

**COLORADO INSTITUTE OF  
DEVELOPMENTAL PEDIATRICS, INC.  
dba ADAM'S CAMP**

FINANCIAL STATEMENTS

December 31, 2015 and 2014

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HEIDER, TANNER & DIRKS, INC.  
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD P. HEIDER, CPA  
JAMES C. TANNER, CPA  
CLAIRE SONNIER, CPA

INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Colorado Institute of Developmental Pediatrics, Inc.  
dba Adam's Camp  
Centennial, Colorado

We have audited the accompanying statements of financial position of Colorado Institute of Developmental Pediatrics, Inc. dba Adam's Camp, (a nonprofit corporation) as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows 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**

Our responsibility is to express an opinion on these 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Colorado Institute of Developmental Pediatrics, Inc. dba Adam's Camp as of December 31, 2015 and 2014 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.

*Heider, Tanner & Dirks, Inc.*

HEIDER, TANNER & DIRKS, INC.  
Denver, Colorado

August 31, 2016

**COLORADO INSTITUTE OF DEVELOPMENTAL PEDIATRICS, INC.**  
**dba ADAM'S CAMP**

STATEMENT OF FINANCIAL POSITION

December 31, 2015 and 2014

	2015	2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 418,225	\$ 543,141
Investments	660,303	674,371
Accounts receivable	204	6,970
Contributions receivable - due in one year	73,273	13,333
Prepaid expense	41,931	20,989
Total current assets	1,193,936	1,258,804
 Furniture and equipment (net of accumulated depreciation of \$134,522 and \$126,682)	 13,875	 15,024
Noncurrent assets:		
Cash restricted for long-term purposes	-	318,182
Contributions receivable- due after one year	-	13,333
Deferred charges (net of accumulated amortization of \$98,941 and \$92,761)	861,279	120,789
Beneficial interest held by a community foundation	108,534	116,630
Total other assets	969,813	568,934
Total assets	 \$ 2,177,624	 \$ 1,842,762
 <b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 7,766	\$ 3,610
Accrued expenses	-	2,880
Deferred revenue	56,079	46,217
Total current liabilities	63,845	52,707
 Commitments - Notes 12 and 13		
Net assets:		
Unrestricted:		
Undesignated	1,394,302	928,041
Board designated	427,273	366,630
Total unrestricted	1,821,575	1,294,671
Temporarily restricted	292,204	495,384
Total net assets	2,113,779	1,790,055
Total liabilities and net assets	 \$ 2,177,624	 \$ 1,842,762

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

**COLORADO INSTITUTE OF DEVELOPMENTAL PEDIATRICS, INC.**  
**dba ADAM'S CAMP**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 239,377	\$ 434,722	\$ 674,099
In-kind contributions	6,239	-	6,239
Special events	319,745	-	319,745
Program service revenue (net of scholarships of \$54,038 applied)	634,408	-	634,408
Interest income	2,153	-	2,153
Investment (loss)	(20,883)	-	(20,883)
Miscellaneous income	1,484	-	1,484
Net assets released from restriction	<u>637,902</u>	<u>(637,902)</u>	<u>-</u>
Total support and revenue	<u>1,820,425</u>	<u>(203,180)</u>	<u>1,617,245</u>
<b>EXPENSES</b>			
Program services	1,055,517	-	1,055,517
Supporting services:			
General and administrative	116,222	-	116,222
Fundraising	<u>121,782</u>	<u>-</u>	<u>121,782</u>
Total expenses	<u>1,293,521</u>	<u>-</u>	<u>1,293,521</u>
<b>CHANGE IN NET ASSETS</b>	526,904	(203,180)	323,724
<b>NET ASSETS - BEGINNING OF PERIOD</b>	<u>1,294,671</u>	<u>495,384</u>	<u>1,790,055</u>
<b>NET ASSETS, END OF PERIOD</b>	<u><u>\$1,821,575</u></u>	<u><u>\$ 292,204</u></u>	<u><u>\$ 2,113,779</u></u>

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

**COLORADO INSTITUTE OF DEVELOPMENTAL PEDIATRICS, INC.**  
**dba ADAM'S CAMP**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 337,019	\$ 386,318	\$ 723,337
In-kind contributions	11,613	-	11,613
Special events	297,556	-	297,556
Program service revenue (net of scholarships of \$15,159 applied)	517,294	-	517,294
Interest income	1,375	-	1,375
Investment income	22,266	-	22,266
Net assets released from restriction	59,473	(59,473)	-
	<u>1,246,596</u>	<u>326,845</u>	<u>1,573,441</u>
<b>EXPENSES</b>			
Program services	988,783	-	988,783
Supporting services:			
General and administrative	87,512	-	87,512
Fundraising	112,255	-	112,255
	<u>1,188,550</u>	<u>-</u>	<u>1,188,550</u>
<b>CHANGE IN NET ASSETS</b>	<u>58,046</u>	<u>326,845</u>	<u>384,891</u>
<b>NET ASSETS - BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED</b>	621,544	765,842	1,387,386
<b>PRIOR YEAR ADJUSTMENTS</b>	<u>615,081</u>	<u>(597,303)</u>	<u>17,778</u>
<b>NET ASSETS - BEGINNING OF PERIOD, AS RESTATED</b>	<u>1,236,625</u>	<u>168,539</u>	<u>1,405,164</u>
<b>NET ASSETS, END OF PERIOD</b>	<u><u>\$1,294,671</u></u>	<u><u>\$ 495,384</u></u>	<u><u>\$ 1,790,055</u></u>

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

**COLORADO INSTITUTE OF DEVELOPMENTAL PEDIATRICS, INC.**  
**dba ADAM'S CAMP**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2015

	<u>Program</u>	<u>General &amp; Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 532,941	\$ 64,450	\$ 44,351	\$ 641,742
Payroll taxes	42,499	5,138	3,536	51,173
Employee benefits	12,528	1,509	1,057	15,094
Total salaries and related expenses	<u>587,968</u>	<u>71,097</u>	<u>48,944</u>	<u>708,009</u>
Camp lodging, food and supplies	261,732	-	-	261,732
Outside services and activities	57,680	-	-	57,680
Other direct program expense	52,716	-	-	52,716
Outreach expense	6,654	-	-	6,654
Office supplies and expense	4,196	1,118	-	5,314
Office rent	18,586	2,709	1,937	23,232
Equipment storage	4,400	-	-	4,400
Information technology	10,483	1,165	-	11,648
Telephone	2,325	581	-	2,906
Insurance	18,110	2,012	-	20,122
Bank charges	-	18,692	-	18,692
Professional services	-	9,400	-	9,400
Travel	7,511	-	-	7,511
Training, education and licensure	1,678	-	-	1,678
Membership dues	1,555	-	-	1,555
Special events expenses	-	-	70,901	70,901
Marketing	8,708	-	-	8,708
Executive recruitment	-	4,477	-	4,477
Board of directors expenses	-	2,167	-	2,167
Depreciation and amortization	11,215	2,804	-	14,019
Total other expenses	<u>467,549</u>	<u>45,125</u>	<u>72,838</u>	<u>585,512</u>
Total expenses	<u>\$ 1,055,517</u>	<u>\$ 116,222</u>	<u>\$ 121,782</u>	<u>\$ 1,293,521</u>

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

**COLORADO INSTITUTE OF DEVELOPMENTAL PEDIATRICS, INC.**  
**dba ADAM'S CAMP**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2014

	Program	General & Administrative	Fundraising	Total
Salaries	\$ 453,326	\$ 40,109	\$ 42,492	\$ 535,927
Payroll taxes	44,632	2,380	2,579	49,591
Employee benefits	12,159	1,459	1,581	15,199
Total salaries and related expenses	<u>510,117</u>	<u>43,948</u>	<u>46,652</u>	<u>600,717</u>
Camp lodging, food and supplies	225,456	-	-	225,456
Outside services and activities	37,274	-	-	37,274
Other direct program expense	34,188	-	-	34,188
Outreach expense	106,576	-	-	106,576
Office supplies and expense	2,550	1,501	-	4,051
Office rent	19,889	2,600	2,372	24,861
Equipment storage	4,125	-	-	4,125
Information technology	7,367	819	-	8,186
Telephone	2,790	697	-	3,487
Insurance	10,601	1,178	-	11,779
Bank charges	-	11,610	-	11,610
Professional services	-	7,500	-	7,500
Travel	4,912	-	-	4,912
Training, education and licensure	1,051	56	-	1,107
Membership dues	2,004	-	-	2,004
Special events expenses	-	-	62,486	62,486
Other development expenses	-	-	745	745
Marketing	7,827	-	-	7,827
Executive recruitment	-	11,093	-	11,093
Board of directors expenses	-	3,621	-	3,621
Bad debts	500	-	-	500
Depreciation and amortization	11,556	2,889	-	14,445
Total other expenses	<u>478,666</u>	<u>43,564</u>	<u>65,603</u>	<u>587,833</u>
Total expenses	<u>\$ 988,783</u>	<u>\$ 87,512</u>	<u>\$ 112,255</u>	<u>\$ 1,188,550</u>

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



**COLORADO INSTITUTE OF DEVELOPMENTAL PEDIATRICS, INC.**  
**dba ADAM'S CAMP**  
**STATEMENT OF CASH FLOWS**  
For the Years Ended December 31, 2015 and 2014

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 323,724	\$ 384,891
Adjustments to reconcile decrease in net assets to cash provided by operating activities		
Depreciation and amortization expense	14,019	14,445
Contributions received for long-term purposes	(233,894)	(318,182)
Investment (income) loss	20,883	(22,266)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	6,766	(8,365)
(Increase) decrease in contributions receivable	(46,607)	(26,666)
(Increase) decrease in prepaid expenses	(20,942)	397
(Increase) decrease in cash restricted for long term purposes	552,076	-
(Increase) decrease in deferred charges	(746,670)	(28,150)
Increase (decrease) in accounts payable	4,156	(3,717)
Increase (decrease) in accrued expenses	(2,880)	(743)
Increase (decrease) in deferred revenue	9,862	6,121
	<b>(119,507)</b>	<b>(2,235)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(6,690)	(8,086)
Purchase of investments	(3,178)	(26,284)
Distribution from beneficial interest held by a community foundation	4,459	4,356
	<b>(5,409)</b>	<b>(30,014)</b>
<b>NET DECREASE IN CASH</b>	<b>(124,916)</b>	<b>(32,249)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>543,141</b>	<b>575,390</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 418,225</b>	<b>\$ 543,141</b>

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

**COLORADO INSTITUTE OF DEVELOPMENTAL PEDIATRICS, INC.**  
**dba ADAM'S CAMP**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014

**NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

The Colorado Institute of Developmental Pediatrics, Inc. ("Adam's Camp") was founded in 1986 and incorporated as a not-for-profit organization in Colorado with the mission to maximize the strengths and potential of children and young adults with special needs by bringing together dedicated families with outstanding professionals and volunteers to provide specialized therapy programs, family support and recreational camps. The organization provides therapeutic programs devoted to the following:

- Working with infants through teens with special needs using a pioneering camp model of teams of five certified and skilled therapists working with five children for five straight days.
- Strengthening families through parents and siblings partaking in respite, support, counseling and education while sharing common experiences with families in similar situations.
- Providing opportunities for older children and young adults with special needs to build their independence and social skills through supervised recreational, sleep-away camps and programs.

*SIGNIFICANT ACCOUNTING POLICIES*

**a. Basis of Accounting**

The accrual method of accounting is used for financial reporting purposes.

**b. Basis of Presentation**

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-210, *Financial Statements of Not-for-Profit Organizations* requires organizations to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets – consists of assets, public support and program revenues, which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Temporarily Restricted Net Assets – includes funds with donor-imposed restrictions, which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment income earned on restricted funds.

Permanently Restricted Net Assets – includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the organization to expend part or all of the income derived from the donated assets.

**c. Cash and Cash Equivalents**

Cash and cash equivalents consist of funds deposited in checking and savings accounts, less amounts restricted for long-term purposes.

**d. Investments**

Investments held by an investment broker consist of money market accounts, exchange traded equities, and equity and fixed income mutual funds. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. Unrealized gains and losses are included in the change in net assets.

**COLORADO INSTITUTE OF DEVELOPMENTAL PEDIATRICS, INC.**  
**dba ADAM'S CAMP**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014

**NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e. *Accounts Receivable***

Accounts receivable for camp fees are reported net of allowance for uncollectible receivables of \$2,000.

**f. *Contributions Receivable***

Contributions receivable are recorded for unconditional promises to give. Contributions receivable are considered fully collectible based on prior experience; therefore, no allowance for uncollectible promises to give has been recorded.

**g. *Furniture and Equipment***

Furniture and equipment is recorded at cost and is capitalized over a period of two to thirty years. Donated furniture and equipment is recorded at fair market value at the time of the gift. Depreciation is calculated using a straight-line method over the various useful lives of the assets.

**h. *Deferred Charges***

Deferred charges consist of amounts paid under an agreement with YMCA of the Rockies, and are being amortized over a period of thirty years. The amount reported in the statement of financial position is net of accumulated amortization.

**i. *Contributions***

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence or nature of donor restrictions. In-kind contributions of goods and services are recorded at their fair market value in accordance with guidelines established by FASB ASC 958-605, *Revenue Recognition*.

**j. *Revenue***

Revenue is generated from program service activities which include amounts received or accrued for camp fees and lodging. Program service revenue is reported net of scholarships applied to camp fees. Deferred revenue is recorded for amounts received in the current year that are in payment of camp fees applicable to the following year.

**k. *Income Tax Status***

Adam's Camp is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

Adam's Camp follows FASB ASC 740, *Income Taxes*, which requires entities to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority. Adam's Camp has evaluated tax positions taken related to its tax-exempt status, and none are considered to be uncertain; therefore, no amounts have been recognized as of December 31, 2015.

**l. *Beneficial Interest held by a Community Foundation***

A beneficial interest held by a community foundation is reported at fair value in the statement of financial position. Fair value is determined as a percentage of ownership of pooled investments managed by the community foundation.

**COLORADO INSTITUTE OF DEVELOPMENTAL PEDIATRICS, INC.**  
**dba ADAM'S CAMP**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014

**NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

***m. Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

**NOTE 2 - CONCENTRATION OF CREDIT RISK**

Adam's Camp maintains cash and investment accounts at various financial institutions. Balances at one of the financial institutions exceeded the insured limits of the FDIC at various times during the year ended December 31, 2015. Balances held at investment brokers that are not held in cash are not insured by the FDIC and are subject to loss of value.

**NOTE 3 - FURNITURE AND EQUIPMENT**

Furniture and equipment consists of the following:

	<u>2015</u>	<u>2014</u>
Furniture and office equipment	\$ 72,634	\$ 71,755
Camp equipment	70,889	65,077
Leasehold improvements	<u>4,874</u>	<u>4,874</u>
	148,397	141,706
Less accumulated depreciation	<u>(134,522)</u>	<u>(126,682)</u>
Net furniture and equipment	<u>\$ 13,875</u>	<u>\$ 15,024</u>

**NOTE 4 - CONTRIBUTIONS RECEIVABLE**

Contributions receivable at December 31, 2015 and 2014 consist of unconditional promises to give, and are collectible as follows:

<u>Collectible in year ending December 31,</u>	<u>2015</u>	<u>2014</u>
2015	\$ —	\$ 13,333
2016	<u>73,273</u>	<u>13,333</u>
Total	<u>\$ 73,273</u>	<u>\$ 26,666</u>

Contributions receivable are presented in the statement of financial position as follows:

Due in one year	\$ 73,273	\$ 13,333
Due after one year	<u>—</u>	<u>13,333</u>
Total	<u>\$ 73,273</u>	<u>\$ 26,666</u>

The discount to net present value of multi-year unconditional promises to give is not material to the financial statements and has not been recorded.

**COLORADO INSTITUTE OF DEVELOPMENTAL PEDIATRICS, INC.**  
**dba ADAM'S CAMP**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015 and 2014

**NOTE 5 - DEFERRED CHARGES**

During the year ended December 31, 2000, Adam's Camp entered into an agreement with YMCA of the Rockies to construct a fully handicapped-accessible therapy/meeting facility at the Snow Mountain Ranch camp site at a cost of \$185,400. In exchange, Adam's Camp receives a reduced rental rate for use of the facilities at Snow Mountain Ranch. The cost is being amortized over the thirty-year life of this agreement.

During the year ended December 31, 2014, a similar agreement was made with YMCA of the Rockies to construct a meeting and therapy building (Summit II). Adam's Camp has committed \$1,000,000 towards the total construction costs plus 50% of the cost of the general contractor pre-construction professional services fee. In exchange, Adam's Camp will receive two weeks complimentary use of a particular cabin annually for the next thirty years after construction is complete. Expenditures under this agreement during the years ended December 31, 2015 and 2014 were \$746,670 and \$28,150, respectively, and amortization will begin once the project is complete. Deferred charges reported in the statement of financial position consists of the following:

	<u>2015</u>	<u>2014</u>
Agreement entered into during the year ended December 31, 2000	\$ 185,400	\$ 185,400
Agreement entered into during the year ended December 31, 2014	<u>774,820</u>	<u>28,150</u>
	960,220	213,550
Less accumulated amortization	<u>( 98,941)</u>	<u>( 92,761)</u>
Net deferred charges	<u>\$ 861,279</u>	<u>\$ 120,789</u>

**NOTE 6 - BENEFICIAL INTEREST HELD BY A COMMUNITY FOUNDATION**

During the year ended December 31, 2012, the board of directors invested \$100,000 with Community First Foundation, a community foundation, to establish a permanent endowment fund. The purpose of the endowment fund is to provide cash flow to be used for present and future operations and programs. Under the agreement, this investment is considered an irrevocable gift to the Foundation to be held as a separate fund to be administered and distributed in accordance with all the provisions of the Foundation's Articles of Incorporation and Bylaws or as amended from time to time. This investment is reported at fair value in the statement of financial position, and is classified in net assets as unrestricted board-designated net assets.

**NOTE 7 - INVESTMENT INCOME**

Investment return for the years ended December 31, 2015 and 2014 is summarized as follows:

Beneficial interest held by a community foundation:	<u>2015</u>	<u>2014</u>
Dividend and interest income	\$ 2,395	\$ 2,151
Realized gain on investments	7,031	3,942
Unrealized loss on investments	(11,891)	(1,692)
Investment management fees	<u>(1,172)</u>	<u>(1,194)</u>
Total beneficial interest held by a community foundation	<u>\$ (3,637)</u>	<u>\$ 3,207</u>
General investments:		
Dividend and interest income	\$ 25,470	\$ 25,750
Realized gain on investments	4,119	16,177
Unrealized loss on investments	(37,970)	(15,126)
Investment management fees	<u>(6,712)</u>	<u>(6,367)</u>
Total general investments	<u>\$ (15,093)</u>	<u>\$ 20,434</u>
Total investment return	<u>\$ (18,730)</u>	<u>\$ 23,641</u>

**COLORADO INSTITUTE OF DEVELOPMENTAL PEDIATRICS, INC.**  
**dba ADAM'S CAMP**  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2015 and 2014

**NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31, 2015 and 2014 consist of the following:

	<u>2015</u>	<u>2014</u>
Contributions restricted for scholarships	\$ 218,931	\$ 148,082
Contributions restricted for outreach activities	-	2,454
Contributions restricted for Summit II capital campaign	-	318,182
Contributions receivable	<u>73,273</u>	<u>26,666</u>
Total temporarily restricted net assets	<u>\$ 292,204</u>	<u>\$ 495,384</u>

**NOTE 9 - BOARD DESIGNATED FUNDS**

During the year ended December 31, 2013, the board of directors designated \$250,000 of unrestricted net assets for the Summit II facility being constructed under the agreement with YMCA of the Rockies. During the year ended December 31, 2015, an additional \$250,000 was designated for this project, and \$181,261 was spent from these designated funds, leaving \$318,739 designated for this project. In addition, there is \$108,534 and \$116,630 related to the beneficial interest held by a community foundation described in Note 6, for the years ended December 31, 2015 and 2014, respectively.

**NOTE 10 - FAIR VALUE MEASUREMENTS**

The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

FASB ASC 820-10, *Fair Value Measurements*, which among other things requires enhanced disclosures about investments that are measured and reported at fair value. FASB ASC 820-10 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level I include mutual funds, listed equities, listed derivatives, cash, and cash equivalents. Level 1 investments consist of equity securities and mutual funds.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate and government bonds, less liquid and restricted equity securities and certain over-the-counter derivatives. Level 2 investments consist of cash and money market funds, bonds and nontraditional mutual funds.

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**NOTE 10 - FAIR VALUE MEASUREMENTS (continued)**

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include limited partnership interests in corporate private equity and real estate funds, funds of hedge funds, and distressed debt. Level 3 investments consist of pooled investments held by a community foundation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following table summarizes the valuation of the investment accounts of Adam's Camp by the above FASB ASC 820-10 fair value hierarchy levels as of December 31, 2015:

<u>Description</u>	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using:</u>		
		<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash and money market funds	\$ 62,897	\$ –	\$ 62,897	\$ –
Equity securities	90,464	90,464	–	–
Equity mutual funds	26,308	26,308	–	–
Fixed income – bonds	18,982	–	18,982	–
Fixed income – mutual funds	302,728	302,728	–	–
Mutual funds – nontraditional	100,516	–	100,516	–
Mutual funds – other	58,408	–	58,408	–
Pooled investments	<u>108,534</u>	<u>–</u>	<u>–</u>	<u>108,534</u>
Total	<u>\$ 768,837</u>	<u>\$ 419,500</u>	<u>\$ 240,803</u>	<u>\$ 108,534</u>

The following table summarizes the valuation of the investment accounts of Adam's Camp by the above FASB ASC 820-10 fair value hierarchy levels as of December 31, 2014:

<u>Description</u>	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using:</u>		
		<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash and money market funds	\$ 65,283	\$ –	\$ 65,283	\$ –
Equity securities	92,316	92,316	–	–
Equity mutual funds	28,765	28,765	–	–
Fixed income – bonds	18,420	–	18,420	–
Fixed income – mutual funds	308,392	308,392	–	–
Mutual funds – nontraditional	101,643	–	101,643	–
Mutual funds – other	59,552	–	59,552	–
Pooled investments	<u>116,630</u>	<u>–</u>	<u>–</u>	<u>116,630</u>
Total	<u>\$ 791,001</u>	<u>\$ 429,473</u>	<u>\$ 244,898</u>	<u>\$ 116,630</u>

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**NOTE 10 - FAIR VALUE MEASUREMENTS (continued)**

The changes in the investments for which Adam's Camp has used Level 3 inputs to determine fair value are as follows:

December 31, 2013 balance	\$ 117,779
Purchases	-
Distributions	(4,356)
Realized and unrealized gains, losses and interest, net	<u>3,207</u>
December 31, 2014 balance	<u>\$ 116,630</u>
December 31, 2014 balance	\$ 116,630
Purchases	-
Distributions	(4,459)
Realized and unrealized gains, losses and interest, net	<u>(3,637)</u>
December 31, 2015 balance	<u>\$ 108,534</u>

**NOTE 11 - IN-KIND CONTRIBUTIONS**

Adam's Camp receives donated services from unpaid volunteers that create or enhance non-financial assets or that require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not donated. During the years ended December 31, 2015 and 2014, Adam's Camp recognized \$3,339 and \$4,003 of donated printing services, respectively, and \$2,900 and \$6,500 of donated tax preparation services, respectively. In addition, Adam's Camp received donated goods that are used in camp and other program activities of \$1,110 during the year ended December 31, 2014.

Volunteers are critical to Adam's Camp activities and administrative support, and donated more than 21,000 hours of service to the organization for the years ended December 31, 2015 and 2014, with an estimated value of \$116,493 and \$107,195, respectively. However, these donated services do not meet the criteria to be recognized in the financial statements, and accordingly, are not recorded.

**NOTE 12 - LEASE OBLIGATIONS**

Adam's Camp leases office and storage space at 6767 South Spruce Street in Centennial, Colorado under a lease that expires on April 30, 2017. Future minimum payments required under this lease are as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2016	\$ 29,208
2017	<u>9,868</u>
Total	<u>\$ 39,076</u>

Total facilities rent expense for the years ended December 31, 2015 and 2014 was \$23,621 and \$22,811, respectively.

**NOTE 13 - COMMITMENTS**

Each year, Adam's Camp enters into contracts with YMCA of the Rockies for camp facilities to be used in the following calendar year. Deposits totaling \$17,809 for the 2016 camps were paid when the contracts were signed, and are reported on the statement of financial position as prepaid expense. The balance due for the 2016 camps is \$71,740.



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**NOTE 13 - COMMITMENTS (continued)**

Contracts for the 2017 camps were also signed during the year ended December 31, 2015, and deposits of \$18,567 were paid in November 2015. In the event the contracts are canceled more than six months prior to camp date, 10% of the deposits are forfeited. In the event the contracts are canceled within five months prior to camp dates, 25% of the deposits are canceled. Finally, if contracts are canceled within one month of camp dates, total contract payment must be made for all accommodation being held. The total amount of contracts for 2017 camps is \$92,839.

As also described in Note 5, during the year ended December 31, 2014, Adam's Camp entered into an agreement with YMCA of the Rockies to construct a meeting and therapy building (Summit II). Adam's Camp has committed \$1,000,000 towards the total construction costs plus fifty percent of the cost of the general contractor pre-construction professional services fee. In exchange, Adam's Camp will receive two weeks complimentary use of a particular cabin annually for the next thirty years after construction is complete. A capital campaign is underway to provide funding for this project, and \$552,076 had been raised as of December 31, 2015. In addition, the board of directors has designated \$250,000 of unrestricted net assets for this project as of December 31, 2015.

**NOTE 14 - PRIOR YEAR RESTATEMENT**

The beginning balance of net assets for the year ended December 31, 2014 has been increased by \$17,778 to properly report fair value of the beneficial interest held by a community foundation at fair value at December 31, 2013. There was also a \$597,303 reclassification of beginning net assets, which reduced temporarily restricted net assets and increased unrestricted net assets.

**NOTE 15 - SUBSEQUENT EVENTS**

FASB ASC 855-10, *Subsequent Events* requires management to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. Financial statements of Adam's Camp were available to be issued on August 31, 2016, and this is the date through which subsequent events were evaluated.