

Camp Opportunity, Inc.

Financial Statements together with Independent Auditor's Report

As of and For the Year Ended December 31, 2022



C.E.A. SCHOLTES & ASSOCIATES
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Camp Opportunity, Inc.

Opinion

We have audited the accompanying financial statements of Camp Opportunity, Inc. (the Organization), a nonprofit organization, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camp Opportunity, Inc. as of December 31, 2022, 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 for 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 Opportunity, Inc. 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 Opportunity, Inc.'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 auditor's 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 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.

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 purpose of expressing an opinion on the effectiveness of Camp Opportunity, Inc.'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 Opportunity, Inc.'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.

C. E. A. Scholtes & Associates

Baltimore, Maryland
March 4, 2024

CAMP OPPORTUNITY, INC.
STATEMENT OF FINANCIAL POSITION
As of December 31, 2022

ASSETS

Current Assets	
Cash	\$ 119,437
Investments, at fair value	1,628,165
Total Current Assets	<u>1,747,602</u>
 Total Assets	 <u><u>\$1,747,602</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable and Accrued Expenses	\$ 4,463
Total Current Liabilities	<u>4,463</u>
 Total Liabilities	 4,463
 Net Assets	
Without Donor Restrictions	161,906
With Donor Restrictions	1,581,233
Total Net Assets	<u>1,743,139</u>
 Total Liabilities and Net Assets	 <u><u>\$1,747,602</u></u>

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

CAMP OPPORTUNITY, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

REVENUES, GAINS AND OTHER SUPPORT	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Contributions:			
Individuals, Corporations, Foundations, Government	\$ 126,989	\$ -	\$ 126,989
Special Events, net of \$12,870 of direct expenses	12,597	-	12,597
Investment Income (Loss), net	34,318	(27,241)	7,077
Total Revenues, Gains and Other Support	<u>173,904</u>	<u>(27,241)</u>	<u>146,663</u>
EXPENSES			
Program Services			
Camp	140,039	-	140,039
Supporting Services:			
Management and General	21,077	-	21,077
Fundraising	18,537	-	18,537
Total Supporting Services	<u>39,614</u>	<u>-</u>	<u>39,614</u>
Total Expenses	<u>179,653</u>	<u>-</u>	<u>179,653</u>
Change in Net Assets	(5,749)	(27,241)	(32,990)
Net Assets, Beginning of Year	<u>167,655</u>	<u>1,608,474</u>	<u>1,776,129</u>
Net Assets, End of Year	<u>\$ 161,906</u>	<u>\$ 1,581,233</u>	<u>\$ 1,743,139</u>

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

CAMP OPPORTUNITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	Program Services	Supporting Services			
	<u>Camp</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
Advertising	\$ -	\$ -	\$ 1,600	\$ 1,600	\$ 1,600
Bank and Other Charges	-	782	376	1,158	1,158
Camp	35,145	-	400	400	35,545
Contractors	20,937	993	-	993	21,930
Dues and Subscriptions	-	657	-	657	657
Employee Benefits	10,468	1,309	1,309	2,618	13,086
Insurance	2,259	532	-	532	2,791
Licenses and Permits	-	800	-	800	800
Office and Other Expenses	-	5,459	-	5,459	5,459
Payroll and Payroll Related Expenses	71,162	8,895	8,895	17,790	88,952
Printing and Postage	-	650	-	650	650
Professional Fees	68	1,000	-	1,000	1,068
Special Events - Indirect Costs	-	-	5,957	5,957	5,957
	<u>\$ 140,039</u>	<u>\$ 21,077</u>	<u>\$ 18,537</u>	<u>\$ 39,614</u>	<u>\$ 179,653</u>

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

CAMP OPPORTUNITY, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ (32,990)
Adjustments to Reconcile Net Assets to Net Cash	
Used in Operating Activities:	
Unrealized Loss, net	27,241
Reinvested Interest and Dividends, net of fees	(34,318)
Changes in Assets and Liabilities:	
Increase in Accounts Payable and Accrued Expenses	39
Net Cash Used in Operating Activities	<u>(40,028)</u>
Net Decrease in Cash	(40,028)
Cash, Beginning of Year	<u>159,465</u>
Cash, End of Year	<u><u>\$ 119,437</u></u>

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

CAMP OPPORTUNITY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

1. Nature of Organization and Summary of Significant Accounting Policies

This summary of significant accounting policies of Camp Opportunity, Inc. (the Organization) is presented to assist in the understanding of the Organization's financial statements. The financial statements and notes are the representations of the Organization's management, who are responsible for its integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been applied in the preparation of the financial statements.

Nature of Organization

Camp Opportunity, Inc. is a non-profit organization made up of volunteers that are committed to making a difference in the lives of at risk children. The Organization started as a one-week overnight camp for neglected and abused children and over the years has worked towards being a year-round resource for Maryland's abused and neglected children. The Organization does not charge a fee for services.

Basis of Accounting

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) on the accrual basis of accounting, whereby, revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation and Net Assets

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 958, *Not-for-Profit Entities*. Under ASC No. 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are the net assets that are not restricted by donor imposed stipulations.

Net assets with donor restrictions result from contributions whose use by the Organization is limited by donor imposed stipulations, that either expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations (temporary restrictions) or contributions, whose use by the Organization is limited by donor imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise be removed by actions of the Organization (permanent restrictions). Net assets may be restricted for various purposes; such as use in future periods or use for specified purposes or restricted in perpetuity. The Organization had net assets with donor restrictions totaling \$1,581,233 as of December 31, 2022.

CAMP OPPORTUNITY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

**1. Nature of Organization and Summary of Significant Accounting Policies –
(continued)**

Adoption of Accounting Pronouncement

In 2022, the Organization adopted FASB Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. The most significant change for lessees is the requirement under the guidance to recognize right-of-use assets and lease liabilities for all leases not considered short-term leases. By definition, a short term lease is one in which: (a) the lease term is 12 months or less and (b) there is not an option to purchase the underlying asset that the lessee is reasonably certain to exercise. For short-term leases, lessees may elect an accounting policy by class of underlying asset under which right-of-use assets and lease liabilities are not recognized and lease payments are generally recognized as expense over the lease term on a straight-line basis. This change results in lessees recognizing right-of-use assets and lease liabilities from most leases previously accounted for as operating leases under the existing lease accounting guidance. The Organization does not have any leases that are not considered short-term as of December 31, 2022.

Investments

Investments are stated at fair market value.

Liquidity

The following reflects the Organization's financial assets as of December 31, 2022, reduced by amounts not available for general use because of contractual or donor imposed restrictions within one year of the statement of financial position date.

Cash	\$ 119,437
Investments, at fair value	<u>1,628,165</u>
	1,747,602
Less Those Unavailable for General Expenditures Within One Year, Due To:	
Net Assets With Donor Restrictions	<u>(1,581,233)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 166,369</u>

The Organization has \$166,369 of financial assets available within one year of December 31, 2022. The Organization also has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

CAMP OPPORTUNITY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

**1. Nature of Organization and Summary of Significant Accounting Policies –
(continued)**

Revenue Recognition

Revenue is considered available for the Organization's general programs unless specifically restricted by donors. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions.

Donated Goods and Services

Donated goods and services that meet the requirement for recognition in the financial statements and donated materials are included in support and expense at the estimated fair values on the date which they were contributed. The requirements for recognition of donated services in the financial statements are (a) the donated goods and services create or enhance non-financial assets or (b) the donated services require special skills, are provided by individuals who possess those special skills and the donated services would typically be purchased by the Organization if they had not been provided by contribution.

Advertising Costs

The Organization expenses advertising costs when incurred. Advertising costs for the year ended December 31, 2022 totaled \$1,600.

Functional Allocation of Expenses

Direct expenses are charged directly to program services, management and general and fundraising based on specific identification. Indirect expenses are allocated based on the percentages of direct costs for each category of expense to total direct costs.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code.

The accounting standard on accounting 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 benefit 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 positions. There were no unrecognized tax benefits identified or recorded as

CAMP OPPORTUNITY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

1. Nature of Organization and Summary of Significant Accounting Policies – (continued)

Income Taxes – (continued)

liabilities for the years ended December 31, 2022. The Organization's Federal Forms 990 remain open for three years for federal and state examination.

Use of Estimates in Financial Statements

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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Organization evaluated the accompanying financial statements for subsequent events and transactions through March 4, 2024, the date these financial statements were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

2. Fair Value of Financial Instruments

FASB ASC No. 820, *Fair Value Measurements and Disclosures*, established a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure 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 under FASB ASC No. 820 are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

CAMP OPPORTUNITY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

2. Fair Value of Financial Instruments – (continued)

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation techniques used by the Organization to measure fair value during the year ended December 31, 2022 maximized the use of observable inputs and minimized the use of unobservable inputs. There have been no changes in the methodologies used as of December 31, 2022.

When an active market for an identical asset is not available, alternative pricing sources and models utilizing market observable inputs are used. The Organization determines whether the market for a financial instrument is active or inactive based on the security's daily volume and other market trading statistics. Inactivity of the market is evidenced by factors including decreased trade volumes, stale transaction prices and transaction prices that varied significantly over time.

Changes in fair value are recognized in the period in which the change occurs in the statement of activities.

The following is a description of the valuation methodologies used for assets measured at fair value as of December 31, 2022 :

Common Stock: Valued at the closing price reported on the active market on which the investment asset is traded.

CAMP OPPORTUNITY, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

2. Fair Value of Financial Instruments – (continued)

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the Organization’s fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2022:

Description	Total	Fair Value Measurement Using		
		Quoted Prices in Active Market For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common Stock	\$1,628,165	\$1,628,165	\$ -	\$ -
Total	\$1,628,165	\$1,628,165	\$ -	\$ -

3. Net Assets With Donor Restrictions

The Organization had net assets with donor restrictions of \$1,581,233 as of December 31, 2022, restricted for the future purchase of land and buildings for camp.

4. Concentrations

One donor made up 16% of total revenues, gains and other support for the year ended December 31, 2022.