

Veteran's Rowing & Kayaking, Inc.

Financial Statements
(with Independent Auditor's Report)

December 31, 2014

Veteran's Rowing & Kayaking, Inc.

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Independent Auditor's Report on the Financial Statements

To the Board of Directors
Veteran's Rowing & Kayaking, Inc.

Report on the Financial Statements

We have audited the accompanying statements of financial position of Veteran's Rowing & Kayaking, Inc., as of December 31, 2014, and the related statements of activities, changes in net assets, and cash flows and for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Veteran's Rowing & Kayaking, Inc., as of December 31, 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with the accounting principles generally accepted in the United States of America.

Bostick & Murphy CPAs PC
Mount Kisco, New York
January 16, 2015

Veteran's Rowing & Kayaking, Inc.

Statements of Financial Position
December 31,

	<u>2014</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	<u>2,802.78</u>
Total Current Assets	2,802.78
Equipment, Net	<u>9,222.32</u>
TOTAL ASSETS	<u><u>\$12,025.10</u></u>
LIABILITIES & NET ASSETS	
Net Assets	
Unrestricted	<u>12,025.10</u>
Total Net Assets	<u>12,025.10</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$12,025.10</u></u>

Veteran's Rowing & Kayaking, Inc.

Statements of Activities and Changes in Net Assets
Year Ended December 31,

	<u>2014</u>
Revenue	
Grants	\$24,000.00
Contributions	<u>30,031.75</u>
Total Revenue	<u>54,031.75</u>
Expenses	
Advertising	2,583.12
Business Registration Fees	450.00
Coaching	290.00
Legal Fees	1,000.00
Outside Contract Services	5,000.00
Contributions	7,265.00
Depreciation	257.30
Equip Rental and Maintenance	664.30
Credit Card Discounts	0.36
Membership Fees	290.00
Postage, Mailing Service	117.60
Supplies	8,061.62
Telephone, Telecommunications	107.72
Website	2,000.00
Insurance - Liability, D and O	609.75
Travel	480.74
Travel and Meetings - Other	<u>12,829.14</u>
Total Expense	<u>42,006.65</u>
Increase in unrestricted net assets	<u>12,025.10</u>
Net Assets	
Beginning of year	0
End of year	<u><u>\$12,025.10</u></u>

Veteran's Rowing & Kayaking, Inc.

Statements of Cash Flows
Year Ended December 31,

	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$12,025.10
Adjustments to reconcile change in net assets to net cash	
Depreciation	257.30
Purchase of fixed assets	-9,479.62
Net cash provided by Operating Activities	<u>-9,222.32</u>
Net increase (Decrease) in cash	2,802.78
Cash	
Beginning of year	0.00
Ende of year	<u><u>\$2,802.78</u></u>

Notes to Financial Statements

December 31, 2014

Note A – Organization

Veteran's Rowing & Kayaking, Inc. (the Organization) is incorporated as, a not-for-profit corporation established under the laws of the State of Connecticut to provide recreational and competitive rowing opportunities and instruction to military veterans in the surrounding communities and to promote recreational river use and environmental education.

The Organization's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The Organization follows the guidance of the provisions for accounting for not-for-profit organizations. Under this guidance, the Organization is required to report information regarding its financial position and activities according to three classes of net assets, unrestricted, temporarily restricted and permanently restricted. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations, and are associated with the principal operating activities of the Organization. As of December 31, 2014, unrestricted net assets are the only type of net assets associated with these financial statements.

Temporarily restricted net assets – Net assets that are subjected to donor-imposed stipulations that may or will be met either by actions of the Organizations and/or the passage of time. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are report in the statements of activities and changes in net assets as assets released from restrictions. As of December 31, 2014, the Organization did not have any temporarily restricted net assets.

Permanently restricted net assets - Net assets that are subject to donor-imposed stipulations that must be maintained permanently by the Organization. There were no permanently restricted net assets as of December 31, 2014.

Results of Operations

The statements of activities and changes in net assets include operating income and loss that represent the results of operations and contributions of long-lived assets.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Notes to Financial Statements

December 31, 2014

Note B – Summary of Significant Accounting Policies – Continued

Cash and Cash Equivalents

All cash on deposit in banks and credit unions, including money market deposits, are considered cash and cash equivalents. The Organization maintains bank accounts at various banks. Accounts at a certain institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has not exceeded the insured amount at any time for the year ended December 31, 2014.

Furniture, Fixtures and Equipment

The Organization capitalizes property and equipment with a value of \$1,000 or more at cost and a useful life in excess of one year, if purchased, or estimated fair market value at the date of gift, if donated. The property is depreciated over its estimated useful life using the straight-line method. Useful lives of significant categories are 3 to 40 years for building and improvements, 5 to 30 years for furniture and equipment, and 5 years on vehicles.

Contributions

Contributions are recorded at fair value when received or pledged. Amounts are recorded as temporarily or permanently restricted revenue if they have donor stipulations that limited the use of the donated assets. Bequests are recognized when the probate court declares the will valid. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted assets are reclassified as unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization files a Form 990 (Return of Organizations Exempt from Income Taxes), and is not subject to US federal income tax.

Donated Services

The value of contributed time by unpaid volunteers is not reflected in these statements to the extent that the services did not enhance non-financial assets.

Subsequent Events

The Organization has evaluated subsequent events through January 15, 2015, which is the date the financial statements were available to be issued.

Veteran's Rowing & Kayaking, Inc.

Notes to Financial Statements

December 31, 2014

Note C – Furniture, Fixtures and Equipment

Furniture, fixtures and equipment as of December 31:

	<u>2014</u>
Equipment	\$ 6,615.32
Furniture and Fixtures	<u>2,864.30</u>
	\$ 9,479.62
Less accumulated depreciation	<u>257.30</u>
Net Equipment	\$ <u>9,222.32</u>