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Review

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BOAT CAMP NATURE SCHOOL, INC.
(Formerly BOAT CAMP, INC.)

FINANCIAL STATEMENTS

DECEMBER 31, 2011

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FRITZ DEGUGLIELMO LLC
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

047769

2011
Review

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
BOAT CAMP Nature School, Inc.

We have reviewed the accompanying statement of assets, liabilities, and net assets – arising from cash transactions of BOAT CAMP Nature School, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of revenues collected, expenses paid, and other changes in net assets, and functional expenses paid for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting, as described in Note B.

Fritz Deguglielmo LLC
Certified Public Accountants

August 2, 2012

BOAT CAMP NATURE SCHOOL, INC.
 (formerly BOAT CAMP, INC.)
 STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
 ARISING FROM CASH TRANSACTIONS
 December 31, 2011

ASSETS	
Current Assets	
Cash and equivalents	\$ 141
Total Current Assets	<u>141</u>
Other Assets	
Inventory	<u>292</u>
Total Other Assets	<u>292</u>
Total Assets	<u><u>\$ 433</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Credit card payable	<u>853</u>
Total Current Liabilities	<u>853</u>
Net Assets	
Unrestricted net assets	<u>(420)</u>
Total Net Assets	<u>(420)</u>
Total Liabilities and Net Assets	<u><u>\$ 433</u></u>

See notes to financial statements and independent accountants' accompanying review report

BOAT CAMP NATURE SCHOOL, INC.
 (formerly BOAT CAMP, INC.)
 STATEMENT OF REVENUES COLLECTED, EXPENSES PAID, AND OTHER
 CHANGES IN NET ASSETS
 For the year ended December 31, 2011

	<u>Unrestricted</u>
Support and Revenue	
Contributions, Gifts & Grants	\$ 49,724
Program Revenues	159,771
Gift shop sales	<u>160</u>
Total support and revenue	<u>209,655</u>
 Expenses	
Program	188,311
Fundraising	6,285
Management and General	<u>16,812</u>
Total Expenses	<u>211,408</u>
 Decrease in Net Assets	 (1,753)
 Net Assets, beginning of period	 <u>1,333</u>
 Net Assets, end of period	 <u>\$ (420)</u>

See notes to financial statements and independent accountants' accompanying review report

BOAT CAMP NATURE SCHOOL, INC.
(formerly BOAT CAMP, INC.)
STATEMENT OF FUNCTIONAL EXPENSES PAID
For the year ended December 31, 2011

	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 43,166	\$ 1,039	\$ 3,665	\$ 47,870
Contract instructors	7,438	-	-	7,438
Advertising and promotion	-	-	3,587	3,587
Boat lease/rental	82,220	-	-	82,220
Materials and supplies	11,047	-	-	11,047
Program expenses	24,112	-	-	24,112
Professional development	7,916	-	1,800	9,716
Credit card processing and bank fees	3,245	163	372	3,780
Equipment and facilities expense	6,215	311	934	7,460
Insurance	-	-	1,068	1,068
Miscellaneous	-	-	273	273
Office and administration	2,671	91	2,246	5,008
Printing and reproduction	-	802	456	1,258
Fundraising expenses	-	3,879	-	3,879
Travel and entertainment	-	-	1,245	1,245
Professional fees	281	-	1,166	1,447
	<u>\$ 188,311</u>	<u>\$ 6,285</u>	<u>\$ 16,812</u>	<u>\$ 211,408</u>

See notes to financial statements and independent accountants' accompanying review report

BOAT CAMP NATURE SCHOOL, INC
(formerly BOAT CAMP, INC.)

NOTES TO FINANCIAL STATEMENTS – CASH BASIS

December 31, 2011

NOTE A – NATURE OF ORGANIZATION

BOAT CAMP Nature School, Inc. was organized in 2007 for the purpose of providing education about marine environments, fisheries, ecology, history, and conservation. With effect from January 31, 2012, the name of the Organization was changed from BOAT CAMP, Inc. to BOAT CAMP Nature School, Inc.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization's policy is to prepare its financial statements on the cash basis of accounting; consequently, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash disbursed rather than when the obligation is incurred.

Financial Statement Presentation

The Organization prepares its financial statements in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958 (formerly SFAS No. 117, "*Financial Statements of Not-for-Profit Organizations*"). Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets as defined below:

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 incomes 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.

Recognition of Donor-restricted Contributions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions received and expended in accordance with the donor's restrictions in the same fiscal year are recognized as unrestricted public support in these financial statements.

BOAT CAMP NATURE SCHOOL, INC
(formerly BOAT CAMP, INC.)
NOTES TO FINANCIAL STATEMENTS – CASH BASIS
December 31, 2011

NOTE B – *continued*

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates used.

Functional Expenses

BOAT CAMP Nature School, Inc. allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases used in conjunction with the Organization's cost allocation plan.

Supporting services are those related to operating and managing BOAT CAMP Nature School, Inc. and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

Management and General – includes all activities related to BOAT CAMP Nature School, Inc.'s internal management and accounting for program services.

Fundraising – includes all activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for BOAT CAMP Nature School, Inc.'s programs.

Inventories

Inventories are stated at cost or market value, whichever is lower.

Subsequent Events

Subsequent events have been evaluated through August 2, 2012 which is the date the financial statements were available to be issued.

NOTE C – RELATED PARTY AND LEASE OBLIGATIONS

The Organization has entered into a lease agreement with an organization that shares the same President of the Board of Directors. Under the terms of the renewable lease, the Organization pays the related organization for use of a boat owned by the related organization. The lease is renewed each year and the fair market value rental fee is determined as part of the renewal process. For 2011, the Organization paid \$60,500 to the related organization for use of the boat. The obligation for 2012 under the lease agreement is \$72,000.

BOAT CAMP NATURE SCHOOL, INC.
(formerly BOAT CAMP, INC.)
NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE C – *continued*

In addition to the boat lease with the related party described above, the Organization rents other boats to provide program services. The boats are rented on an as needed basis and the Organization has not entered into

any lease agreements in connection with the use of the boats. For the year ended December 31, 2011, the Organization paid \$21,720 for the rental of other boats.

The Organization has entered into a lease agreement for office and program space in Newburyport, Massachusetts. Monthly rental payments under the lease are \$500, increased by 5% annually on April 1. The lease expires on March 31, 2014. Rent expense under the lease for the year ended December 31, 2011 was \$6,225. Future minimum lease payments for the space are as follows:

2012	\$ 6,536
2013	6,863
2014	1,736
Thereafter	—
	<hr/>
	<u>\$15,135</u>

On April 20, 2012, the Organization entered into a lease agreement for vacant land in Newbury, Massachusetts. Under the terms of the lease, the Organization will pay \$1 for use of the land for an initial term of six months.

NOTE D - TAX POSITION

The Organization has adopted the application of the provisions of FASB ASC 740-10 (formerly FASB Interpretation No. 48, "*Accounting For Uncertainty in Income Taxes*"). The primary tax positions made by the Organization are the existence of Unrelated Business Income Tax and the Organization's status as an exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization currently evaluates all tax positions, and makes determinations regarding the likelihood of those positions being upheld under review. For the years presented, and as a result of adoption, the Organization has not recognized any tax benefits or loss contingencies for uncertain tax positions based on its evaluations.