

**CAMELOT FOR CHILDREN  
(A Not-for-Profit Corporation)**

**Financial Statements and  
Independent Accountant's Review Report**

**Years Ended June 30, 2019 and 2018**

**CAMELOT FOR CHILDREN  
(A Not-for-Profit Corporation)  
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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of  
Camelot for Children

We have reviewed the accompanying financial statements of Camelot for Children, (a not-for-profit corporation) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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'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.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

## Summarized Comparative Information

We previously reviewed Camelot for Children's 2018 financial statements and in our conclusion dated January 9, 2019, stated that based on our review, we were not aware of any material modifications that should be made to the 2018 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2018, for it to be consistent with the reviewed financial statements from which it has been derived.

*Campbell, Rappold & Yasaita LLP*

September 25, 2019

**CAMELOT FOR CHILDREN**  
**(A Not-for-Profit Corporation)**  
**STATEMENTS OF FINANCIAL POSITION**

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	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 137,025	\$ 95,225
Pledges Receivable, Net (Note 4)	105,300	-
Prepaid Expenses	2,645	5,000
Property and Equipment (Net of Accumulated Depreciation) (Note 5)	932,444	676,193
<b>TOTAL ASSETS</b>	<b>\$ 1,177,414</b>	<b>\$ 776,418</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ 9,050
Accrued Payroll	6,548	3,329
Line of Credit (Note 6)	40,000	-
Mortgage Payable (Note 7)	210,970	219,037
Commitments (Note 9)	-	-
<b>TOTAL LIABILITIES</b>	<b>257,518</b>	<b>231,416</b>
<b>NET ASSETS</b>		
Without Donor Restrictions		
Undesignated	814,596	545,002
With Donor Restrictions (Note 8)	105,300	-
<b>TOTAL NET ASSETS</b>	<b>919,896</b>	<b>545,002</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,177,414</b>	<b>\$ 776,418</b>

See independent accountant's review report and notes to financial statements.

**CAMELOT FOR CHILDREN  
(A Not-for-Profit Corporation)  
STATEMENTS OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Year Ended June 30, 2019</u>
<b>Operating Activities:</b>			
<i>Revenues and Public Support:</i>			
Contributions and Grants	\$ 308,888	\$ 145,300	\$ 454,188
Special Events	231,539	-	231,539
Less: Special Event Expenses	(76,036)	-	(76,036)
Investment Income	834	-	834
Net Assets Released from Restrictions	40,000	(40,000)	-
Total Revenues and Public Support	<u>505,225</u>	<u>105,300</u>	<u>610,525</u>
<i>Expenses:</i>			
Program Services	225,369	-	225,369
Supporting Services:			
Management and General	18,334	-	18,334
Fundraising	9,418	-	9,418
Total Expenses	<u>253,121</u>	<u>-</u>	<u>253,121</u>
CHANGES IN NET ASSETS FROM OPERATING ACTIVITIES	252,104	105,300	357,404
<b>Nonoperating Activities:</b>			
Contributions and Grants	-	17,490	17,490
Net Assets Released from Restrictions	17,490	(17,490)	-
CHANGES IN NET ASSETS FROM NONOPERATING ACTIVITIES	<u>17,490</u>	<u>-</u>	<u>17,490</u>
INCREASE IN NET ASSETS	269,594	105,300	374,894
<b>NET ASSETS, JULY 1</b>	<u>545,002</u>	<u>-</u>	<u>545,002</u>
<b>NET ASSETS, JUNE 30</b>	<u>\$ 814,596</u>	<u>\$ 105,300</u>	<u>\$ 919,896</u>

See independent accountant's review report and notes to financial statements.

**CAMELOT FOR CHILDREN  
(A Not-for-Profit Corporation)  
STATEMENTS OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Year Ended June 30, 2018</b>
<b>Operating Activities:</b>			
<i>Revenues and Public Support:</i>			
Contributions and Grants	\$ 185,385	\$ -	\$ 185,385
Special Events	96,087	-	96,087
Less: Special Event Expenses	(17,580)	-	(17,580)
Investment Income	32	-	32
Net Assets Released from Restrictions	-	-	-
Total Revenues and Public Support	263,924	-	263,924
<i>Expenses:</i>			
Program Services	168,589	-	168,589
Supporting Services:			
Management and General	20,243	-	20,243
Fundraising	15,918	-	15,918
Total Expenses	204,750	-	204,750
CHANGES IN NET ASSETS FROM OPERATING ACTIVITIES	59,174	-	59,174
<b>Nonoperating Activities:</b>			
Contributions and Grants	-	-	-
Net Assets Released from Restrictions	-	-	-
CHANGES IN NET ASSETS FROM NONOPERATING ACTIVITIES	-	-	-
INCREASE IN NET ASSETS	59,174	-	59,174
<b>NET ASSETS, JULY 1</b>	<b>485,828</b>	<b>-</b>	<b>485,828</b>
<b>NET ASSETS, JUNE 30</b>	<b>\$ 545,002</b>	<b>\$ -</b>	<b>\$ 545,002</b>

See independent accountant's review report and notes to financial statements.

**CAMELOT FOR CHILDREN  
(A Not-for-Profit Corporation)  
STATEMENTS OF CASH FLOWS**

	<b>Years Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 374,894	\$ 59,174
Adjustment to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities		
Depreciation Expense	30,903	45,068
(Increase) Decrease in:		
Pledges Receivable	(105,300)	-
Prepaid Expenses	2,355	(5,000)
Increase (Decrease) in:		
Accounts Payable	(9,050)	6,011
Accrued Payroll	3,219	3,329
Contributions Restricted for Capital Additions	(17,490)	-
Net Cash Provided by Operating Activities	279,531	108,582
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(287,154)	(6,852)
Net Cash Used by Investing Activities	(287,154)	(6,852)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Line of Credit	40,000	50,000
Payments on Line of Credit	-	(60,000)
Payments on Mortgage Payable	(8,067)	(2,137)
Proceeds from Contributions Restricted for Capital Additions	17,490	-
Net Cash Provided (Used) by Financing Activities	49,423	(12,137)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	41,800	89,593
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	95,225	5,632
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	\$ 137,025	\$ 95,225
<i>Supplemental Data:</i>		
Interest Paid	\$ 10,720	\$ 14,543

See independent accountant's review report and notes to financial statements.



**CAMELOT FOR CHILDREN**  
**(A Not-for-Profit Corporation)**  
**STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2019**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018**

	Program Services	Management and General	Fundraising	Year Ended June 30,	
				2019 Total	2018 Total
Salaries	\$ 86,833	\$ 3,177	\$ 3,177	\$ 93,187	\$ 48,062
Payroll Taxes	8,789	322	322	9,433	4,997
Employee Benefits	3,035	111	111	3,257	1,270
Total Salaries and Related Benefits	<u>98,657</u>	<u>3,610</u>	<u>3,610</u>	<u>105,877</u>	<u>54,329</u>
Advertising and Promotions	441	25	25	491	11,094
Dues and Subscriptions	-	-	-	-	595
Information Technology	-	-	-	-	1,457
Occupancy Costs -					
Insurance	7,762	431	431	8,624	6,732
Repairs and Maintenance	19,259	1,070	1,070	21,399	20,190
Utilities	13,393	744	744	14,881	12,516
Interest	9,648	536	536	10,720	14,543
Directors and Officers Insurance	-	825	-	825	-
Professional Fees	878	5,794	-	6,672	19,783
Program Expenses	21,280	-	-	21,280	7,397
Operations, Supplies, and Postage	22,397	1,244	1,244	24,885	9,085
Equipment Rental and Maintenance	3,841	213	213	4,267	1,961
Bank Fees	-	45	-	45	-
Impervious Surface Tax	-	2,252	-	2,252	-
Depreciation	<u>27,813</u>	<u>1,545</u>	<u>1,545</u>	<u>30,903</u>	<u>45,068</u>
Total	<u>\$ 225,369</u>	<u>\$ 18,334</u>	<u>\$ 9,418</u>	<u>\$ 253,121</u>	<u>\$ 204,750</u>

See independent accountant's review report and notes to financial statements.

**CAMELOT FOR CHILDREN**  
**(A Not-for-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2019 and 2018**

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**1. Nature of Activities**

Camelot for Children is a nonprofit organization providing year-round social and educational opportunities to children with disabilities and chronic or terminal illnesses in a supportive, developmentally appropriate, enriching environment in order to make the magic of childhood accessible to children with unique needs. The major sources of revenue are from special events, grants and contributions from the general public.

**2. Summary of Significant Accounting Policies**

*Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

*Basis of Presentation*

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** – Net assets available for use in general operations and not subject to donor or certain grantor restrictions. Net assets without donor restrictions may be designated for specific purposes by the action of the Board of Directors.

**Net Assets With Donor Restrictions** – Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

*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 certain reported amounts of assets and liabilities and 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 from those estimates.

**CAMELOT FOR CHILDREN**  
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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2019 and 2018**

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**2. Summary of Significant Accounting Policies (Continued)**

*Income Taxes (Continued)*

The Organization is a not-for-profit corporation organized under the laws of the Commonwealth of Pennsylvania and is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

The accounting standard for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or liabilities recorded for the fiscal year ended June 30, 2019 and 2018.

*Revenues*

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. The Organization did not possess investment assets during either of the years presented. Expirations of net assets with donor restrictions by fulfillment of the donor-stipulated purposes or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets.

*Contributions*

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. There were no uncollectible contributions at year end. The determination includes such factors as prior collection history, type of contribution, and nature of fundraising activity. Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and various committee assignments; however, those services do not meet the criteria for recognition specified by accounting principles generally accepted in the United States of America.

**CAMELOT FOR CHILDREN**  
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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2019 and 2018**

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**2. Summary of Significant Accounting Policies (Continued)**

*Pledges Receivable*

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

*Cash and Cash Equivalents*

For the purpose of the statements of cash flows, cash and cash equivalents consists of funds held in the Organization's checking, savings and money market accounts.

*Property and Equipment*

Property and equipment is stated at cost. Depreciation is computed by use of the straight-line method over the estimated useful lives of the assets. The Organization capitalizes all items with a value greater than \$500 and a useful life greater than one year. Routine repairs and maintenance are expensed as incurred.

*Allocation of Expenses by Function*

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The Organization's method for allocating expenses among the functional reporting classifications which cannot be specifically identified as program or supporting service are based on estimates made for time spent by key personnel between functions, space occupied by function, consumption of supplies and postage by function, and other objective bases.

*Advertising Costs*

Advertising costs are expensed as incurred and were \$491 and \$11,094 for the years ended June 30, 2019 and 2018, respectively.

**CAMELOT FOR CHILDREN  
(A Not-for-Profit Corporation)  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 and 2018**

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**2. Summary of Significant Accounting Policies (Continued)**

Adoption of New Accounting Standards

The Organization has adopted the provisions of ASU No. 2016-14 Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities effective fiscal year ended June 30, 2019. In August 2016, FASB issued the above standard, with the stated purpose of improving financial reporting by not-for-profit entities (NFP). Among other provisions, ASU 2016-14 reduces the number of net assets from three to two, requires the presentation of expenses in both natural and functional classifications, enhances disclosures on liquidity, and eliminates the requirement to prepare a reconciliation in the statement of cash flows when applying the direct method. It also revises the definitions of certain terms. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017. The Organization elected to adopt ASU 2016-14 for the year ending June 30, 2019 and it was applied retrospectively to the year ending June 30, 2018.

Subsequent Events

Management has evaluated subsequent events through September 25, 2019, the date on which the financial statements were available to be issued. No subsequent events have occurred that require recognition or disclosure.

**3. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statements of Financial Position, consist of the following:

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
Cash and Cash Equivalents	\$ 137,025	\$ 95,225
Pledges Receivable, Net	105,300	-
Net Assets With Donor Restrictions	(105,300)	-
	\$ 137,025	\$ 95,225

The Organization is supported mainly by grants and contributions. The Organization believes that grants and contributions along with the assets held at June 30, 2019, is sufficient to enable the Organization to continue to operate for the upcoming year.

**CAMELOT FOR CHILDREN**  
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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2019 and 2018**

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**4. Pledges Receivable**

Pledges receivable, net of allowance for uncollectible pledges and unamortized discount, are summarized as follows:

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
Less than one year	\$ 51,300	\$ -
One to five years	61,000	-
Over five years	-	-
Total	112,300	-
Less: Unamortized Discount (3%)	(3,000)	-
Less: Allowance for Uncollectible Pledges (5%)	(4,000)	-
	\$ 105,300	\$ -

**5. Property and Equipment**

Property and equipment consists of the following:

	<b>Estimated Useful Life</b>	<b>June 30,</b>	
		<b>2019</b>	<b>2018</b>
Land		\$ 394,623	\$ 394,623
Buildings and Improvements	5-30	1,421,424	1,194,638
Equipment and Furnishings	5-10	67,230	29,693
		1,883,277	1,618,954
Accumulated Depreciation		(950,833)	(942,761)
		\$ 932,444	\$ 676,193

Depreciation charged to expense was \$30,903 and \$45,068 for the years ended June 30, 2019 and 2018, respectively.

**CAMELOT FOR CHILDREN**  
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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2019 and 2018**

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**6. Line of Credit**

The Organization has a line of credit agreement with a bank which has a maximum availability of \$100,000. The line of credit agreement bears a variable interest rate based on the U.S. Prime Rate as quoted in The Wall Street Journal plus 1.00% with a floor of 5.00% (6.50% at June 30, 2019 ). Borrowings under the line of credit agreement are secured by the Organization's property and equipment. The line of credit expires June, 2020, but is due upon lender's demand. The outstanding balance at June 30, 2019 and 2018 was \$40,000 and \$-0-, respectively.

**7. Mortgage Payable**

Mortgage payable consists of the following:

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
Mortgage Note Payable to a Bank; Collateralized By Real Estate, Due in Monthly Installments of \$1,565, Including Interest at 4.90% Based on a 25-year Amortization Through June, 2023 at Which Point a Balloon Payment Becomes Due.	<u>\$ 210,970</u>	<u>\$ 219,037</u>

Long-term debt maturities are as follows:

Years ended June 30,

2020	\$	8,642
2021		9,075
2022		9,530
2023		<u>183,723</u>
	<u>\$</u>	<u>210,970</u>

Interest expense related to the line of credit and the mortgage payable amounted to \$10,720 and \$14,543 for the years ended June 30, 2019 and 2018, respectively.

**CAMELOT FOR CHILDREN**  
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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2019 and 2018**

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**8. Net Assets With Donor Restrictions**

At June 30, 2019 and 2018, net assets with donor restrictions consist of the following:

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
Time Restrictions:		
Pledges Receivable	\$ 105,300	\$ -

During the years ended June 30, 2019 and 2018, net assets with donor restrictions were released as follows:

	<b>Year Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>
Purpose Restrictions:		
Capital Improvements	\$ 17,490	\$ -
Time Restrictions:		
Pledges Receivable	40,000	-
	\$ 57,490	\$ -

**9. Leases**

The Organization leases office equipment under a non-cancellable operating lease which calls for total monthly payments of \$98. The lease expires in December, 2020. Copy charges and maintenance costs are additional. The aggregate lease expense for the years ended June 30, 2019 and 2018 totaled \$1,180 and \$590, respectively. The following is a schedule of future minimum rental payments required under the above non-cancellable operating lease:

Years ended June 30,		
	2020	\$ 1,180
	2021	590