

Camp Twin Lakes, Inc.

Financial Statements

For the Years Ended

September 30, 2008 and 2007

Camp Twin Lakes, Inc.

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Babush, Neiman, Kornman & Johnson, LLP
Certified Public Accountants & Consultants

Independent Auditors' Report

Board of Directors
Camp Twin Lakes, Inc.
Atlanta, Georgia

We have audited the accompanying statements of financial position of Camp Twin Lakes, Inc., (a non-profit organization) (the "Organization") as of September 30, 2008 and 2007, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these statements based on our audits.

We conducted the 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camp Twin Lakes, Inc. as of September 30, 2008 and 2007, 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.

Babush, Neiman, Kornman & Johnson, LLP

February 13, 2009
Atlanta, Georgia



Camp Twin Lakes, Inc.

**Statement of Financial Position
As of September 30, 2008**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS				
Cash and cash equivalents	\$ 539,173	\$ 157,111	\$ -	\$ 696,284
Marketable securities	2,808,184	-	200,000	3,008,184
Accounts receivable	272,749	-	-	272,749
Unconditional promises to give	215,698	-	-	215,698
Prepaid expenses	156,905	-	-	156,905
Security deposits	11,106	-	-	11,106
Property and equipment, net of accumulated depreciation of \$4,161,853	9,495,882	-	-	9,495,882
Total Assets	\$ 13,499,697	\$ 157,111	\$ 200,000	\$ 13,856,808
 LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 114,120	\$ -	\$ -	\$ 114,120
Deferred revenue	128,499	-	-	128,499
Total Liabilities	242,619	-	-	242,619
NET ASSETS	13,257,078	157,111	200,000	13,614,189
TOTAL LIABILITIES AND NET ASSETS	\$ 13,499,697	\$ 157,111	\$ 200,000	\$ 13,856,808

See notes to financial statements.

Camp Twin Lakes, Inc.

**Statement of Financial Position
As of September 30, 2007**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS				
Cash and cash equivalents	\$ 176,865	\$ 118,931	\$ -	\$ 295,796
Marketable securities	6,054,493	-	200,000	6,254,493
Accounts receivable	189,740	-	-	189,740
Unconditional promises to give	142,660	-	-	142,660
Prepaid expenses	45,660	-	-	45,660
Security deposits	2,606	-	-	2,606
Property and equipment, net of accumulated depreciation of \$3,892,052	6,282,877	-	-	6,282,877
Total Assets	\$ 12,894,901	\$ 118,931	\$ 200,000	\$ 13,213,832
 LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 168,893	\$ -	\$ -	\$ 168,893
Deferred revenue	127,042	-	-	127,042
Total Liabilities	295,935	-	-	295,935
NET ASSETS	12,598,966	118,931	200,000	12,917,897
TOTAL LIABILITIES AND NET ASSETS	\$ 12,894,901	\$ 118,931	\$ 200,000	\$ 13,213,832

See notes to financial statements.

Camp Twin Lakes, Inc.

**Statement of Activities
For the Year Ended September 30, 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT				
Contributions	\$ 749,964	\$ 172,297	\$ -	\$ 922,261
Land contribution	600,000			600,000
Special events, net of expenses of \$254,560	<u>1,421,541</u>	<u>-</u>	<u>-</u>	<u>1,421,541</u>
Total Support	<u>2,771,505</u>	<u>172,297</u>	<u>-</u>	<u>2,943,802</u>
REVENUES				
Program service fees	1,057,299	-	-	1,057,299
Investment return	(595,193)	-	-	(595,193)
Interest income	<u>2,992</u>	<u>-</u>	<u>-</u>	<u>2,992</u>
Total Revenues	<u>465,098</u>	<u>-</u>	<u>-</u>	<u>465,098</u>
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of property asset acquisition restrictions	<u>134,117</u>	<u>(134,117)</u>	<u>-</u>	<u>-</u>
Total Support and Revenues	<u>3,370,720</u>	<u>38,180</u>	<u>-</u>	<u>3,408,900</u>
EXPENSES				
Program services	2,089,028	-	-	2,089,028
Supporting services				
Management and general	264,793	-	-	264,793
Fundraising	<u>358,787</u>	<u>-</u>	<u>-</u>	<u>358,787</u>
Total Expenses	<u>2,712,608</u>	<u>-</u>	<u>-</u>	<u>2,712,608</u>
CHANGE IN NET ASSETS	658,112	38,180	-	696,292
NET ASSETS AT BEGINNING OF YEAR	<u>12,598,966</u>	<u>118,931</u>	<u>200,000</u>	<u>12,917,897</u>
NET ASSETS AT END OF YEAR	<u>\$ 13,257,078</u>	<u>\$ 157,111</u>	<u>\$ 200,000</u>	<u>\$ 13,614,189</u>

See notes to financial statements.

Camp Twin Lakes, Inc.

**Statement of Activities
For the Year Ended September 30, 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT				
Contributions	\$ 615,435	\$ 118,097	\$ -	\$ 733,532
Special events, net of expenses of \$204,228	<u>1,166,585</u>	<u>-</u>	<u>-</u>	<u>1,166,585</u>
Total Support	<u>1,782,020</u>	<u>118,097</u>	<u>-</u>	<u>1,900,117</u>
REVENUES				
Program service fees	865,499	-	-	865,499
Investment return	717,071	-	-	717,071
Interest income	<u>15,752</u>	<u>-</u>	<u>-</u>	<u>15,752</u>
Total Revenues	<u>1,598,322</u>	<u>-</u>	<u>-</u>	<u>1,598,322</u>
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of property asset acquisition restrictions	<u>126,628</u>	<u>(126,628)</u>	<u>-</u>	<u>-</u>
Total Support and Revenues	<u>3,506,970</u>	<u>(8,531)</u>	<u>-</u>	<u>3,498,439</u>
EXPENSES				
Program services	1,956,370	-	-	1,956,370
Supporting services				
Management and general	281,538	-	-	281,538
Fundraising	<u>320,469</u>	<u>-</u>	<u>-</u>	<u>320,469</u>
Total Expenses	<u>2,558,377</u>	<u>-</u>	<u>-</u>	<u>2,558,377</u>
CHANGE IN NET ASSETS	948,593	(8,531)	-	940,062
NET ASSETS AT BEGINNING OF YEAR	<u>11,650,373</u>	<u>127,462</u>	<u>200,000</u>	<u>11,977,835</u>
NET ASSETS AT END OF YEAR	<u>\$ 12,598,966</u>	<u>\$ 118,931</u>	<u>\$ 200,000</u>	<u>\$ 12,917,897</u>

See notes to financial statements.

Camp Twin Lakes, Inc.

**Statement of Functional Expenses
For the Year Ended September 30, 2008**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries	\$ 795,738	\$ 90,536	\$ 199,886	\$ 1,086,160
Depreciation	269,802	-	-	269,802
Food	264,392	-	1,705	266,097
Professional fees	73,708	63,506	38,453	175,667
Insurance	114,879	30,016	13,622	158,517
Repairs and maintenance	137,665	-	-	137,665
Utilities	107,357	-	-	107,357
Program supplies	73,779	234	171	74,184
Interest	71,980	-	-	71,980
Payroll taxes	50,455	5,746	12,685	68,886
Printing	5,815	3,649	31,632	41,096
Rent	16,339	10,893	13,227	40,459
Outside services	17,208	4,360	11,664	33,232
Office expense	5,834	21,409	2,303	29,546
Public relations	26,405	-	-	26,405
Telephone	17,153	3,155	3,832	24,140
Postage and shipping	3,433	849	17,297	21,579
Transportation	15,436	3,998	1,668	21,102
Employee benefits	9,837	10,087	1,323	21,247
Professional development	5,988	11,343	1,167	18,498
Bank charges	801	2,146	7,452	10,399
Dues	3,690	1,104	417	5,211
Meals and entertainment	1,334	1,762	283	3,379
Total Expenses	<u>\$ 2,089,028</u>	<u>\$ 264,793</u>	<u>\$ 358,787</u>	<u>\$ 2,712,608</u>

See notes to financial statements.

Camp Twin Lakes, Inc.

**Statement of Functional Expenses
For the Year Ended September 30, 2007**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries	\$ 673,807	\$ 83,220	\$ 206,199	\$ 963,226
Professional fees	186,103	61,772	38,254	286,129
Insurance	181,437	59,554	8,577	249,568
Food	225,873	-	-	225,873
Depreciation	206,037	-	-	206,037
Repairs and maintenance	115,831	-	-	115,831
Utilities	114,376	-	-	114,376
Payroll taxes	48,445	5,983	14,825	69,253
Program supplies	58,094	-	39	58,133
Printing	26,050	2,640	16,617	45,307
Rent	16,584	11,058	6,634	34,276
Office expense	8,055	24,323	1,161	33,539
Transportation	18,708	6,302	2,500	27,510
Telephone	17,661	4,324	1,148	23,133
Public relations	22,877	-	-	22,877
Outside services	14,883	3,290	3,637	21,810
Employee benefits	7,043	6,479	1,396	14,918
Postage and shipping	1,259	754	12,525	14,538
Professional development	4,017	7,049	3,459	14,525
Bank charges	5,551	2,635	2,415	10,601
Dues	3,673	627	783	5,083
Meals and entertainment	6	1,528	300	1,834
Total Expenses	<u>\$ 1,956,370</u>	<u>\$ 281,538</u>	<u>\$ 320,469</u>	<u>\$ 2,558,377</u>

See notes to financial statements.

Camp Twin Lakes, Inc.

**Statements of Cash Flows
For the Years Ended September 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 696,292	\$ 940,062
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	269,802	206,037
Net realized and unrealized losses (gains) on marketable securities	767,299	(585,602)
Changes in:		
Accounts receivable	(83,009)	(86,147)
Unconditional promises to give:		
Unrestricted	(73,038)	(142,660)
Prepaid expenses	(111,245)	(30,900)
Security deposit	(8,500)	(2,606)
Deferred revenue	1,457	46,920
Accounts payable and accrued expenses	<u>(54,773)</u>	<u>149,080</u>
Net Cash Provided By Operating Activities	<u>1,404,285</u>	<u>494,184</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(3,482,807)	(169,447)
Purchases of marketable securities	(1,370,990)	(490,080)
Proceeds from sale of marketable securities	<u>3,850,000</u>	<u>-</u>
Net Cash Used In Investing Activities	<u>(1,003,797)</u>	<u>(659,527)</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	400,488	(165,343)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>295,796</u>	<u>461,139</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 696,284</u>	<u>\$ 295,796</u>
 SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	<u>\$ 71,980</u>	<u>\$ -</u>

See notes to financial statements.

Camp Twin Lakes, Inc.

Notes to Financial Statements

A. NATURE OF OPERATIONS AND ORGANIZATION

Camp Twin Lakes, Inc. (the "Organization") was formed to provide camping facilities for children who are battling serious illnesses, or are disabled or abused.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting. The financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

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 revenue and expenses during the reporting period, including the allocation of expenses to program services, management and general, and fund-raising. Actual results could differ from those estimates.

Financial Statement Presentation. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS 117, nonprofit organizations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents. The Organization considers cash in operating bank accounts, cash on hand, certificates of deposit, U.S. Treasury Bills and other highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Property and Equipment. Purchases and donations of property and equipment are recorded at cost or fair market value on the date of the purchase or donation. 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 may be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time and are reported in the statement of activities as net assets released from restriction.

Notes to Financial Statements (Continued)

Property and equipment are depreciated using the straight-line basis over their estimated useful lives. Cost of maintenance and repairs is charged to operations as incurred; major renewals and betterments are capitalized.

Investments. 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. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Promises to Give. Promises to give consist of unconditional promises to give within a five-year period.

Donated Services. No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments.

Contributions. In 1995, the Organization adopted Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Under SFAS 116, contributions to the endowment fund (See Note D) are required to be reported as permanently restricted support.

Functional Allocation of Expenses. The costs of providing various services and activities are summarized on a functional basis in the Statement of Activities and are reported in natural categories in the Statement of Functional Expenses.

Income Taxes. The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the code.

C. *PROMISES TO GIVE*

The unconditional promises to give as of September 30, 2008 are receivable in less than one year except for \$40,000, which is due during the year ending September 30, 2010. Unconditional promises to give as of September 30, 2008 consist entirely of amounts that are receivable in less than one year. These amounts have not been discounted.

Notes to Financial Statements (Continued)

D. RESTRICTIONS ON ASSETS

Permanently restricted net assets consist of endowment fund investments to be held indefinitely, the income from which is expendable for any purpose the Organization deems appropriate.

The temporarily restricted net assets of the Organization are contributions with donor-imposed stipulations. These stipulations are removed when the Organization expends the donated funds for the purposes specified.

Changes in temporarily restricted net assets are as follows:

<u>Purpose / Program</u>	<u>Balance 9/30/07</u>	<u>Contributions</u>	<u>Released From Restrictions</u>	<u>Balance 9/30/08</u>
Medical Program	\$ 36,890	\$ 12,421	\$ (13,202)	\$ 36,109
Investment in Property and Equipment	<u>82,041</u>	<u>159,876</u>	<u>(120,915)</u>	<u>121,002</u>
	<u>\$ 118,931</u>	<u>\$ 172,297</u>	<u>\$ (134,117)</u>	<u>\$ 157,111</u>

<u>Purpose / Program</u>	<u>Balance 9/30/06</u>	<u>Contributions</u>	<u>Released From Restrictions</u>	<u>Balance 9/30/07</u>
Medical Program	\$ 32,890	\$ 10,000	\$ (6,000)	\$ 36,890
Investment in Property and Equipment	<u>94,572</u>	<u>108,097</u>	<u>(120,628)</u>	<u>82,041</u>
	<u>\$ 127,462</u>	<u>\$ 118,097</u>	<u>\$ (126,628)</u>	<u>\$ 118,931</u>

E. MARKETABLE DEBT AND EQUITY SECURITIES

The carrying amounts and approximate market value of investments as of September 30, 2008 and 2007 are:

	<u>2008</u>			
	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Market Value</u>
Equity securities	\$ 1,320,166	\$ 22,207	\$ (195,885)	\$ 1,146,488
Bonds	<u>1,901,413</u>	<u>8,660</u>	<u>(48,377)</u>	<u>1,861,696</u>
Totals	<u>\$ 3,221,579</u>	<u>\$ 30,867</u>	<u>\$ (244,262)</u>	<u>\$ 3,008,184</u>

Notes to Financial Statements (Continued)

	2007			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
	Equity securities	\$ 3,553,077	\$ 672,796	\$ (21,402)
Bonds	2,036,593	14,180	(751)	2,050,022
Totals	\$ 5,589,670	\$ 686,976	\$ (22,153)	\$ 6,254,493

The following schedule summarizes the investment return in the statements of activities:

	2008			
	Wachovia	Schwab	SunTrust	Total
Dividend and interest income	\$ -	\$ 277	\$ 171,829	\$ 172,106
Net realized and unrealized losses	-	(313)	(766,986)	(767,299)
	\$ -	\$ (36)	\$ (595,157)	\$ (595,193)

	2007			
	Wachovia	Schwab	SunTrust	Total
Dividend and interest income	\$ 384	\$ 465	\$ 130,620	\$ 131,469
Net realized and unrealized gains	-	580	585,022	585,602
	\$ 384	\$ 1,045	\$ 715,642	\$ 717,071

F. NET PROPERTY AND EQUIPMENT

Major classifications of property and equipment and their depreciable lives are summarized below:

	Depreciable Lives	September 30,	
		2008	2007
Land	-	\$ 4,239,698	\$ 1,016,450
Buildings	39 years	8,480,975	8,408,384
Furniture, fixtures and equipment	3 - 7 years	758,085	712,123
Software	3 years	17,645	15,000
Automobiles	5 years	24,682	22,972
Construction in progress	-	136,650	-
		13,657,735	10,174,929
Accumulated depreciation		(4,161,853)	(3,892,052)
		\$ 9,495,882	\$ 6,282,877

Depreciation expense for the years ended September 30, 2008 and 2007 was \$269,802 and 206,037, respectively.

Notes to Financial Statements (Continued)

G. COMMITMENTS

The Organization entered into an agreement with the former executive director for consulting services. The agreement expired April 2007. Consulting expense for the years ended September 30, 2008 and 2007 was \$0 and \$35,000, respectively.

H. DEPOSITS IN EXCESS OF FEDERALLY INSURED LIMITS

The Organization has cash deposits with a financial institution which fluctuate in excess of federally insured limits. If the financial institution were not to honor its contractual liability, the Organization could incur losses in the amount above the federally insured limit. Management is of the opinion that there is no risk because of the financial strength of the financial institution.

I. 403(b) TAX SHELTERED ANNUITY

The Organization has a tax sheltered annuity program qualified under Section 403(b) of the Internal Revenue Code covering all eligible employees. Contributions to the plan are made by employees through salary reduction. Employer contributions to the plan for the years ended September 30, 2008 and 2007 was \$15,778 and \$11,027, respectively.

J. SUBSEQUENT EVENTS

On December 1, 2008, Camp Twin Lakes ("CTL") entered an agreement with the State of Georgia to manage Camp Will-A-Way and to renovate the Fort Yargo State Park facility over the next two years. Total renovations are estimated at \$4 million and CTL has already secured and serviced a seed grant from the Joseph B. Whitehead foundation in the amount of \$1.5 million which is being held in a money market account. With the management of Camp Will-A-Way, CTL will be addressing its strategic plan and will be able to accommodate requests from their Camp Partners to expand their programs. Simultaneously, CTL is now able to develop new partnerships to provide therapeutic and recreational adaptive camping programming for currently underserved children across Georgia. CTL will serve 800 campers at Will-A-Way in the summer of 2009.

From October 1, 2008 through January 31, 2009, the marketable securities, excluding the \$1.5 million from the Whitehead Foundation (which is held in a money market account), have declined in value by approximately 11.7%.

K. RECLASSIFICATIONS

Certain reclassifications have been made to the prior year financial statements to conform to current year presentation.