

**CAMP NEJEDA FOUNDATION, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**(With Summarized Financial Information  
for the Year Ended December 31, 2021)**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
Camp Nejeda Foundation, Inc.

### Opinion

We have audited the accompanying financial statements of Camp Nejeda Foundation, Inc. (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 Nejeda Foundation, Inc. as of December 31, 2022, and the changes in 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 Nejeda Foundation, 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 Nejeda Foundation, 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 Nejeda Foundation, 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 Nejeda Foundation, 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.

### **Report on Summarized Comparative Information**

We have previously audited Camp Nejeda Foundation, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 10, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Colavito & associates, LLC*

Colavito & Associates, LLC  
November 11, 2023

**CAMP NEJEDA FOUNDATION, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2022 AND 2021**

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 369,260	\$ 692,733
Inventory	23,124	15,753
Accounts receivable, net	2,500	6,731
Contributions receivable	102,339	-
Grants receivables - Employee Retention Credit	-	21,123
Prepaid expenses	3,594	2,308
	500,817	738,648
Total current assets		
Investments	1,722,706	1,410,519
Property and equipment, net	1,391,476	1,414,558
Operating lease right-of-use asset	4,313	-
	\$ 3,619,312	\$ 3,563,725
Total assets		

**CAMP NEJEDA FOUNDATION, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2022 AND 2021**

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 35,209	\$ 22,105
Deferred revenue	67,273	15,279
Payroll protection program loan payable	-	393,176
Lease liability payable - current portion	1,972	-
Loans payable - current portion	<u>4,770</u>	<u>6,150</u>
 Total current liabilities	 109,224	 436,710
Long-term liabilities:		
Lease liability payable	2,430	-
Loan payable	<u>2,076</u>	<u>6,801</u>
 Total liabilities	 113,730	 443,511
Net Assets		
Without donor restrictions	3,047,577	2,917,811
With donor restrictions	<u>458,005</u>	<u>202,403</u>
 Total net assets	 <u>3,505,582</u>	 <u>3,120,214</u>
 Total liabilities and net assets	 <u>\$ 3,619,312</u>	 <u>\$ 3,563,725</u>

**CAMP NEJEDA FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(With Prior Year Summarized Information for the Year Ended December 31, 2021)**

	2022		2021	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue, gains and other support				
Camp fees	\$ 530,130	-	\$ 530,130	\$ 407,932
Less: camper financial aid	(79,708)	-	(79,708)	(52,763)
Net camp fee revenues	450,422	-	450,422	355,169
Camp store	28,932	-	28,932	26,397
Less cost of goods sold	(14,441)	-	(14,441)	(16,518)
Net camp store income	14,491	-	14,491	9,879
Educational program fees	14,505	-	14,505	4,497
Contributions	449,845	327,660	777,505	587,818
Grant - employee retention credit	-	-	-	41,817
Special events	100,193	-	100,193	85,884
Realized and unrealized losses on investments	(192,475)	-	(192,475)	140,158
Donated materials and supplies	232,831	-	232,831	79,365
Donated services	72,800	-	72,800	63,200
Donated food, securities, in-kind	94,975	-	94,975	73,068
Investment income, net	13,785	-	13,785	7,261
Site rental income	19,450	-	19,450	18,500
Miscellaneous income	33,239	-	33,239	-
Paycheck protection program loan forgiveness	396,452	-	396,452	150,787
Net assets released from restrictions through satisfaction of program requirements	72,058	(72,058)	-	-
Total revenue, gains and other support	1,772,571	255,602	2,028,173	1,617,403
Expenses				
Program services	1,331,866	-	1,331,866	1,120,714
Management and general	155,114	-	155,114	88,793
Fundraising	155,825	-	155,825	99,994
Total expenses	1,642,805	-	1,642,805	1,309,501
Change in net assets	129,766	255,602	385,368	307,902
Net assets, beginning of year	2,917,811	202,403	3,120,214	2,812,312
Net assets, end of year	\$ 3,047,577	\$ 458,005	\$ 3,505,582	\$ 3,120,214

See auditors' report and accompanying notes to financial statements



**CAMP NEJEDA FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(With Prior Year Summarized Information for the Year Ended December 31, 2021)**

	2022			2021	
	Total Program Services	Management and General	Fundraising	Total	Total
Salaries	\$ 613,227	\$ 54,753	\$ 100,152	\$ 768,132	\$ 681,521
Payroll taxes and employee benefits	78,782	6,913	12,838	98,533	91,716
Total personnel services	692,009	61,666	112,990	866,665	773,237
Advertising and promotion	2,073	-	-	2,073	-
Bad debt expense	-	-	-	-	2,603
Bank and credit card processing fees	10,777	356	1,243	12,376	10,168
Camp and medical supplies	237,570	-	-	237,570	87,926
Employee training	3,079	-	-	3,079	-
Food purchases	126,023	-	-	126,023	87,064
Fundraising	-	-	40,918	40,918	14,466
Insurance	-	65,086	-	65,086	57,559
Interest expense	-	68	-	68	4,817
Lease expense	2,489	-	-	2,489	2,292
License and permits	-	1,789	-	1,789	4,107
Membership dues	5,347	-	-	5,347	4,075
Office expenses and printing	4,333	7,137	-	11,470	8,960
Outside services	4,079	-	-	4,079	3,449
Professional fees	11,153	15,000	-	26,153	16,680
Program expenses	36,547	-	-	36,547	14,906
Repairs and maintenance	74,111	-	-	74,111	83,295
Telephone	9,489	-	-	9,489	9,910
Travel and transportation	9,265	-	674	9,939	6,040
Utilities	24,870	-	-	24,870	23,901
Total expenses before depreciation	1,253,214	151,102	155,825	1,560,141	1,215,455
Depreciation	78,652	4,012	-	82,664	94,046
Total expenses	\$ 1,331,866	\$ 155,114	\$ 155,825	\$ 1,642,805	\$ 1,309,501

See auditors' report and accompanying notes to financial statements

**CAMP NEJEDA FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 385,368	\$ 307,902
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	82,664	94,046
Amortization of lease expense	91	-
Bad debt expense	-	2,603
Paycheck protection program loan forgiveness	(393,176)	(149,265)
Realized (gains) losses	(34,350)	(14,943)
Unrealized (gains) losses	226,825	(125,215)
(Increase) decrease in:		
Contributions receivable	(102,339)	-
Accounts receivable	4,231	(3,584)
Inventory	(7,371)	6,119
Miscellaneous receivables	21,123	(21,123)
Prepaid expenses	(1,286)	455
Increase (decrease) in:		
Accounts payable and accrued expenses	13,104	(1,474)
Deferred revenue	51,994	(32,476)
	<u>246,878</u>	<u>63,045</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchase of investments	(782,201)	(118,514)
Proceeds from sale of investments	277,537	115,729
Purchases of property and equipment	(59,582)	(69,697)
	<u>(564,246)</u>	<u>(72,482)</u>
Net cash used in investing activities		
Cash flows from financing activities:		
Proceeds from payroll protection program loan	-	393,176
Proceeds from equipment loan	-	9,060
Principal repayments of loans payable	(6,105)	(6,294)
	<u>(6,105)</u>	<u>395,942</u>
Net cash used in financing activities		

See auditors' report and accompanying notes to financial statements

**CAMP NEJEDA FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS (continued)**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Net increase in cash and cash equivalents	\$ (323,473)	\$ 386,505
Cash and cash equivalents - beginning of year	<u>692,733</u>	<u>306,228</u>
Cash and cash equivalents - end of year	<u>\$ 369,260</u>	<u>\$ 692,733</u>
 Supplemental disclosure of non-cash activity:		
Cash paid for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>

See auditors' report and accompanying notes to financial statements

**CAMP NEJEDA FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

NOTE 1 – Nature of Organization

Camp Nejeda Foundation, Inc. (The "Organization") was founded in 1958 and was incorporated as a nonprofit corporation under the laws of the State of New Jersey in 1963. The mission of the Organization is to enhance the lives of children with diabetes and their families by providing a fun and educational camping experience in a safe environment. The Organization's camping programs are seasonal in nature and, as such, camp sessions are offered from late June through Labor Day of each year. The Organization has expanded its program offerings to year round education seminars, including limited weekend camping experiences.

NOTE 2 – Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Significant accounting principles are described below:

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are permanent in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

**CAMP NEJEDA FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

NOTE 2 – Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Revenue and Support Recognition

The Organization recognizes revenue from camp fees during the year for which the services are provided to the camper. The performance obligation is providing the camper with the camp session. Camp fees received in advance are deferred to the period of the session for which are being paid.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

During 2022, the Organization was awarded a grant of \$341,216 which is payable over three years. In 2022, the Organization received \$229,277 and upon satisfying the requirements of the grant, the Organization would receive receive the remainder in 2023 and 2024.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is satisfied, temporarily restricted net assets are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restriction. However, if the donor restriction is met during the accounting period in which the gift was received, the gifts are reported as unrestricted contributions in the statement of activities.

**CAMP NEJEDA FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

NOTE 2 – Summary of Significant Accounting Policies (continued)

Accounts and Other Receivables

Accounts receivable and other receivables are stated at the amounts Management expects to collect from outstanding balances. On a periodic basis, Management evaluates its accounts and other receivables for collectability. Once an account is deemed to be uncollectible, the amount is written off in the current period. Based on Management's expectation of the amount they will receive an allowance for doubtful accounts of \$2,000 has been established for the year ended December 31, 2022.

Contributions Receivable

Contributions received are recorded as net assets without donor restrictions and net assets with donor restrictions depending on the existence or nature of any donor restrictions. Management feels all the contributions receivable are fully collectible as of December 31, 2022.

Contribution receivable at December 31, 2022 were comprised of Camperships Pledged and a bequeath receivable. The donor restriction on the Camperships were satisfied as these were for students who had already attended camp. As for the bequeath, per the Will specific of Myra Smoot, there were no more stipulations attached to the contribution.

Contributions receivable consisted of the following as of December 31,:

	<u>2022</u>	<u>2021</u>
Unrestricted donations	<u>\$ 102,339</u>	<u>\$ -</u>

Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to a program based on units of service. Support costs are allocated to a program based on total program costs. Program expenses are those related to the camp and education programs. Support costs related to administrative expenses related to those programs. The allocation of employees' salaries and other costs are based on methods considered by management to be reasonable.

**CAMP NEJEDA FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

NOTE 2 – Summary of Significant Accounting Policies (continued)

Financial Aid (continued)

Gross camp fee revenue reflects the Organization's normal rates for attendance to the various camp programs. Financial aid is given on the basis of financial need and is netted against gross camp fee revenue. Financial aid provided to campers from external entities (including donors and restricted funds) was \$79,708 and \$52,763, for the years ended December 31, 2022 and 2021, respectively.

Dependents of the Organization's employees also attend the various camp programs under financial aid agreement between the Organization and the employee. Financial aid provided for the dependent campers is reflected in the statement of activities as net camp fee revenue and was \$23,150 and \$12,051, for the years ended December 31, 2022 and 2021, respectively.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is also exempt under Title 15 of the State of New Jersey, *The New Jersey Nonprofit Corporation Act*. Accordingly, no provision for federal or state income tax has been presented in the accompanying financial statements.

The Organization follows ASC 740-10, *Accounting for Uncertainty in Income Taxes*. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The cumulative effect of this change in accounting principle was immaterial.

The Organization believes that it has appropriate support for the positions taken on its tax returns and accordingly, has not recorded any tax provisions for the years ended December 31, 2022 and 2021. However, the Organization is subject to audit by the federal and State of New Jersey jurisdictions during certain statutory periods. As such, certain tax positions could be challenged and the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities, may differ materially from the amounts filed.

The Organization files income tax returns in the United States federal and New Jersey state jurisdictions. The Organization is no longer subject to tax examinations for New Jersey state income taxes before calendar year 2019 or for United States federal income taxes before calendar year 2020.

**CAMP NEJEDA FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

NOTE 2 – Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment purchased in excess of \$1,000 are recorded at cost at the date of purchase. Property and equipment received as a donation are recorded as contributions at their estimated fair value on the date of the gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

Absent donor restrictions regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Major repairs, improvements and replacements are capitalized. Maintenance and minor repairs and replacements, which do not improve or extend the life of the respective assets, are expensed in the current period. Proceeds from the sale of fixed assets, if unrestricted, are transferred to net assets without donor restrictions, or, if restricted, to deferred amounts restricted for fixed asset acquisition. Depreciation of property and equipment is computed on the straight-line method over the estimated useful lives of the assets.

The Organization continually evaluates whether current events or circumstances warrant adjustments to the carrying value or estimated useful lives of fixed assets in accordance with the provisions of ASC 360-10-05, *Accounting for the Impairment or Disposal of Long-Lived Assets*. No impairment losses were recorded for the years ended December 31, 2022 and 2021.



**CAMP NEJEDA FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

NOTE 2 – Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured at 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 carrying amount or the fair value less costs to sell or dispose.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments that are recorded at cost when purchased and are due within three months or less from the statement of financial position date.

Inventory

Inventory consists of items in the Organization's store and is valued at the lower of cost or market.

Investments

Investments in fixed income and equity securities with readily determinable market values are recorded at fair value. Unrealized and realized gains and losses on these investments are reported in the statement of activities without donor restrictions. These securities are generally held in custodial investment accounts administered by certain financial institutions. Donated investments are recorded as contributions at their fair market values on the date of receipt.

The Organization made a capital investment in the Park Avenue Foundation, Inc., which is a privately held New Jersey nonprofit corporation. The Organization obtained a 2.5% ownership interest. This investment is recorded at cost. See Note 3 for further details.

Interest and Dividends

Interest and dividends are stated net of investment expenses of \$13,785 and \$7,261 for the years ended December 31, 2022 and 2021, respectively.

**CAMP NEJEDA FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

NOTE 2 – Summary of Significant Accounting Policies (continued)

Adoption of FASB ASC 842, Leases

Effective January 1, 2022, the Company adopted FASB ASC 842, “Leases”. The new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right-of-use asset and lease liability and payments will be recognized into profit or loss on a straight-line basis over the lease term.

The Company elected to adopt FASB ASC 842, Leases, using the optional transition method that allows the Company to initially apply the new standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption. The adoption of FASB ASC 842 resulted in the recognition of right-of-use assets of \$5,972 and operating lease liabilities of \$5,972. Results for periods beginning prior to January 1, 2022 continue to be reported in accordance with the historical accounting treatment. The adoption of FASB ASC 842 did not have a material impact on the Company’s results of operations and cash flows.

Fair Value of Financial Instruments

The *Fair Value Measurements* Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an observable market price existed (an exit price). An exit price valuation will include margins for risk even if they are not observable. As the organization is released from risk, the margins for risk will also be released through net realized capital gains (losses) in net income.

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 measurements involving significant unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows:

**CAMP NEJEDA FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

NOTE 2 – Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

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.

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, the 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. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques:

- Market approach - prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach - amount that would be required to replace the service capacity of an assets (i.e., replacement cost);
- Income approach - techniques that convert future amounts to a single present amount based on market expectations (excluding present value techniques, option-pricing models, and lattice models).

**CAMP NEJEDA FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

NOTE 2 – Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

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 following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Cash and cash equivalents, accounts receivable, contributions receivable, other receivables, prepaid expenses, accrued expenses, accounts payable and other current liabilities: the carrying amounts approximate fair value due to the short term maturity of these instruments.

Long term debt is carried at amortized cost. However, management of the Organization believes they can obtain similar loans at similar terms; therefore, management has determined it approximates fair value.

Vacation Pay Accrual

The Organization's policy regarding compensated absences, including vacation, sick and personal time, is to recognize the costs of compensated absences when actually paid to the employee. The amount of compensated absence available to employees depend on job classification, length of service and other factors. Any accrued vacation time which is not used in accordance with this policy will be forfeited.

Donated Services

The Board of Trustees makes significant contributions of time relative to general management and operations of the Organization. Additionally, a substantial number of unpaid volunteers have made significant contributions of their time to the programs sponsored by the Organization. Since this donated time does not meet the criteria for recognition under U.S. generally accepted accounting principles, there has been no reflection of this in the financial statements.

**CAMP NEJEDA FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

NOTE 2 – Summary of Significant Accounting Policies (continued)

Donated Services (continued)

Donated services that do meet the criteria for recognition under U.S. generally accepted accounting principles have been reflected in the financial statements. For the years ended December 31, 2022 and 2021, donated services were \$72,800 and \$63,200, respectively.

Credit Risk and Concentrations

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents and accounts receivable. At times, amounts invested with financial institutions may exceed federally insured limits. Management believes it is not exposed to any significant credit risks.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$2,073 and \$0 for the years ended December 31, 2022 and 2021, respectively.

Comparative Information

The statements of activities and functional expenses included with the financial statements contain certain prior year summarized comparative information in total, but not by net assets or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with the U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022.

Date of the Boards Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through November 11, 2023, the date the financial statements were available to be issued.

**CAMP NEJEDA FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 3 – Investments**

The Organization's investments consisted of the following as of December 31, 2022 and 2021: See Note 2 for a discussion of the Organization's accounting policies.

2022				
	Fair Value (Level 1)	Fair Value (Cost)	Cost	Unrealized Gain (Loss)
Investment Type				
Fixed income	\$ 550,100	\$ -	\$ 581,016	\$ (30,916)
Equities	1,022,606	-	967,038	55,568
Private equities	-	150,000	150,000	-
	<u>\$ 1,572,706</u>	<u>\$ 150,000</u>		
Total Investments		<u>\$ 1,722,706</u>	<u>\$ 1,698,054</u>	<u>\$ 24,652</u>
2021				
	Fair Value (Level 1)	Fair Value (Cost)	Cost	Unrealized Gain (Loss)
Investment Type				
Fixed income	\$ 409,476	\$ -	\$ 410,928	\$ (1,452)
Equities	851,043	-	598,114	252,929
Private equities	-	150,000	150,000	-
	<u>\$ 1,260,519</u>	<u>\$ 150,000</u>		
Total Investments		<u>\$ 1,410,519</u>	<u>\$ 1,159,042</u>	<u>\$ 251,477</u>

Investment income from the above investments was as follows for the years ended December 31, 2022 and 2021:

	2022	2021
Dividends and interest income	\$ 23,558	\$ 16,964
Realized and unrealized gains	(192,475)	140,158
	<u>\$ (168,917)</u>	<u>\$ 157,122</u>

**CAMP NEJEDA FOUNDATION, INC.  
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NOTE 3 – Investments (continued)

Investment activity consists of the following for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 1,410,519	\$ 1,267,580
Purchases	782,201	111,994
Sales	(243,188)	(94,270)
Unrealized gains (losses)	<u>(226,826)</u>	<u>125,215</u>
	<u>\$ 1,722,706</u>	<u>\$ 1,410,519</u>

NOTE 4 – Endowment Fund

The Organization's endowment fund consists of individual funds established for a variety of purposes. Its endowment includes donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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 net assets with donor restrictions (a) the original value of gifts 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 accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted under net assets with donor restrictions is classified as temporarily restricted under net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, 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 various funds, (2) the purposes of the donor-restricted endowment funds, (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, and (7) the Organization's investment policies.

**CAMP NEJEDA FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 4 – Endowment Fund (continued)

*Investment Return Objectives, Risk Parameters and Strategies.* The Organization has adopted investment and spending policies, approved by the Board of Trustees, 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 increase the inflation adjusted asset value of the principal capital and the purchasing power of the income while maintaining a moderate risk profile.

Diversification of assets is used to manage the risk profile, utilizing strategic asset allocation guidelines.

*Spending Policy.* The Organization does not schedule specific distributions from the endowment portfolio, but allows periodic withdrawals, with adequate notice, to be taken as the need arises. The investment strategy plans for these periodic withdrawals of earned income from the portfolio.

NOTE 5 – Property and Equipment

Property and equipment consisted of the following at December 31, 2022 and 2021:

<u>Assets</u>	<u>Recovery Period</u>	<u>2022</u>	<u>2021</u>
Land		\$ 78,000	\$ 78,000
Buildings	30-39 yrs	2,017,253	2,017,253
Improvements	5-39 yrs	758,324	723,483
Equipment	5-15 yrs	277,269	271,429
Furniture and fixtures	5-10 yrs	56,135	44,893
Vehicles	5 yrs	125,006	117,346
		<u>3,311,987</u>	<u>3,252,404</u>
Less: accumulated depreciation		<u>(1,920,511)</u>	<u>(1,837,846)</u>
		<u>\$ 1,391,476</u>	<u>\$ 1,414,558</u>

Depreciation expense for the years ended December 31, 2022 and 2021 totaled \$82,664 and \$94,046, respectively.



**CAMP NEJEDA FOUNDATION, INC.  
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**NOTE 6 – Notes Payable**

During 2019, the Organization obtained a loan with a financial institution to purchase equipment in the amount of \$14,910. The term of the loan is forty-eight months and calls for monthly payments in the amount of \$320, which includes interest at 0%. The loan is secured by the equipment. The balance at December 31, 2022 was \$2,505.

During 2021, the Organization obtained a loan with a financial institution in the amount of \$9,060. The term of the loan is forty-eight months and calls for monthly payments in the amount of \$189, which includes interest at 0%. The loan is secured by the equipment. The balance at December 31, 2022 was \$4,341.

Total interest expense for the years ended December 31, 2022 and 2021 was \$0 and \$0, respectively.

**NOTE 7 – Net Assets with Donor Restrictions**

Net assets with donor restrictions includes permanently restricted net assets donated to its endowment fund. The amount of the endowment fund included in investments and cash and cash equivalents was \$80,300 for both years ended December 31, 2022 and 2021.

The Organization's net assets with donor restrictions consist of donations earmarked for various purposes and consisted of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Camperships	\$ 105,205	\$ 92,103
Program for newly diagnosed children	25,000	25,000
Capital improvements	247,500	5,000
Permanently restricted	<u>80,300</u>	<u>80,300</u>
	<u>\$ 458,005</u>	<u>\$ 202,403</u>

**CAMP NEJEDA FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 8 – Reconciliation of the Change in Net Assets

Below is a reconciliation of the change in net assets for the year ended December 31, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Beginning net assets	\$ 2,917,811	\$ 202,403
Change in net assets	<u>129,766</u>	<u>255,602</u>
Ending net assets	<u>\$ 3,047,577</u>	<u>\$ 458,005</u>

NOTE 9 – Leases

The Company leases office equipment under operating leases with a 3 year initial term. The following summarizes the line items on the balance sheet which include amounts for the operating lease as of December 31, 2022:

Operating lease right-of-use asset	<u>\$ 4,313</u>
Current portion of long-term lease liability	1,972
Operating lease liability	<u>2,430</u>
Total operating lease liability	<u>\$ 4,402</u>

Operating lease expense of \$2,489 is included in the Statement of Functional Expenses at December 31, 2022.

The lease term and discount rate as of December 31, 2022 were as follows:

Term in years for operating leases -	3.0 years
Discount rate-	5.8%

The discount rate was calculated based on the risk-free borrowing rate, as the discount rate implicit in the Company's lease was not readily determined.

**CAMP NEJEDA FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 9 – Leases (continued)

The maturities of operating lease liabilities as of December 31, 2022 were as follows:

	Year ending December 31,		
	2023	\$	2,148
	2024		2,148
	2025		358
			4,654
Total undiscounted cash flows			4,654
Less: present value discount			(252)
			4,402
Total operating lease liability		\$	4,402

NOTE 10 – Employee Benefit Plans

The Organization adopted a Simple IRA plan during 2007. The Organization makes a contribution to the plan each year equal to 3% of all eligible employees' gross earnings. Plan contribution amounted to \$11,700 and \$11,199 for the years ended December 31, 2022 and 2021, respectively.

NOTE 11 – Credit Risk

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risks related to cash.

**CAMP NEJEDA FOUNDATION, INC.**  
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NOTE 12 – Concentrations

Donated Medical Supplies

A significant portion of the Organization's insulin and related medical supplies are donated by various pharmaceutical and medical equipment companies. Donated supplies amounted to \$232,831 and \$79,365 for the years ended December 31, 2022 and 2021, respectively. Four major suppliers accounted for approximately 98% of the donated supplies for the year ended December 31, 2022.

Donated Food

The Organization received a significant portion of their food supply from one supplier. Donated food amounted to \$94,975 and \$73,068 for the years ended December 31, 2022 and 2021, respectively.

Donated Services

The Organization receives a significant amount of Donated Services from unpaid volunteers who assist in the operation of summer camp. See Note 2.

Major Contributors

During the year 2022, fourteen contributors accounted for approximately 67% of the year's contributions.

NOTE 13 – Liquidity and Availability of Financial Assets

The Organization's primary source of income is from camping program income. The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash.

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or board-imposed restrictions within one year of the balance sheet date:

**CAMP NEJEDA FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 13 – Liquidity and Availability of Financial Assets (continued)

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 369,260	\$ 692,733
Investments	1,722,706	1,410,519
Accounts receivables, net	2,500	6,731
Contributions receivable	102,339	-
Miscellaneous receivables	-	21,123
	<u>\$ 2,196,805</u>	<u>\$ 2,131,106</u>

NOTE 14 – Revenue from Contracts with Customers

As disclosed in Note 2, the Organization does not recognize income from camp sessions until the session commences. Deferred revenue consists of camp fees received in advance.

The following table provides information about significant changes in the contract liabilities for the year ended December 31, 2022:

Deferred camp fees, beginning of year	\$ 15,279
Revenue recognized that was included in deferred camp fees at the beginning of year	(15,279)
Increase in deferred revenue due to cash received during the period	67,273
Deferred camp fees, end of year	\$ 67,273

NOTE 15 – Risks and Uncertainties

The COVID-19 pandemic has had a devastating economic impact on the United States and the international community. Camp Nejeda Foundation, Inc. was forced, under the Governor’s Executive Order, to cancel all live camp sessions for the period ended December 31, 2020. The Organization was forced to use donations and reserve assets to support current operating expenses. The extent of the impact of COVID-19 on the Organization’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, which are uncertain and cannot be predicted. The extent to which COVID-19 may impact the Organization’s financial condition or results of operations is uncertain.

**CAMP NEJEDA FOUNDATION, INC.**  
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NOTE 16 – Paycheck Protection Program

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. On May 5, 2020, the Organization received a Paycheck Protection Program (PPP) loan under the CARES Act in the amount of \$149,265. This is a two year note with a fixed rate of 1.00%. The Organization accounted for the loan as debt under the guidance of ASC 470, Debt, and in accordance with guidance in ASC 405, Liabilities: Extinguishments of Liabilities. Under ASC 405, debt is extinguished when the debtor either pays the creditor or the debtor is legally released by the creditor. The Organization used all of the proceeds on qualifying expenses. On May 12, 2021, the Small Business Administration approved complete forgiveness of the \$149,265 Paycheck Protection Program (PPP) loan the Organization was awarded.

The U.S. Federal Government signed the Economic Aid to Hard-Hit Small Businesses, Non-Profits and Venue Act (Economic Aide Act). This Act established the 2<sup>nd</sup> Paycheck Protection Program (PPP) small business loan. Under the 2<sup>nd</sup> Paycheck Protection Program (PPP) loan, the Organization was awarded \$393,176. The Organization has used all of the proceeds on qualifying expenses. On July 6, 2022, the Small Business Administration approved complete forgiveness of the \$393,176 2<sup>nd</sup> Paycheck Protection Program (PPP) loan the Organization was awarded.

NOTE 17 – Employee Retention Credit

Camp Nejeda Foundation, Inc. was eligible for the Employee Retention Credit (“ERC”) under the CARES Act. \$20,694 was received during 2021 in a combination of unpaid employment taxes and a refund for the quarter ending June 30, 2021. Grants receivable for the ERC at December 31, 2021 were \$21,123, which were received during 2022. The funds received during 2022 represent refunds due on Form 941-X, Adjusted Employer’s Quarterly Federal Tax Return or Claim of Refund, for the quarters ended June 30, 2020, September 30, 2020 and March 31, 2021.

NOTE 18 – Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the balance sheet date through the date of the auditors' report and date of issuance. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles.