,150,300 |
| Temporarily restricted | 900,161 | - | - | 900,161 |
| Permanently restricted | 198,000 | - | - | 198,000 |
| Total Net Assets | <u>7,469,235</u> | <u>10,779,226</u> | <u>-</u> | <u>18,248,461</u> |
| Total Liabilities and Net Assets | <u>\$ 7,601,589</u> | <u>\$ 10,779,226</u> | <u>\$ -</u> | <u>\$ 18,380,815</u> |

See Independent Auditors' Report.

SPECIAL CAMPS FOR SPECIAL KIDS
dba CAMP JOHN MARC AND CAMP JOHN MARC FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

| | Special Camps for Special Kids <i>dba</i> Camp John Marc | Camp John Marc Foundation | Reclassifications and Eliminations | Total |
|---|--|---------------------------------|--|----------------------|
| Assets | | | | |
| Cash, unrestricted | \$ 804,931 | \$ - | \$ - | \$ 804,931 |
| Cash restricted for endowment | 198,000 | - | - | 198,000 |
| Prepaid expenses and other assets | 72,299 | 5,199 | - | 77,498 |
| Investments, Board designated | - | 8,930,292 | - | 8,930,292 |
| Land held for sale | 408,000 | - | - | 408,000 |
| Property and equipment | | | | |
| Unrestricted property and equipment, net of accumulated depreciation | 5,766,674 | - | - | 5,766,674 |
| Temporarily restricted land | 544,666 | - | - | 544,666 |
| Total Assets | <u>\$ 7,794,570</u> | <u>\$ 8,935,491</u> | <u>\$ -</u> | <u>\$ 16,730,061</u> |
| Liabilities and Net Assets | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 62,851 | 6,237 | \$ - | \$ 69,088 |
| Deferred rent | 7,992 | - | - | 7,992 |
| Accrued expenses | 4,768 | - | - | 4,768 |
| Total Liabilities | <u>75,611</u> | <u>6,237</u> | <u>-</u> | <u>81,848</u> |
| Net Assets | | | | |
| Unrestricted | 6,669,066 | 8,929,254 | - | 15,598,320 |
| Temporarily restricted | 851,893 | - | - | 851,893 |
| Permanently restricted | 198,000 | - | - | 198,000 |
| Total Net Assets | <u>7,718,959</u> | <u>8,929,254</u> | <u>-</u> | <u>16,648,213</u> |
| Total Liabilities and Net Assets | <u>\$ 7,794,570</u> | <u>\$ 8,935,491</u> | <u>\$ -</u> | <u>\$ 16,730,061</u> |

See Independent Auditors' Report.

SPECIAL CAMPS FOR SPECIAL KIDS
dba CAMP JOHN MARC AND CAMP JOHN MARC FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

| Unrestricted | Special Camps for Special Kids <i>dba</i> Camp John Marc | Camp John Marc Foundation | Reclassifications and Eliminations | Total |
|---|--|---------------------------------|--|----------------------|
| Support and revenue: | | | | |
| Contributions | \$ 340,045 | \$ 551,643 | \$ (500,100) | \$ 391,588 |
| Contributed services | 121,000 | - | - | 121,000 |
| Camp user fees | 556,925 | - | - | 556,925 |
| Special events | 1,116,921 | - | - | 1,116,921 |
| Investment return | 2,453 | 1,308,465 | - | 1,310,918 |
| | <u>2,137,344</u> | <u>1,860,108</u> | <u>(500,100)</u> | <u>3,497,352</u> |
| Net assets released from restriction | 169,030 | - | - | 169,030 |
| Total Support and Revenue | <u>2,306,374</u> | <u>1,860,108</u> | <u>(500,100)</u> | <u>3,666,382</u> |
| Expenses: | | | | |
| Camp operations | 1,908,302 | - | - | 1,908,302 |
| Management and general | 717,686 | 10,135 | (500,100) | 227,721 |
| Fund raising | 63,048 | - | - | 63,048 |
| | <u>2,689,036</u> | <u>10,135</u> | <u>(500,100)</u> | <u>2,199,071</u> |
| Change in unrestricted Net Assets | <u>(382,662)</u> | <u>1,849,973</u> | <u>-</u> | <u>1,467,311</u> |
| Temporarily Restricted Net Assets | | | | |
| Contributions | 217,298 | - | - | 217,298 |
| Net assets released from restriction | <u>(169,030)</u> | <u>-</u> | <u>-</u> | <u>(169,030)</u> |
| Change in temporarily restricted net assets | <u>48,268</u> | <u>-</u> | <u>-</u> | <u>48,268</u> |
| Non-operating activities | | | | |
| Gain from sale of investment land | <u>84,669</u> | <u>-</u> | <u>-</u> | <u>84,669</u> |
| Change in net assets | (249,725) | 1,849,973 | - | 1,600,248 |
| Net Assets at Beginning of Year | <u>7,718,960</u> | <u>8,929,253</u> | <u>-</u> | <u>16,648,213</u> |
| Net Assets at End of Year | <u>\$ 7,469,235</u> | <u>\$ 10,779,226</u> | <u>\$ -</u> | <u>\$ 18,248,461</u> |

See Independent Auditors' Report.

SPECIAL CAMPS FOR SPECIAL KIDS
dba CAMP JOHN MARC AND CAMP JOHN MARC FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

| Unrestricted | Special Camps for Special Kids <i>dba</i> Camp John Marc | Camp John Marc Foundation | Reclassifications and Eliminations | Total |
|---|--|---------------------------------|--|----------------------|
| Support and revenue: | | | | |
| Contributions | \$ 203,761 | \$ 350,000 | \$ (350,000) | \$ 203,761 |
| Camp user fees | 545,569 | - | - | 545,569 |
| Special events | 985,783 | - | - | 985,783 |
| Investment return | 54,280 | 619,250 | - | 673,530 |
| Other income | 4,638 | - | - | 4,638 |
| | <u>1,794,031</u> | <u>969,250</u> | <u>(350,000)</u> | <u>2,413,281</u> |
| Net assets released from restriction | 320,162 | - | - | 320,162 |
| Total Support and Revenue | <u>2,114,193</u> | <u>969,250</u> | <u>(350,000)</u> | <u>2,733,443</u> |
| Expenses: | | | | |
| Camp operations | 2,033,362 | - | - | 2,033,362 |
| Management and general | 675,179 | 9,631 | (350,000) | 334,810 |
| Fund raising | 107,630 | - | - | 107,630 |
| | <u>2,816,171</u> | <u>9,631</u> | <u>(350,000)</u> | <u>2,475,802</u> |
| Change in unrestricted Net Assets | <u>(701,978)</u> | <u>959,619</u> | <u>-</u> | <u>257,641</u> |
| Temporarily Restricted Net Assets | | | | |
| Contributions | 397,045 | - | - | 397,045 |
| Net assets released from restriction | <u>(320,162)</u> | <u>-</u> | <u>-</u> | <u>(320,162)</u> |
| Change in temporarily restricted net assets | <u>76,883</u> | <u>-</u> | <u>-</u> | <u>76,883</u> |
| Change in net assets | (625,095) | 959,619 | - | 334,524 |
| Net Assets at Beginning of Year | <u>8,344,055</u> | <u>7,969,634</u> | <u>-</u> | <u>16,313,689</u> |
| Net Assets at End of Year | <u>\$ 7,718,960</u> | <u>\$ 8,929,253</u> | <u>\$ -</u> | <u>\$ 16,648,213</u> |

See Independent Auditors' Report.