

KOSTOPULOS DREAM FOUNDATION / CAMP KOSTOPULOS, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2018 and 2017

AND

INDEPENDENT AUDITOR'S REPORT

KOSTOPULOS DREAM FOUNDATION / CAMP KOSTOPULOS, INC.

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities and Net Assets	3
Statements of Cash Flows	4
Statements of Functional Expenses	5-6
Notes to Financial Statements	7-10

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Kostopulos Dream Foundation / Camp Kostopulos, Inc.

I have audited the accompanying financial statements of the Kostopulos Dream Foundation / Camp Kostopulos, Inc. (a nonprofit corporation), which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities and 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 the 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 audit 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 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 Kostopulos Dream Foundation / Camp Kostopulos, Inc. as of September 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

David T. Thomson, CPA

Salt Lake City, Utah
January 10, 2019

KOSTOPULOS DREAM FOUNDATION / CAMP KOSTOPULOS, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2018 and 2017

ASSETS	2018	2017
Cash and cash equivalents	\$ 592,639	\$ 941,762
Accounts and contributions, net	116,031	85,432
Federal and State Grants receivable	279,631	522,656
Other receivables	7,351	12,879
Prepaid expenses	564	100
Fixed assets, at cost, less accumulated depreciation of \$2,008,639 and \$1,846,368 for September 30, 2018 and 2017	3,660,086	2,939,906
Construction in progress	<u>24,304</u>	<u>14,811</u>
 Total assets	 <u>\$ 4,680,606</u>	 <u>\$ 4,517,546</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 26,463	\$ 6,649
Accrued liabilities	<u>137,057</u>	<u>106,046</u>
 Total liabilities	 <u>163,520</u>	 <u>112,695</u>
Net assets		
Unrestricted	4,237,455	3,882,195
Temporarily restricted	<u>279,631</u>	<u>522,656</u>
 Total net assets	 <u>4,517,086</u>	 <u>4,404,851</u>
 Total liabilities and net assets	 <u>\$ 4,680,606</u>	 <u>\$ 4,517,546</u>

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

KOSTOPULOS DREAM FOUNDATION / CAMP KOSTOPULOS, INC.
STATEMENTS OF ACTIVITIES AND NET ASSETS
Years Ended September 30, 2018 and 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public Support and Revenues						
Public Support						
United Way of the Great Salt Lake Area	\$ 10,945	\$ -	\$ 10,945	\$ 19,055	\$ -	\$ 19,055
United Way of Northern Utah	-	-	-	54	-	54
Fundraising activities	271,737	-	271,737	313,751	-	313,751
State and Federal Grants	-	-	-	-	548,906	548,906
State Contracts for Services	415,451	-	415,451	376,101	-	376,101
Foundations and Corporations	269,681	-	269,681	368,750	-	368,750
Contributions	24,547	-	24,547	32,320	-	32,320
Contributed services, materials and securities	486,681	-	486,681	739,467	-	739,467
Total Public Support	1,479,042	-	1,479,042	1,849,498	548,906	2,398,404
Revenue						
Program service fees	520,988	-	520,988	345,977	-	345,977
Facilities rental income	29,113	-	29,113	155,805	-	155,805
Miscellaneous	10,252	-	10,252	1,634	-	1,634
Interest and dividend income	773	-	773	734	-	734
Gain (loss) on assets sale or disposal	5,142	-	5,142	360	-	360
Total revenue	566,268	-	566,268	504,510	-	504,510
Total public support and revenue	2,045,310	-	2,045,310	2,354,008	548,906	2,902,914
Net assets released from restrictions						
Satisfaction of grant restrictions	243,025	(243,025)	-	26,250	(26,250)	-
Total net assets released from restrictions	243,025	(243,025)	-	26,250	(26,250)	-
Total public support, revenue and other support	2,288,335	(243,025)	2,045,310	2,380,258	522,656	2,902,914
EXPENSES						
Program services						
Community based recreation	485,748	-	485,748	652,017	-	652,017
Camp	1,163,909	-	1,163,909	1,241,964	-	1,241,964
Equestrian	146,317	-	146,317	186,099	-	186,099
Total program services	1,795,974	-	1,795,974	2,080,080	-	2,080,080
Supporting services						
Fund raising	56,698	-	56,698	47,803	-	47,803
Administration and general	80,403	-	80,403	68,953	-	68,953
Total supporting services:	137,101	-	137,101	116,756	-	116,756
Total expenses	1,933,075	-	1,933,075	2,196,836	-	2,196,836
Change in net assets	355,260	(243,025)	112,235	183,422	522,656	706,078
Net assets - beginning of year	3,882,195	522,656	4,404,851	3,698,773	-	3,698,773
Net assets - end of year	\$ 4,237,455	\$ 279,631	\$ 4,517,086	\$ 3,882,195	\$ 522,656	\$ 4,404,851

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

KOSTOPULOS DREAM FOUNDATION / CAMP KOSTOPULOS, INC.
STATEMENTS OF CASH FLOWS
Years Ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Change in net assets	\$ 112,235	\$ 706,078
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	176,126	151,105
Loss or (gain) on assets sale or disposal	(5,142)	(360)
Noncash contributed fixed assets and construction in progress	(247,333)	(108,401)
Changes in operating assets and liabilities		
Accounts receivables	(30,599)	(43,410)
Federal and State grants receivable	243,025	(522,656)
Other receivables	5,528	(5,054)
Prepaid expenses	(464)	2,055
Accounts payable and accrued expenses	<u>50,825</u>	<u>10,166</u>
 Net cash provided by operating activities:	 <u>304,201</u>	 <u>189,523</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Cash from sale of fixed assets	5,142	1,665
Construction in progress	(2,867)	(402)
Purchase of fixed assets	<u>(655,599)</u>	<u>(177,737)</u>
 Net cash (used) by investing activities	 <u>(653,324)</u>	 <u>(176,474)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	 <u>-</u>	 <u>-</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (349,123)	 13,049
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>941,762</u>	<u>928,713</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 592,639</u>	 <u>\$ 941,762</u>
 SUPPLEMENTAL DATA:		
Noncash investing activities	<u>\$ 247,333</u>	<u>\$ 108,401</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

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

KOSTOPULOS DREAM FOUNDATION / CAMP KOSTOPULOS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2017

	Program Services			Supporting Services		2017 Total Expenses
	Community Based Recreation	Camp	Equestrian	Fund Raising	Administration and General	
Salaries	\$ 283,389	\$ 369,506	\$ 86,310	\$ 13,114	\$ 59,858	\$ 812,177
Employee benefits	14,789	17,874	3,910	527	2,618	39,718
Payroll taxes	24,841	28,731	7,831	894	4,022	66,319
Total employee expenses	323,019	416,111	98,051	14,535	66,498	918,214
Professional fees	1,634	2,450	545	408	701	5,738
Insurance	15,791	24,815	4,512	-	-	45,118
Occupancy expense	14,156	9,625	5,556	95	95	29,527
Repairs and maintenance	9,988	19,154	237	-	-	29,379
Telephone	5,817	4,517	667	527	761	12,289
Office supplies and postage	8,429	19,421	333	237	237	28,657
Printing	1,154	610	155	155	155	2,229
Marketing and outreach	17,191	26,647	4,958	-	-	48,796
Program and fund raising supplies	6,032	51,670	-	31,340	-	89,042
Program costs	199,413	494,772	60,259	56	56	754,556
Auto expense	7,748	8,779	519	-	-	17,046
Staff development	20,464	35,728	247	-	-	56,439
Taxes, fees and licenses	2,681	5,460	560	-	-	8,701
Depreciation	18,500	122,205	9,500	450	450	151,105
Total expenses	\$ 652,017	\$ 1,241,964	\$ 186,099	\$ 47,803	\$ 68,953	\$ 2,196,836
						\$ 116,756

The accompanying notes are an integral part of these financial statements

KOSTOPULOS DREAM FOUNDATION / CAMP KOSTOPULOS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Kostopulos Dream Foundation / Camp Kostopulos, Inc. (the Camp) is a nonprofit organization incorporated under the laws of the State of Utah for the principal purpose of planning and providing programs and counseling for the education, social, and physical betterment of persons with disabilities. The Camp operates facilities located at 4180 Emigration Canyon, Salt Lake City, Utah, for the benefit of disabled persons. Most of its participants are from the Wasatch Front of Utah. For the years ended September 30, 2018 and 2017, 98% and 95% of its revenue was from fund raising, program fees, and foundations and corporations.

Contributions - Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. 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 are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily or permanently restricted net assets are reclassified to unrestricted net assets.

Net assets and revenue, gains, expenses, and losses are classified as unrestricted and temporarily restricted, as follows:

- Unrestricted net assets represent the portion of expendable funds that is available for support of the operations of the Camp.
- Temporarily restricted net assets consist of contributions that are subject to specific donor imposed stipulations that can be fulfilled by actions of the Camp pursuant to those stipulations or that expire by the passage of time.

Contributed Services, Materials and Assets - During the years ended September 30, 2018 and 2017 the value of contributed facilities meeting the requirements for recognition in the financial statements was not material and were not recognized in the financial statements. Note C details the contributed specialized skill services, materials and assets for the years ended September 30, 2018 and 2017. Many individuals volunteer their time and perform a variety of tasks that assist the Camp. The Camp receives substantial volunteer hours per year. During 2018, specific community groups, agencies and corporations provided general volunteer services and program service hours valued at \$102,300 (6,820 hours).

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

Fixed Assets - Purchased property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Camp reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Camp reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over lives of 5 to 40 years. During fiscal years 2018 and 2017, the value of noncash fixed assets and construction in progress (CIP) donated to the Camp that was included as fixed assets and CIP in its records was \$247,333 and \$108,401 respectively. (See Note C for details). The Camp has a \$500 capitalization policy.

KOSTOPULOS DREAM FOUNDATION / CAMP KOSTOPULOS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES -
CONTINUED**

Income Taxes - The Camp is a not-for-profit Organization that is exempt from income taxes under provisions of the Internal Revenue Code.

Cash and Cash Equivalents - For the purposes of the statements of cash flows, the Camp considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Advertising - Advertising costs are charged to operations when incurred. The Camp has no direct-response advertising.

Fair Values of Financial Instruments - The carrying amounts reported in the statement of financial position for cash, short-term investments, and promises to give in less than one year approximate fair values because of the short maturities of those instruments.

Investments - Investments, if any, are composed of equity securities and are carried at fair value. If investments are donated they are recorded at their fair value at the time of donation.

Accounts Receivable - Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance base on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable receivable. The Camp had \$-0- and \$ -0- allowance for doubtful accounts balance at September 30, 2018 and 2017 respectively.

NOTE B - FIXED ASSETS

Property and equipment and estimated useful lives are as follows:

	<u>Years</u>	<u>2018 Amount</u>	<u>2017 Amount</u>
Buildings	10-40	\$2,274,159	\$2,267,959
Leasehold improvement	10	966,787	738,950
Cabins, shed and corrals	15	907,344	784,545
Vehicles	5	685,140	342,323
Furniture and equipment	5-10	694,500	515,002
Swimming pool	20	122,045	122,045
Horses and animals	7	<u>18,750</u>	<u>15,450</u>
		5,668,725	4,786,274
Less accumulated depreciation and amortization		<u>(2,008,639)</u>	<u>(1,846,368)</u>
		<u>\$3,660,086</u>	<u>\$2,939,906</u>

Depreciation expense was \$176,126 for 2018 and \$151,105 for 2017. Leasehold improvements identified above have been made on property located in Emigration Canyon, Salt Lake City, Utah, which property is leased to the Camp by Salt Lake City Corporation. A new lease was signed June of 2003 (See Note F). Depreciation provided for leasehold improvements is based upon their estimated useful lives.

KOSTOPULOS DREAM FOUNDATION / CAMP KOSTOPULOS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

NOTE C - CONTRIBUTED SERVICES AND MATERIAL

Donations-in-kind are summarized as follows:

	<u>2018</u>	<u>2017</u>
Program supplies, camp supplies	\$ 1,574	\$ 521
Food	16,188	21,566
Land improvements / Buildings	23,285	24,460
Fundraising materials / gala room	16,995	20,938
Cabins / Sheds / Corrals	121,500	42,105
Program services	75,857	49,567
Camp counselors	3,872	82,800
Nurses	4,428	3,535
Furniture equipment	55,593	35,560
Advertising / Promotion	17,081	8,351
Equestrian supplies and equipment	4,863	4,131
Tax preparation / Legal services	20,229	1,900
Vehicles	36,910	-0-
Repairs and maintenance	19,003	7,757
Community program development and outreach	17,000	430,000
Construction in Progress	48,884	6,276
Building	700	-0-
Computer equipment	1,719	-0-
Horse	1,000	-0-
	<u>\$486,681</u>	<u>\$ 739,467</u>

NOTE D - CONCENTRATION OF CREDIT RISK

The Camp maintains cash at two financial institution using checking and savings accounts. Cash at the institutions are secured by the Federal Deposit Insurance Corporation up to \$250,000. Uninsured amounts of \$205,456 and \$483,751 existed at September 30, 2018 and 2017. The receivables of \$116,031 and \$85,432 at September 30, 2018 and 2017 are from participants in the Camp's Summer Camp and other related programs for the disabled, city and county block grants, foundation and corporate contributions and other miscellaneous receivables. All program participants are individuals living throughout the State of Utah and the majority of the rest of the receivables are from entities based in Utah.

NOTE E - INVESTMENT IN MARKETABLE SECURITIES

Investments in marketable securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. The Camp had no investment in marketable securities at September 30, 2018 and 2017.

NOTE F - PROPERTY LEASE

In June of 2003, the Camp entered into a new property lease with Salt Lake City Corporation. The lease period is for 50 years with an option to renew for another 25 years. The fee charged for this lease is one dollar per year. The Camp elected to prepay the \$75 for the entire 75 year period.

KOSTOPULOS DREAM FOUNDATION / CAMP KOSTOPULOS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

NOTE F – PROPERTY LEASE - CONTINUED

All particular restrictions and uses are outlined in the lease. Basically the Camp must maintain its mission statement, notify the City property management when the Camp makes major land improvements and adds facilities, and will not engage in any unsound environmental activities. The City has the right to come onto the property during regular business hours as long as it doesn't disrupt daily operations. The City personnel will notify the Camp prior to visiting the property.

NOTE G – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 10, 2019, the date on which the financial statements were available to be issued.

NOTE H - RESTRICTIONS ON NET ASSETS

The Camp had \$279,631 of restrictions on net assets at the end of 2018 and \$522,656 for 2017. The restrictions in 2018 were for van purchases of \$279,631 and van purchases of \$472,656 and parking lot paving of \$50,000 in 2017.