

CAMPERSHIPS FOR NEBAGAMON, INC.

AUDITED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014**

CAMPERSHIPS FOR NEBAGAMON, INC.
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Page Number</u>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes to Financial Statements	7 - 10



Patrick W. Romenesko, S.C.

CERTIFIED PUBLIC ACCOUNTANT

1001 Host Drive • P.O. Box 508 • Lake Geneva, Wisconsin 53147
Telephone 262/248-0220 • Facsimile 262/248-8429

Independent Auditor's Report

To the Board of Directors
Camperships for Nebagamon, Inc.
East Troy, Wisconsin

I have audited the accompanying financial statements of the Camperships for Nebagamon, Inc. which comprise the statements of net assets as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Camperships for Nebagamon, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Patrick W. Romenesko, S.C.

PATRICK W. ROMENESKO, S.C.
CERTIFIED PUBLIC ACCOUNTANT

Lake Geneva, Wisconsin
August 30, 2016

CAMPERSHIPS FOR NEBAGAMON, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Petty cash fund	\$ 300	\$ 300
Cash and cash equivalents	165,372	115,706
Cash and investments	1,563,867	1,745,691
Accrued interest receivable	-	1,101
Cash value of life insurance policy	<u>34,787</u>	<u>35,898</u>
Total assets	<u><u>1,764,326</u></u>	<u><u>1,898,696</u></u>
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts payable	<u>1,244</u>	<u>1,365</u>
Net Assets:		
Unrestricted:		
Available for program and supporting activities	378,636	553,825
Temporarily restricted	<u>1,384,446</u>	<u>1,343,506</u>
Total net assets	<u>1,763,082</u>	<u>1,897,331</u>
Total Liabilities and Net Assets	<u><u>\$ 1,764,326</u></u>	<u><u>\$ 1,898,696</u></u>

See accompanying notes to financial statements.

CAMPERSHIPS FOR NEBAGAMON, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<u>Revenues</u>						
Contributions	\$ 146,943	\$ -	\$ 146,943	\$ 109,578	\$ -	\$ 109,578
Fundraising income	27,002	-	27,002	29,016	-	29,016
Investment income	70,503	38,809	109,312	49,655	26,453	76,108
Unrealized losses on investments	(210,171)	-	(210,171)	(20,759)	-	(20,759)
Gain on sale of investments	3,870	2,131	6,001	5,753	3,020	8,773
Total revenues	<u>38,147</u>	<u>40,940</u>	<u>79,087</u>	<u>173,243</u>	<u>29,473</u>	<u>202,716</u>
<u>Expenses</u>						
Program services - camperships paid	178,191	-	178,191	187,233	-	187,233
Cost of fundraising activities	485	-	485	1,941	-	1,941
Management and general	33,549	-	33,549	28,925	-	28,925
Decrease in cash value of life insurance	1,111	-	1,111	1,111	-	1,111
Total expenses	<u>213,336</u>	<u>-</u>	<u>213,336</u>	<u>219,210</u>	<u>-</u>	<u>219,210</u>
Change in net assets	(175,189)	40,940	(134,249)	(45,967)	29,473	(16,494)
Net assets, beginning of year	<u>553,825</u>	<u>1,343,506</u>	<u>1,897,331</u>	<u>599,792</u>	<u>1,314,033</u>	<u>1,913,825</u>
Net assets, end of year	<u>\$ 378,636</u>	<u>\$ 1,384,446</u>	<u>\$ 1,763,082</u>	<u>\$ 553,825</u>	<u>\$ 1,343,506</u>	<u>\$ 1,897,331</u>

See accompanying notes to financial statements.

CAMPERSHIPS FOR NEBAGAMON, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>Cash Flows from Operating Activities:</u>		
Change in net assets	\$ (134,249)	\$ (16,494)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized losses on investments	210,171	20,759
Decrease in cash value of life insurance	1,111	1,111
Decrease in other assets:		
Accrued interest receivable	1,101	736
Decrease in liabilities:		
Accounts payable	<u>(121)</u>	<u>(1,769)</u>
Net cash provided by operating activities	<u>78,013</u>	<u>4,343</u>
<u>Cash Flows from Investing Activities:</u>		
Net purchase of investments	<u>(28,347)</u>	<u>(26,747)</u>
Change in cash and cash equivalents	49,666	(22,404)
Cash and cash equivalents - beginning of year	<u>116,006</u>	<u>138,410</u>
Cash and cash equivalents - end of year	<u><u>\$ 165,672</u></u>	<u><u>\$ 116,006</u></u>

See accompanying notes to financial statements.

CAMPERSHIPS FOR NEBAGAMON, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015				2014			
	Program	Supporting Services		Total	Program	Supporting Services		Total
	Services Camperships	Fundraising Activities	Management and General		Services Camperships	Fundraising Activities	Management and General	
Camperships paid	\$ 178,191	\$ -	\$ -	\$ 178,191	\$ 187,233	\$ -	\$ -	\$ 187,233
Auditing fees	-	-	2,950	2,950	-	-	2,960	2,960
Computer support	-	-	3,994	3,994	-	-	1,543	1,543
Printing, design and supplies	-	485	4,317	4,802	-	1,941	3,998	5,939
Office administration	-	-	5,117	5,117	-	-	4,743	4,743
Office supplies and expense	-	-	4,165	4,165	-	-	3,119	3,119
Filing fees	-	-	125	125	-	-	125	125
Merchant/processing fees	-	-	821	821	-	-	-	-
Investment management fees	-	-	12,060	12,060	-	-	12,437	12,437
Decrease in cash value of life insurance	-	-	1,111	1,111	-	-	1,111	1,111
Total expenses	\$ 178,191	\$ 485	\$ 34,660	\$ 213,336	\$ 187,233	\$ 1,941	\$ 30,036	\$ 219,210

See accompanying notes to financial statements.

CAMPERSHIPS FOR NEBAGAMON, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 1 - Summary Of Significant Accounting Policies

Nature of Operations - Camperships for Nebagamon, Inc. (the Organization) was established to assist needy children in attending summer camp by underwriting the expenses of their camp stays.

Basis of Accounting - The Organization's financial statements are prepared on the accrual basis of accounting.

Income Taxes - The Organization is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization accounts for uncertainties in accounting for income taxes using the guidance provided for in FASB Accounting Standards Codification Topic 740, *Income Taxes*. The Organization has evaluated its income tax positions and determined that all positions taken are more likely than not of being sustained. Tax years ending December 31, 2012 and after are currently open to potential audits.

Cash and Investments - Investments are stated at fair value. For purposes of financial statement reporting and the statement of cash flows, the Organization considers its petty cash fund and brokerage account cash balance as cash and cash equivalents.

Net Assets Classifications - Net assets, revenues and expenses are classified based on existence or absence of donor-imposed restrictions. Therefore, the net assets of the Organization and related changes are classified as follows:

Unrestricted net assets - Net assets that are not subject to any donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Organization or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Organization. Generally, the donors permit the Organization to use all or part of the income earned for either general or donor-specified purposes. The Organization does not report any permanently restricted assets.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Note 2 - Investments

The fair value of the Organization's investments at December 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Common stocks	\$ 104,312	\$ 119,166
Mutual funds	1,459,555	1,525,369
Corporate bonds and notes	- - -	101,156
Totals	<u>\$ 1,563,867</u>	<u>\$ 1,745,691</u>

Note 3 - Fair Value Measurement

FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* ("ASC 820") provides the framework for measuring and reporting fair value. The fair value framework provides a 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 three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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 maximize the use of observable inputs and minimize the use of unobservable inputs.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Note 3 - Fair Value Measurement - Continued

The significance of transfers between levels was evaluated based on the nature of the financial instrument and size of the transfer relative to total net assets. For the years ended December 31, 2015 and 2014, there were no significant transfers in or out of Levels 1, 2 or 3.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies from December 31, 2014.

Securities listed on national and international exchanges are principally valued at the regular trading session closing price on the exchange or market in which such securities are principally traded on the last business day or each period presented using the market approach.

Government obligations (including those loaned under securities lending program) are valued on the basis of evaluated prices provided by independent pricing services.

Corporate obligations, pooled mortgage backed securities, and other fixed income securities are valued on the basis of evaluated prices provided by independent pricing services.

Investments in common collective trusts are generally valued using the market approach on the basis of the relative interest of each participating investor (including each participant) in the fair value of the underlying net assets of each of the respective common collective trusts.

The valuation methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are 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 following tables set forth by level, within the fair value hierarchy, the Organization's assets and liabilities as of December 31, 2015 and 2014. As required by FASB ASC 820, assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Assets measured at fair value on a recurring basis as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 165,372	\$ - - -	\$ - - -	\$ 165,372
Common and preferred stocks	- - -	104,312	- - -	104,312
Mutual funds	- - -	1,459,555	- - -	1,459,555
Total assets at fair value	<u>\$ 165,372</u>	<u>\$ 1,563,867</u>	<u>\$ - - -</u>	<u>\$ 1,729,239</u>

	Assets measured at fair value on a recurring basis as of December 31, 2014			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 115,706	\$ - - -	\$ - - -	\$ 115,706
Common and preferred stocks	- - -	119,166	- - -	119,166
Mutual funds	- - -	1,525,369	- - -	1,525,369
Corporate bonds and notes	- - -	101,156	- - -	101,156
Total assets at fair value	<u>\$ 115,706</u>	<u>\$ 1,745,691</u>	<u>\$ - - -</u>	<u>\$ 1,861,397</u>

Note 4 - Life Insurance Policy

The Organization is the owner and beneficiary of an insurance policy on the life of a key member of the board of directors. The policy had cash values of \$34,787 and \$35,898 at December 31, 2015 and 2014, respectively. The base death benefit of the policy is \$100,000.

Note 5 - Temporarily Restricted Net Assets

The board of directors adopted a resolution effective December 31, 2005 recognizing and temporarily restricting the Muggs and Janet Lorber Endowment Fund in the amount of \$1,100,000. The fund's corpus is adjusted for one-half of its investments earnings or losses and the remaining one-half may be used for the award of camperships to approved campers or for operating expenses of the Organization. The principal of the fund may only be spent upon approval of the board of directors. The endowment balances at December 31, 2015 and 2014 were \$1,384,446 and \$1,343,506, respectively.

Note 6 - Subsequent Events

Management has evaluated the need for disclosure or recording of transactions resulting from subsequent events through August 30, 2016, the date the financial statements were available to be issued; and concluded there were no matters to be disclosed.