

Camp Blue Skies Foundation

Financial Statements
December 31, 2023

CAMP BLUE SKIES FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Camp Blue Skies Foundation
Charlotte, North Carolina

Opinion

We have audited the accompanying financial statements of Camp Blue Skies Foundation (the "Foundation" - a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camp Blue Skies Foundation as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Camp Blue Skies Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Camp Blue Skies Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Camp Blue Skies Foundation
Charlotte, North Carolina

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of Camp Blue Skies Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Camp Blue Skies Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Foard & Company, P.A.
July 1, 2024

CAMP BLUE SKIES FOUNDATION

Statement of Financial Position

December 31, 2023, with prior year comparative totals

| | December 31, | |
|--|----------------------------|----------------------------|
| | 2023 | 2022 |
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 129,336 | \$ 159,699 |
| Pledges receivable, net (Note 2) | 200,000 | 55,000 |
| Investments (Note 3) | 3,213,687 | 2,610,309 |
| Prepaid expenses | 3,900 | 2,947 |
| <i>Total Current Assets</i> | <i>3,546,923</i> | <i>2,827,955</i> |
| Noncurrent Assets: | | |
| Pledges receivable, net (Note 2) | 600,000 | - |
| Investments (Note 3) | 388,019 | 373,719 |
| <i>Total Noncurrent Assets</i> | <i>988,019</i> | <i>373,719</i> |
| <i>TOTAL ASSETS</i> | <i>\$ 4,534,942</i> | <i>\$ 3,201,674</i> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities: | | |
| Accounts payable | \$ 3,053 | \$ 2,726 |
| Deferred revenue (Note 4) | 57,623 | 53,989 |
| <i>Total Current Liabilities</i> | <i>60,676</i> | <i>56,715</i> |
| Net Assets: | | |
| Without donor restrictions | 3,286,247 | 2,716,240 |
| With donor restrictions (Note 5) | 1,188,019 | 428,719 |
| <i>Total Net Assets</i> | <i>4,474,266</i> | <i>3,144,959</i> |
| <i>TOTAL LIABILITIES AND NET ASSETS</i> | <i>\$ 4,534,942</i> | <i>\$ 3,201,674</i> |

CAMP BLUE SKIES FOUNDATION

Statement of Activities

Year Ended December 31, 2023, with prior year comparative totals

| | Year Ended December 31, 2023 | | | Prior Year Comparative Totals |
|--|-------------------------------|----------------------------|---------------------|-------------------------------------|
| | Without Donor Restrictions | With Donor Restrictions | TOTALS | |
| <u>SUPPORT AND REVENUE</u> | | | | |
| Contributions and grants | \$ 544,778 | \$ 814,300 | \$ 1,359,078 | \$ 352,170 |
| Camp fees | 100,725 | - | 100,725 | 79,600 |
| Special event (net of \$26,471 direct benefit) | 76,419 | - | 76,419 | 72,215 |
| Other income | 10,356 | - | 10,356 | 9,640 |
| Net assets released from restrictions: | | | | |
| By time | 55,000 | (55,000) | - | - |
| <i>Total Support and Revenue</i> | 787,278 | 759,300 | 1,546,578 | 513,625 |
| <u>EXPENSES</u> | | | | |
| Program services | 490,148 | - | 490,148 | 401,854 |
| Management and general | 30,124 | - | 30,124 | 19,136 |
| Fundraising | 49,474 | - | 49,474 | 48,240 |
| <i>Total Expenses</i> | 569,746 | - | 569,746 | 469,230 |
| <u>INCOME FROM OPERATING ACTIVITIES</u> | | | | |
| | 217,532 | 759,300 | 976,832 | 44,395 |
| Non operating activity: | | | | |
| Investment return, net | 352,475 | - | 352,475 | (402,315) |
| <i>CHANGE IN NET ASSETS</i> | 570,007 | 759,300 | 1,329,307 | (357,920) |
| <i>NET ASSETS, BEGINNING</i> | 2,716,240 | 428,719 | 3,144,959 | 3,502,879 |
| <i>NET ASSETS, ENDING</i> | \$ 3,286,247 | \$ 1,188,019 | \$ 4,474,266 | \$ 3,144,959 |

CAMP BLUE SKIES FOUNDATION**Statement of Functional Expenses****Year Ended December 31, 2023, with prior year comparative totals**

| | Year Ended December 31, 2023 | | | | Prior Year Comparative Totals |
|------------------------------|------------------------------|---------------------------|-------------------------|--------------------------|-------------------------------------|
| | Program Services | Management and General | Fundraising | TOTALS | |
| <u>EXPENSES</u> | | | | | |
| Contract services | \$ 284,489 | \$ 13,614 | \$ 37,808 | \$ 335,911 | \$ 268,225 |
| Rental fees | 111,181 | - | 3,385 | 114,566 | 92,785 |
| Supplies | 23,647 | 2,322 | - | 25,969 | 23,456 |
| Meals and entertainment | - | - | 22,184 | 22,184 | 26,588 |
| Printing and postage | 5,097 | 709 | 5,054 | 10,860 | 10,923 |
| Transportation and storage | 10,492 | - | - | 10,492 | 9,892 |
| Technology | 6,896 | - | - | 6,896 | 3,506 |
| Insurance | 12,736 | 2,290 | - | 15,026 | 10,334 |
| Licenses and fees | 9,734 | 8,750 | 2,895 | 21,379 | 20,338 |
| Travel | 18,174 | - | - | 18,174 | 15,064 |
| Miscellaneous | 97 | 1,565 | 4,619 | 6,281 | 7,266 |
| Meetings and trainings | 7,605 | 874 | - | 8,479 | 5,853 |
| <u>Total</u> | <u>490,148</u> | <u>30,124</u> | <u>75,945</u> | <u>596,217</u> | <u>494,230</u> |
| Less - Special Events Costs | | | | | |
| Deducted from Revenue | - | - | 26,471 | 26,471 | 25,000 |
| <u>TOTAL EXPENSES</u> | <u>\$ 490,148</u> | <u>\$ 30,124</u> | <u>\$ 49,474</u> | <u>\$ 569,746</u> | <u>\$ 469,230</u> |

CAMP BLUE SKIES FOUNDATION

Statement of Cash Flows

Year Ended December 31, 2023, with prior year comparative totals

| | <u>Year Ended December 31,</u> | |
|---|--------------------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| <u>OPERATING ACTIVITIES</u> | | |
| Change in net assets | \$ 1,329,307 | \$ (357,920) |
| Adjustments to reconcile changes in net assets to net cash flows from operating activities: | | |
| Contributions for long-term purposes | (14,300) | (12,600) |
| Unrealized (gain) loss on investments | (371,937) | 475,583 |
| Change in operating assets: | | |
| Pledge receivable | (745,000) | 445,000 |
| Prepaid expenses | (953) | (472) |
| Change in operating liabilities: | | |
| Accounts payable | 327 | (18,426) |
| Deferred revenue | 3,634 | 814 |
| | <hr/> | <hr/> |
| Cash Flows From | | |
| Operating Activities | 201,078 | 531,979 |
| | <hr/> | <hr/> |
| <u>INVESTING ACTIVITIES</u> | | |
| Sales of investments | 19,559 | 16,700 |
| Purchases of investments | (265,300) | (732,071) |
| | <hr/> | <hr/> |
| Cash Flows From | | |
| Investing Activities | (245,741) | (715,371) |
| | <hr/> | <hr/> |
| <u>FINANCING ACTIVITIES</u> | | |
| Contributions for long-term purposes | 14,300 | 12,600 |
| | <hr/> | <hr/> |
| Cash Flows From | | |
| Financing Activities | 14,300 | 12,600 |
| | <hr/> | <hr/> |
| NET CHANGE IN CASH | (30,363) | (170,792) |
| CASH AND CASH EQUIVALENTS, BEGINNING | 159,699 | 330,491 |
| | <hr/> | <hr/> |
| CASH AND CASH EQUIVALENTS, ENDING | \$ 129,336 | \$ 159,699 |
| | <hr/> | <hr/> |

CAMP BLUE SKIES FOUNDATION

Notes to Financial Statements

December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Camp Blue Skies Foundation (the “Foundation”) is incorporated in North Carolina as a not-for-profit Foundation. Its purpose is to enhance the lives of adults with intellectual disabilities through recreation, socialization, and life skills education. Its principal activity is the operation of overnight camps for adults with developmental disabilities, including Down syndrome and autism, in North Carolina, South Carolina, and Georgia.

Funding

Activities of the Foundation are financed by grants and contributions from other Foundations and individuals, and by camp fees.

Income tax status

Camp Blue Skies Foundation is a nonprofit Foundation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code with respect to its exempt function income. Camp Blue Skies Foundation is not a private foundation as defined by section 509(a) of the Internal Revenue Code.

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

- *Net assets without donor restrictions* – Net assets that are not subject to any donor-imposed stipulations. Donor-restricted contributions whose restrictions are met in the same reporting period as received are reported as net assets without donor restrictions. From time to time, the Board of Directors may designate certain amounts to be utilized or invested to meet specific objectives of the Foundation. Such amounts, if any, are reflected as designated net assets without donor restrictions in the accompanying statement of financial position.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations. These restrictions may be temporary in nature, with the restriction being met either by actions of the Foundation or the passage of time, or permanent whereby the donor has stipulated the funds be maintained in perpetuity.

CAMP BLUE SKIES FOUNDATION

Notes to Financial Statements

December 31, 2023

Revenue recognition

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of cash and other assets are considered to be available for undesignated use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Other revenue, such as camp fees are recorded once the performance obligation is completed.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Accordingly, actual results could be different from those estimates.

Functional allocation of expenses

Expenses are allocated to program services, management and general, and fundraising based on management's estimates of time spent and various allocation methods appropriate to the type of expense. Expenses are allocated on management's analysis of the various expenses that comprise those costs.

Donated services and goods

Donated services are reported as contributions when the services (a) create or enhance non-financial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated goods, if significant, are included in support at fair value. During the year ended December 31, 2023, the Foundation recorded no donated goods or services.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued in the statement of financial position at their fair value. Fair value is determined by reference to exchange or dealer-quote market prices. If a quoted market price is not available, the fair value of securities is estimated using quoted market prices for similar investment securities. Changes in the fair value of securities are reflected as unrealized gain and loss on investments in the accompanying statement of cash flows.

CAMP BLUE SKIES FOUNDATION

Notes to Financial Statements

December 31, 2023

Property and equipment

Property and equipment are stated at cost if purchased or estimated fair value at the date of receipt if donated, subject to a \$2,500 capitalization threshold. Depreciation is provided over the estimated useful lives of the assets and is computed on the straight-line method.

Deferred revenue

Deferred revenue consists primarily of cash received for the next year's camp fees collected prior to year-end and the Foundation's special event that will occur during the year ending December 31, 2024.

Leases

The Foundation determines if an arrangement is or contains a lease at inception. Leases are included in right of use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Foundation does not report ROU assets and lease liabilities for its lease with a term of 12 months or less; rather, they are reported as a lease expense on a straight-line basis over the lease term. As of December 31, 2023, the Foundation had no signed lease agreements.

Prior-year comparative totals

The financial statements include certain prior-year summarized information in total, but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Foundation's 2022 financial statements, from which the summarized information was derived.

NOTE 2 – PLEDGES RECEIVABLE

Management's assessment of the collectability of the pledges receivable balance, which relates to one single donor, is based on historical collections from the donor, knowledge of the donor, and current economic conditions. Based on the underlying nature of the receivable at December 31, 2023, management has determined that no allowance for the account is necessary. The pledge is expected to be collected in \$200,000 annual payments over the next four fiscal years.

CAMP BLUE SKIES FOUNDATION

Notes to Financial Statements

December 31, 2023

NOTE 3 – INVESTMENTS

Investments

The fair value of investments was as follows as of December 31, 2023:

| | |
|-----------------------|---------------------|
| Mutual Funds | \$ 1,298,810 |
| Bond Funds | 603,525 |
| Exchange Traded Funds | 1,618,603 |
| Money Market Funds | <u>80,768</u> |
| TOTAL | <u>\$ 3,601,706</u> |

These investments are insured by the Securities Investor Protection Corporation up to \$500,000. The Foundation invests in a variety of investments, which are subject to fluctuations in market values and expose the conservancy to a certain degree of investment risk.

Fair value measurements

GAAP requires fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

- Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.
- Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Foundation's investments as of December 31, 2023, are classified as Level 1 assets.

Jaffe Endowment investments

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions while growing the funds. Actual returns in any given year will vary.

CAMP BLUE SKIES FOUNDATION

Notes to Financial Statements

December 31, 2023

Undesignated CBS Endowment investments

The Foundation has adopted investment and spending policies for their undesignated CBS endowment assets that attempt to provide a predictable stream of funding by investing in a conservative mix of common stocks, mutual funds, fixed income securities, and cash. The purpose of the fund is to support the salary of a full-time executive director along with other extraordinary expenses. Any contributions not restricted for the endowment investment may be made to the undesignated CBS endowment fund. Distributions in excess of current year earnings are limited to 5 percent of the total fund balance.

NOTE 4 – DEFERRED REVENUE

The following table provides information about changes in camper fees paid in advance for the year ended December 31, 2023:

| | |
|---|------------------|
| Deferred camper fees, beginning of year | \$ 18,175 |
| Collections | 17,600 |
| Revenue recognized | <u>(14,750)</u> |
| Deferred camper fees, end of year | <u>\$ 21,025</u> |

The Foundation also had \$36,598 of deferred revenue as of December 31, 2023, related to an event that will take place during the year ending December 31, 2024.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

At year end, the Foundation had net assets with donor restrictions that are temporary in nature of \$800,000, which represented time restricted pledges.

The Foundation also had net assets with donor restrictions that are required to be maintained in perpetuity of \$388,019, which represents the corpus of the Foundation's Jaffe endowment fund.

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has \$3,543,023 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash and cash equivalents of \$129,336, investments of \$3,213,687, and pledges receivable of \$200,000, which are expected to be collected in the subsequent year. None of these assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management the Foundation invests cash in excess of daily requirements in various short-term investments.

CAMP BLUE SKIES FOUNDATION

Notes to Financial Statements

December 31, 2023

NOTE 7 – CONCENTRATIONS OF RISK

Volunteers

The Foundation receives a significant amount of donated services which are used to meet program and management objectives.

Geographic area

The Foundation operates in a limited geographic area and is, therefore, sensitive to changes in the local economy.

Cash in excess of insured limits

The Foundation occasionally maintains cash balances in excess of the FDIC insured limit of \$250,000. However, management believes that the risk related to the accounts is minimal because of the creditworthiness of the financial institutions.

NOTE 8 – SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors' report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.