



The Boggy Creek Gang, Inc. and Affiliate

**Consolidated Financial Statements
and Supplementary Information
Years Ended December 31, 2016 and 2015**

The Boggy Creek Gang, Inc. and Affiliate

Consolidated Financial Statements and Supplementary Information
Years Ended December 31, 2016 and 2015

The Boggy Creek Gang, Inc. and Affiliate

Contents

Independent Auditor's Report	3
Consolidated Financial Statements	
Consolidated Statements of Financial Position	5
Consolidated Statements of Activities	6
Consolidated Statements of Cash Flows	7
Consolidated Statements of Functional Expenses	8-9
Notes to Consolidated Financial Statements	10-21
Supplementary Information	
Independent Auditor's Report on Supplementary Information	23
Consolidating Statement of Financial Position	24
Consolidating Statement of Activities	25



Independent Auditor's Report

Board of Directors
The Boggy Creek Gang, Inc.
Eustis, Florida

We have audited the accompanying consolidated financial statements of The Boggy Creek Gang, Inc. and affiliate, which comprise the statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Boggy Creek Gang, Inc. and affiliate as of December 31, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

BDO USA, LLP
Certified Public Accountants
July 20, 2017

Consolidated Financial Statements

The Boggy Creek Gang, Inc. and Affiliate

Consolidated Statements of Financial Position

<i>December 31,</i>	2016	2015
Assets:		
Cash and cash equivalents	\$ 4,021,457	\$ 3,262,525
Investments (Note 3)	6,236,814	5,550,005
Prepaid expenses and other current assets	127,551	122,874
Contributions receivable, net (Note 4)	1,793,456	1,820,207
Property held for sale (Note 2)	228,420	1,250,000
Property and equipment, net (Note 5)	6,765,411	6,807,470
Endowed investments (Note 3)	15,595,623	15,370,718
	\$ 34,768,732	\$ 34,183,799
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 113,166	\$ 174,031
Accrued payroll	154,290	114,670
Accrued expenses	78,999	188,762
Total liabilities	346,455	477,463
Commitments (Note 9)		
Net assets:		
Unrestricted (Notes 6 and 8)	19,794,236	18,804,082
Temporarily restricted (Note 7)	4,640,617	4,917,728
Permanently restricted (Note 8)	9,987,424	9,984,526
Total net assets	34,422,277	33,706,336
	\$ 34,768,732	\$ 34,183,799

See accompanying notes to consolidated financial statements and independent auditor's report.

The Boggy Creek Gang, Inc. and Affiliate

Consolidated Statements of Activities

Year Ended December 31,	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, revenues and gains (losses):								
Contributions, net	\$ 4,175,652	\$ 111,983	\$ 2,898	\$ 4,290,533	\$ 2,857,633	\$ 955,527	\$ -	\$ 3,813,160
Special events	1,257,208	496,563	-	1,753,771	856,001	42,500	-	898,501
In-kind contributions	451,642	44,189	-	495,831	318,235	17,923	-	336,158
Net investment income (loss) (Note 3)	1,030,942	-	-	1,030,942	(221,645)	-	-	(221,645)
Merchandise sales, net	2,928	-	-	2,928	5,347	-	-	5,347
Net assets released from restrictions (Note 7)	929,846	(929,846)	-	-	1,509,703	(1,509,703)	-	-
Total support, revenues and gains (losses)	7,848,218	(277,111)	2,898	7,574,005	5,325,274	(493,753)	-	4,831,521
Expenses								
Program services:								
Camp activities	1,808,581	-	-	1,808,581	1,970,974	-	-	1,970,974
Facilities	1,019,698	-	-	1,019,698	1,023,901	-	-	1,023,901
Food service	465,542	-	-	465,542	513,695	-	-	513,695
Infirmary	879,459	-	-	879,459	870,933	-	-	870,933
Total program services	4,173,280	-	-	4,173,280	4,379,503	-	-	4,379,503
Supporting services:								
Administrative and general	732,352	-	-	732,352	551,076	-	-	551,076
Fundraising	1,952,432	-	-	1,952,432	1,113,321	-	-	1,113,321
Total supporting services	2,684,784	-	-	2,684,784	1,664,397	-	-	1,664,397
Total expenses	6,858,064	-	-	6,858,064	6,043,900	-	-	6,043,900
Change in net assets	990,154	(277,111)	2,898	715,941	(718,626)	(493,753)	-	(1,212,379)
Net assets, beginning of year	18,804,082	4,917,728	9,984,526	33,706,336	19,522,708	5,411,481	9,984,526	34,918,715
Net assets, end of year	\$19,794,236	\$ 4,640,617	\$ 9,987,424	\$34,422,277	\$ 18,804,082	\$ 4,917,728	\$ 9,984,526	\$ 33,706,336

See accompanying notes to consolidated financial statements and independent auditor's report.

The Boggy Creek Gang, Inc. and Affiliate

Consolidated Statements of Cash Flows

<i>Year Ended December 31,</i>	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ 715,941	\$ (1,212,379)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	923,843	1,267,216
Loss on sale of property	96,566	-
Net realized and unrealized (gain) loss on investments	(665,780)	666,585
Cash restricted for capital projects	(11,148)	(550,000)
Donated property	(239,569)	(16,923)
Donated securities	(413,340)	-
Cash provided by (used for):		
Contributions receivable	26,751	385,780
Prepaid expenses and other current assets	(4,677)	12,879
Accounts payable	(60,865)	36,723
Accrued payroll and other accrued expenses	(70,143)	162,780
Net cash provided by operating activities	297,579	752,661
Cash flows from investing activities:		
Purchases of property and equipment	(155,692)	(178,216)
Proceeds from sale of property, net	1,153,434	-
Proceeds from sale of investments	651,582	9,459,040
Purchases of investments	(770,423)	(6,520,142)
Purchase of assets restricted for investment in capital projects	(714,943)	(587,238)
Net cash provided by investing activities	163,958	2,173,444
Cash flows from financing activities:		
Proceeds from sale of endowment investments	2,844,839	6,748,270
Purchases of endowed investments	(2,558,592)	(9,513,981)
Contributions restricted for capital project	11,148	550,000
Net cash provided by (used for) financing activities	297,395	(2,215,711)
Increase in cash and cash equivalents	758,932	710,394
Cash and cash equivalents, beginning of year	3,262,525	2,552,131
Cash and cash equivalents, end of year	\$ 4,021,457	\$ 3,262,525

See accompanying notes to consolidated financial statements and independent auditor's report.

The Boggy Creek Gang, Inc. and Affiliate
Consolidated Statement of Functional Expenses

<i>Year Ended December 31, 2016</i>	<i>Program Services</i>				<i>Supporting Services</i>		<i>Total</i>
	<i>Camp Activities</i>	<i>Facilities</i>	<i>Food Service</i>	<i>Infirmary</i>	<i>Administrative and General</i>	<i>Fundraising</i>	
Salaries and payroll taxes	\$ 868,104	\$ 357,855	\$ 29	\$ 563,333	\$ 429,952	\$ 603,357	\$ 2,822,630
Depreciation expense	544,790	32,153	73,567	115,466	62,453	95,414	923,843
Special events	-	-	-	-	-	778,104	778,104
Utilities	33,737	172,675	836	8,022	25,696	7,839	248,805
Employee relations	12,782	1,177	168,812	9,285	22,350	4,536	218,942
Miscellaneous	1,407	258	479	1,218	2,750	15,107	21,219
Food	-	-	133,222	-	-	-	133,222
Printing, publications and postage	1,911	49	208	2,804	4,520	61,527	71,019
Office and computer equipment/maintenance	25,238	10,278	13,789	11,208	18,249	40,395	119,157
Maintenance	-	356,919	302	-	-	-	357,221
Supplies	1,014	34,090	9,761	16,887	-	18,923	80,675
Insurance	119,546	2,981	7,351	7,728	22,736	6,741	167,083
Travel/meetings/education	3,161	-	28	2,444	9,437	7,537	22,607
Program and volunteer activities	117,660	263	-	-	-	-	117,923
Office supplies/memberships	10,126	815	892	6,904	6,339	8,587	33,663
Professional fees	17,270	10,511	37,402	6,342	127,355	91,429	290,309
In-kind services/supplies	51,835	39,674	18,864	127,818	515	212,936	451,642
	\$ 1,808,581	\$ 1,019,698	\$ 465,542	\$ 879,459	\$ 732,352	\$ 1,952,432	\$ 6,858,064

See accompanying notes to consolidated financial statements and independent auditor's report.

The Boggy Creek Gang, Inc. and Affiliate
Consolidated Statement of Functional Expenses

<i>Year Ended December 31, 2015</i>	<i>Program Services</i>				<i>Supporting Services</i>		<i>Total</i>
	<i>Camp Activities</i>	<i>Facilities</i>	<i>Food Service</i>	<i>Infirmary</i>	<i>Administrative and General</i>	<i>Fundraising</i>	
Salaries and payroll taxes	\$ 732,104	\$ 369,115	\$ 1,679	\$ 554,813	\$ 339,935	\$ 498,575	\$ 2,496,221
Depreciation expense	830,030	22,591	109,971	130,666	67,938	106,020	1,267,216
Special events	-	-	-	-	-	174,068	174,068
Utilities	29,181	194,151	834	7,717	22,367	8,626	262,876
Employee relations	20,173	2,303	174,550	5,310	13,350	10,902	226,588
Miscellaneous	4,905	112	-	2,195	3,991	16,166	27,369
Food	-	-	125,312	-	-	-	125,312
Printing, publications and postage	2,598	31	534	949	2,794	67,525	74,431
Office and computer equipment/maintenance	16,914	6,887	20,802	13,530	18,284	36,586	113,003
Maintenance	-	356,825	-	-	-	-	356,825
Supplies	1,834	24,402	9,019	13,649	-	23,994	72,898
Insurance	123,374	2,928	7,404	4,938	23,549	5,076	167,269
Travel/meetings/education	5,569	-	28	3,575	5,298	9,831	24,301
Program and volunteer activities	123,218	426	-	-	-	-	123,644
Office supplies/memberships	8,858	703	816	6,926	5,901	11,265	34,469
Professional fees	16,948	6,665	38,370	6,516	47,669	63,007	179,175
In-kind services/supplies	55,268	36,762	24,376	120,149	-	81,680	318,235
	\$ 1,970,974	\$ 1,023,901	\$ 513,695	\$ 870,933	\$ 551,076	\$ 1,113,321	\$ 6,043,900

See accompanying notes to consolidated financial statements and independent auditor's report.

The Boggy Creek Gang, Inc. and Affiliate

Notes to Consolidated Financial Statements

1. Nature of Organization

The Boggy Creek Gang, Inc. is a nonprofit organization that was established to provide residential camping experiences for children with serious illnesses and their families. Its mission is to foster a spirit of joy by creating a free, safe and medically sound camp environment that enriches the lives of children with serious illnesses and their families. Its services include 8 summer camp sessions and 17 family retreat weekends. The Boggy Creek Gang, Inc. is a member of the SeriousFun Children's Network.

Mitchell Central Property, LLC was organized on October 22, 2009. The sole member is The Boggy Creek Gang, Inc. The purpose is to acquire, maintain and manage real property.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include Mitchell Central Property, LLC, a wholly-owned subsidiary of The Boggy Creek Gang, Inc. (the "Organization"). All significant interorganization and intercompany accounts and transactions have been eliminated in consolidation.

Liquidity

Assets are presented in the accompanying consolidated statements of financial position according to their nearness of conversion to cash and liabilities according to their nearness of their maturity and resulting use of cash.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents.

Investments

Investments are recorded at fair value. Realized and unrealized gains and losses are reflected in the consolidated statements of activities as investment income and are combined with interest and dividend income earned during the period.

The Organization's Investment Committee employs professional advisors and applies fund objectives which combine both capital growth and income return. Goldman Sachs manages assets in investment categories consistent with Investment Committee approval.

The Organization's endowment portfolio consists of multiple independent investment funds established with a variety of investment objectives. Risk is mitigated through diversification of investments, balance of fixed income/equity mix, and disciplined review of fund manager performance. The investment portfolio is benchmarked against a blend of indices that is comparable to its asset mix. Portfolio performance, as measured by investment results must meet or exceed the relevant benchmarks over the course of the investment cycle. Diversification by security and asset class should enhance portfolio returns on a risk adjusted basis while reducing portfolio volatility.

The Boggy Creek Gang, Inc. and Affiliate

Notes to Consolidated Financial Statements

The long-term goal of the Organization is to maintain the value of the portfolio, in real terms, net of spending. Investments in the account will be benchmarked against indices of a comparable asset mix. The portfolio performance, as measured by investment results are expected to meet or exceed these benchmarks over the course of the investment cycle.

Fair Value of Financial Instruments

The Organization reports its financial instruments at fair value using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 - Valuation based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Valuation based on observable quoted prices for similar assets and liabilities in active markets.

Level 3 - Valuation based on inputs that are unobservable and are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain financial instruments approximate their fair values due to the short-term nature of these instruments. These financial instruments include contributions due in one year or less, accounts payable and accrued expenses.

The Organization's Level 1 financial instruments consist of investments as identified in Note 3 and are valued based on quoted market prices.

The Organization's Level 2 financial assets include pledges due beyond one year recorded at their net present value using a risk-free interest rate available on U.S. Treasury issues at the date the pledge was made with an equivalent term approximately equal to the number of years over which the pledge will be paid (see Note 4).

The Organization does not have any Level 3 financial instruments as of December 31, 2016 and 2015.

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of cash and cash equivalents, investments and contributions receivable.

The Organization places its cash and cash equivalents with high quality financial institutions and has not experienced any losses on such accounts. At December 31, 2016, insurance coverage amounted to \$250,000 per depositor at each financial institution.

The Boggy Creek Gang, Inc. and Affiliate

Notes to Consolidated Financial Statements

The Organization also has significant investments that are subject to concentrations of credit risk. Investments are made by investment managers in accordance with the Organization's investment policy and are monitored for the Organization by these same managers. Although the market value of investments is subject to fluctuations on a day-to-day basis, management believes the investment policy is prudent for the long-term welfare of the Organization.

The Organization received contributions from one donor, which represents 14% of the Organization's total revenues for the year ended December 31, 2016. The Organization received contributions from two donors, which represents 11% and 10% of the Organization's total revenues for the year ended December 31, 2015.

As of the year ended December 31, 2016, two donors accounted for 66% and 11% of contributions receivable. As of the year ended December 31, 2015, one donor accounted for 78% of contributions receivable.

Property and Equipment

Property and equipment are recorded at cost, if purchased and at fair market value on the date received, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and building improvements	10-20 years
Furniture and office equipment	3-10 years
Vehicles	5 years

Impairment of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There were no impairment losses recorded during the years ended December 31, 2016 and 2015.

Property Held for Sale

Property held for sale is recorded at its fair market value as determined based on purchase offers. During the year ended December 31, 2016, a house located in Leesburg, Lake County, Florida was donated to the Organization and was recorded at its estimated fair market value of \$228,420 as contribution revenue and was sold for this amount in April 2017. During the year ended December 31, 2015, management elected to sell the real estate previously held for investment located in Oviedo, Seminole County, Florida. The real estate sold on October 6, 2016 for an amount of \$1,250,000, less selling and closing costs of \$96,566, which was recorded as professional fees on the accompanying consolidated statements of activities.

The Boggy Creek Gang, Inc. and Affiliate

Notes to Consolidated Financial Statements

Contributions and Donor-Imposed Restrictions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as temporarily or permanently restricted creating increases in those net asset classes.

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 are reported in the consolidated statements of activities as net assets released from restrictions. If a temporary restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

Contributions Receivable

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are to be received. Amortization of discounts is included in contribution revenue. Contributions of assets other than cash are recorded at their estimated fair value on the date received.

Special Event Revenue

Special event revenue is recognized as revenue when the event takes place.

Contributions Restricted for Investment in Property and Equipment

Contributions restricted for investment in property and equipment are recorded as temporarily restricted contributions and are included in temporarily restricted net assets invested in property and equipment. The Organization has adopted the policy of imposing a time restriction on such contributions that expire over the related assets' useful lives. When the asset is placed in service, temporarily restricted net assets are released in equal amounts for each year of the asset's useful life and reported in the consolidated statements of activities as net assets released from restrictions.

In-Kind Contributions

Contributions of donated supplies and services are recorded at their estimated fair market value at the date of receipt and are reflected as in-kind contributions in the accompanying consolidated statements of activities. Contributions of services are recognized only if such services create or enhance nonfinancial assets, would have been purchased if not provided by donation, require specialized skills, and are provided by individuals possessing such specialized skills. The Organization recorded in-kind physician services of \$115,200 during each of the years ended December 31, 2016 and 2015, which are included in in-kind contributions and in-kind services/supplies in the accompanying consolidated financial statements.

The Boggy Creek Gang, Inc. and Affiliate

Notes to Consolidated Financial Statements

There are approximately 2,200 people participating in the Organization's volunteer program annually. With the exception of specialty medical physicians which are recognized as in-kind contributions, these volunteer services are not valued or recognized in the accompanying consolidated financial statements, as these services do not meet the criteria for recognition. However, approximately 81,795 and 99,195 volunteer hours were provided to the Organization during the years ended December 31, 2016 and 2015, respectively.

Income Taxes

The Organization is exempt from Federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Income Tax Code. The wholly owned subsidiary was incorporated under the Florida Revised Limited Liability Company Act and is considered a disregarded entity for federal and state income tax purposes. Therefore, no provision for income taxes has been included in the accompanying consolidated financial statements.

The Organization identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the consolidated statement of financial position. The Organization has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Organization would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Organization's open tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

Functional Expenses

Salaries and related payroll expenses are allocated among functional categories based on the estimated proportion of time spent relative to each function. All other expenses are allocated based on management's estimate of the relative functional activity.

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 and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Pronouncements Issued but Not Yet Adopted

Revenue

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP.

The Boggy Creek Gang, Inc. and Affiliate

Notes to Consolidated Financial Statements

The standard is effective for annual periods beginning after December 15, 2018, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). The new standard allows for early adoption for annual periods beginning after December 15, 2016. The Organization is currently evaluating the impact of its pending adoption of ASU 2014-09 on its consolidated financial statements and has not yet determined the method by which it will adopt the standard.

Leases

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, *Leases*. The new standard establishes the right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified either as finance or operating, with classification affecting the pattern of expense recognition in the income statement.

The new standard is effective for fiscal years beginning after December 15, 2019. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in financial statements, with certain practical expedients available. The Company is currently evaluating the impact of its pending adoption of the new standard on its consolidated financial statements.

Financial Statement Presentation of Not-for-Profit Entities

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) - Presentation of Financial Statements of Not-for-Profit Entities. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statements of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for periods prior to adoption. The Organization is currently evaluating the impact of this ASU on its consolidated financial statements.

The Boggy Creek Gang, Inc. and Affiliate

Notes to Consolidated Financial Statements

Subsequent Events

The Organization has evaluated events and transactions occurring subsequent to December 31, 2016 as of July 20, 2017, which is the date the consolidated financial statements were available to be issued. Subsequent events occurring after July 20, 2017 have not been evaluated by management. No material events have occurred since December 31, 2016 that require recognition or disclosure in the consolidated financial statements.

3. Investments

The fair value of investments consists of the following:

<i>December 31,</i>	2016	2015
Cash and cash equivalents	\$ 78,949	\$ 33,525
Certificates of deposit	597,678	-
Level 1 investments:		
Investment grade fixed income	1,911,757	1,944,436
Other fixed income	585,828	549,886
US equity	2,156,454	2,063,314
Non-US equity, emerging markets	906,148	958,844
Total Level 1 investments	5,560,187	5,516,480
	\$ 6,236,814	\$ 5,550,005

The fair value of endowed investments consists of the following:

<i>December 31,</i>	2016	2015
Cash and cash equivalents	\$ 79,429	\$ 70,753
Level 1 investments:		
Investment grade fixed income	3,283,393	3,277,336
Other fixed income	1,525,680	1,517,221
US equity	7,470,617	7,188,708
Non-US equity, emerging markets	3,236,504	3,316,700
Total Level 1 investments	15,516,194	15,299,965
	\$ 15,595,623	\$ 15,370,718

The Boggy Creek Gang, Inc. and Affiliate

Notes to Consolidated Financial Statements

Unrestricted net investment income and its classification in the consolidated statements of activities consist of the following:

<i>Year Ended December 31,</i>	2016	2015
Interest and dividend income	\$ 365,162	\$ 444,940
Net realized and unrealized gain (loss)	665,780	(666,585)
	\$ 1,030,942	\$ (221,645)

Interest and dividend income is stated net of fees of \$121,438 and \$111,494 for the years ended December 31, 2016 and 2015, respectively.

4. Contributions Receivable

Contributions receivable consist of unconditional promises to give and are due as follows:

<i>December 31,</i>	2016	2015
Less than one year	\$ 809,647	\$ 618,607
One to five years	1,081,600	1,304,000
	1,891,247	1,922,607
Discount to present value (0.72% - 4.71%)	(97,791)	(102,400)
	\$ 1,793,456	\$ 1,820,207

The Organization considers all contributions to be fully collectible and therefore an allowance was not recorded.

The Organization's gross contributions receivable include amounts due from founders/directors of approximately \$1,352,000 and \$1,500,000 as of December 31, 2016 and 2015, respectively. Related collections on contributions receivable from founders/directors during the years ended December 31, 2016 and 2015 amounted to \$270,000 and \$375,000, respectively.

The Boggy Creek Gang, Inc. and Affiliate

Notes to Consolidated Financial Statements

5. Property and Equipment

Property and equipment consists of the following:

<i>December 31,</i>	2016	2015
Land	\$ 2,456,398	\$ 2,456,398
Buildings and building improvements	21,891,788	20,838,085
Furniture and office equipment	2,500,758	2,324,555
Vehicles	340,451	307,411
Construction in progress	-	385,375
	27,189,395	26,311,824
Less accumulated depreciation	(20,423,984)	(19,504,354)
	\$ 6,765,411	\$ 6,807,470

At December 31, 2015, construction in progress primarily included the costs associated with the construction project to expand the Permanent Staff housing. The project was completed in May 2016 for a total cost of approximately \$1,200,000, which was funded by grants and donations.

6. Unrestricted Net Assets

Unrestricted net assets consist of the following:

<i>December 31,</i>	2016	2015
Available for operations	\$ 3,996,003	\$ 2,939,728
Investment in property and equipment	3,512,112	3,926,949
Board-designated for operating reserve	3,755,394	3,578,885
Board-designated for capital reserve	2,068,423	1,971,120
Board-designated for endowment (Note 8)	6,462,304	6,387,400
	\$ 19,794,236	\$ 18,804,082

7. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following:

<i>December 31,</i>	2016	2015
Investment in property and equipment	\$ 3,253,299	\$ 2,495,145
Restricted for:		
Programs	1,061,379	985,177
Building construction	325,939	1,437,406
	\$ 4,640,617	\$ 4,917,728

The Boggy Creek Gang, Inc. and Affiliate

Notes to Consolidated Financial Statements

Net assets were released from donor-imposed restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

<i>Year Ended December 31,</i>	2016	2015
Programs	\$ 522,860	\$ 490,252
Depreciation of property and equipment	406,986	1,019,451
	\$ 929,846	\$ 1,509,703

8. Permanent and Board Designated Endowment Funds

The Organization holds donor restricted endowment funds for which the earnings are unrestricted. The principal of the donor restricted endowment funds are recorded as permanently restricted net assets and must be maintained permanently and not used up, expended or otherwise exhausted. The Organization also maintains a board designated endowment fund to further its mission which includes investment income earned on the donor restricted endowment funds and is classified as unrestricted on the consolidated statements of financial position (see Note 6).

The Organization's Board of Directors has established an investment sub-committee to oversee the funds management with the primary objective to provide long-term growth and capital preservation of all endowment funds. Each year, a portion of the return on the endowment funds may be used to fund general operating expenditures. The amount of that spending portion will be reviewed annually and the distribution recommended by the Finance Committee will be approved by the Board of Directors.

The Organization's endowment net assets consist of the following and exclude pledges receivable to the donor restricted endowment fund of \$750,000 and \$900,000 as of December 31, 2016 and 2015, respectively:

<i>December 31, 2016</i>	<i>Unrestricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Donor restricted endowment funds	\$ -	\$ 9,237,424	\$ 9,237,424
Board-designated endowment funds	6,462,304	-	6,462,304
	\$ 6,462,304	\$ 9,237,424	\$ 15,699,728

<i>December 31, 2015</i>	<i>Unrestricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Donor restricted endowment funds	\$ -	\$ 9,084,526	\$ 9,084,526
Board-designated endowment funds	6,387,400	-	6,387,400
	\$ 6,387,400	\$ 9,084,526	\$ 15,471,926

The Boggy Creek Gang, Inc. and Affiliate

Notes to Consolidated Financial Statements

The Organization's changes in endowment net assets for the years ended December 31, 2016 and 2015 are as follows:

	<i>Unrestricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Endowment net assets at December 31, 2014	\$ 4,440,168	\$ 8,934,526	\$ 13,374,694
Contributions paid, net	-	150,000	150,000
Transfer to board designated endowment	2,917,652	-	2,917,652
Interest and dividends	386,744	-	386,744
Net realized gain on investments	177,370	-	177,370
Net unrealized loss on investments	(830,850)	-	(830,850)
Investment fees	(82,834)	-	(82,834)
Distributions	(620,850)	-	(620,850)
Endowment net assets at December 31, 2015	6,387,400	9,084,526	15,471,926
Contributions paid, net	-	152,898	152,898
Interest and dividends	342,248	-	342,248
Net realized loss on investments	(182,623)	-	(182,623)
Net unrealized gain on investments	693,775	-	693,775
Investment fees	(97,955)	-	(97,955)
Distributions	(680,541)	-	(680,541)
Endowment net assets at December 31, 2016	\$ 6,462,304	\$ 9,237,424	\$ 15,699,728

The Board of Directors of the Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets: (a) the original value of the gift donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the Organization and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the Organization;
- (7) The investment policies of the Organization.

The Boggy Creek Gang, Inc. and Affiliate

Notes to Consolidated Financial Statements

9. Operating Leases

The Organization has entered into various operating leases which expire on various dates ranging from 2018 to 2020. Future minimum lease payments due under operating leases having an initial or remaining noncancelable term of more than one year at December 31, 2016 are approximated as follows:

Year Ended December 31,

2017	\$	22,000
2018		15,000
2019		16,000
2020		16,000
	\$	69,000

Total rent expense was \$25,572 and \$23,131 for the years ended December 31, 2016 and 2015, respectively.

Supplementary Information



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Independent Auditor's Report on Supplementary Information

Board of Directors
The Boggy Creek Gang, Inc.
Eustis, Florida

Our audit of the consolidated financial statements included in the preceding section of this report was conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

BDO USA, LLP

BDO USA, LLP
Certified Public Accountants
July 20, 2017

The Boggy Creek Gang, Inc. and Affiliate

Consolidating Statement of Financial Position

<i>December 31, 2016</i>	<i>The Boggy Creek Gang, Inc.</i>	<i>Mitchell Central Property, LLC</i>	<i>Eliminations</i>	<i>Total</i>
Assets:				
Cash and cash equivalents	\$ 4,021,457	\$ -	\$ -	\$ 4,021,457
Investments	6,236,814	-	-	6,236,814
Prepaid expenses and other current assets	127,551	-	-	127,551
Contributions receivable, net	1,793,456	-	-	1,793,456
Due from affiliate	240,355	1,031,464	(1,271,819)	-
Property held for sale	-	228,420	-	228,420
Property and equipment, net	6,765,411	-	-	6,765,411
Endowed investments	15,595,623	-	-	15,595,623
	\$ 34,780,667	\$ 1,259,884	\$ (1,271,819)	\$ 34,768,732
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ 113,166	\$ -	\$ -	\$ 113,166
Accrued payroll	154,290	-	-	154,290
Accrued expenses	78,999	-	-	78,999
Due to affiliate	1,031,464	240,355	(1,271,819)	-
Total liabilities	1,377,919	240,355	(1,271,819)	346,455
Net assets:				
Unrestricted	18,774,707	1,019,529	-	19,794,236
Temporarily restricted	4,640,617	-	-	4,640,617
Permanently restricted	9,987,424	-	-	9,987,424
Total net assets	33,402,748	1,019,529	-	34,422,277
	\$ 34,780,667	\$ 1,259,884	\$ (1,271,819)	\$ 34,768,732

The Boggy Creek Gang, Inc. and Affiliate

Consolidating Statement of Activities

Year Ended December 31, 2016	<i>The Boggy Creek Gang, Inc.</i>				<i>Mitchell Central Property, LLC</i>	
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>	<i>Unrestricted</i>	<i>Total</i>
Support and revenue:						
Contributions, net	\$ 4,181,572	\$ 111,983	\$ 2,898	\$ 4,296,453	\$ (5,920)	\$ 4,290,533
Special events	1,257,208	496,563	-	1,753,771	-	1,753,771
In-kind contributions	451,642	44,189	-	495,831	-	495,831
Net investment income	1,030,942	-	-	1,030,942	-	1,030,942
Merchandise sales, net	2,928	-	-	2,928	-	2,928
Net assets released from restrictions	929,846	(929,846)	-	-	-	-
Total support and revenue	7,854,138	(277,111)	2,898	7,579,925	(5,920)	7,574,005
Expenses						
Program services:						
Camp activities	1,808,581	-	-	1,808,581	-	1,808,581
Facilities	1,019,698	-	-	1,019,698	-	1,019,698
Food service	465,542	-	-	465,542	-	465,542
Infirmary	879,459	-	-	879,459	-	879,459
Total program services	4,173,280	-	-	4,173,280	-	4,173,280
Supporting services:						
Administrative and general	626,078	-	-	626,078	106,274	732,352
Fundraising	1,952,432	-	-	1,952,432	-	1,952,432
Total supporting services	2,578,510	-	-	2,578,510	106,274	2,684,784
Total expenses	6,751,790	-	-	6,751,790	106,274	6,858,064
Change in net assets	1,102,348	(277,111)	2,898	828,135	(112,194)	715,941
Net assets, beginning of year	17,672,358	4,917,728	9,984,526	32,574,612	1,131,724	33,706,336
Net assets, end of year	\$ 18,774,706	\$ 4,640,617	\$ 9,987,424	\$ 33,402,747	\$ 1,019,530	\$ 34,422,277