



**experience
camps**

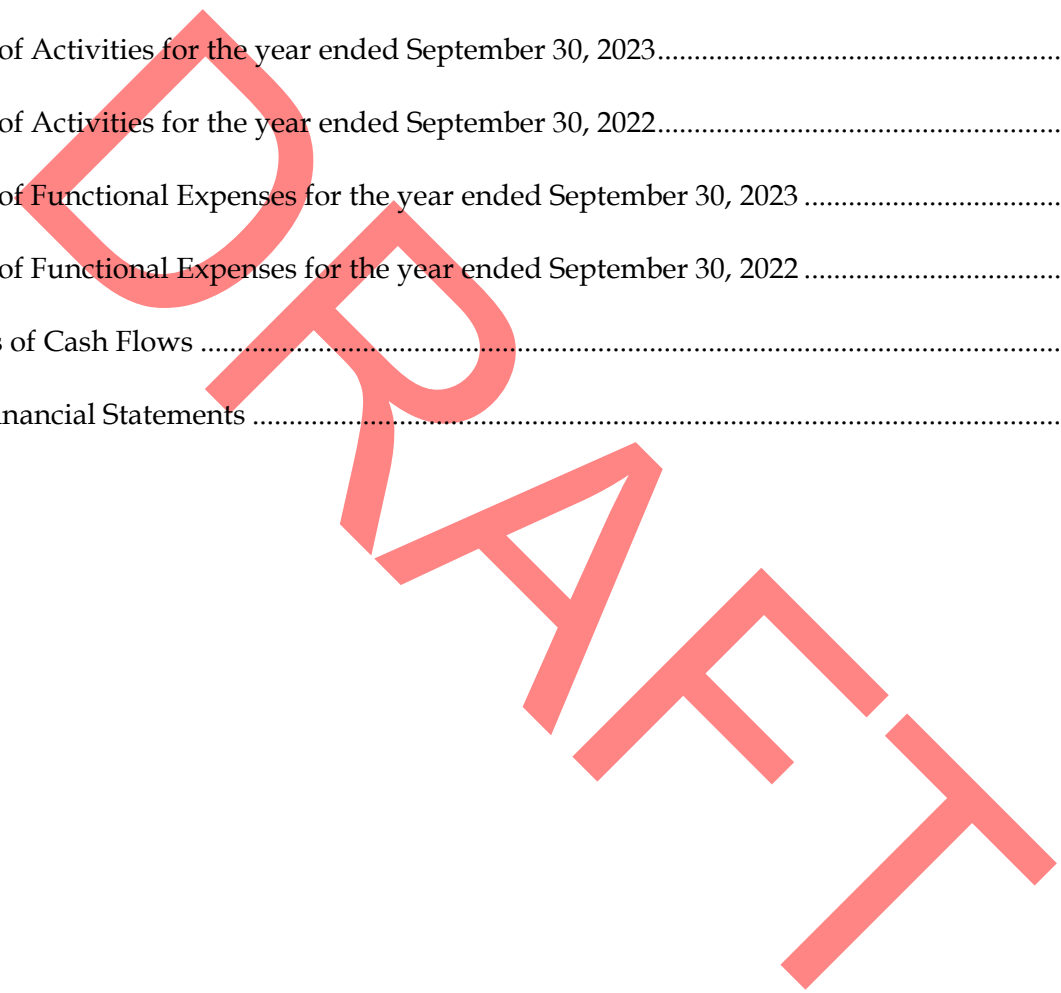
EXPERIENCE CAMPS

*FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT*

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
TABLE OF CONTENTS**

| | |
|--|---|
| Independent Auditors' Report | 1 |
| Audited Financial Statements | |
| Statements of Financial Position | 3 |
| Statement of Activities for the year ended September 30, 2023..... | 4 |
| Statement of Activities for the year ended September 30, 2022..... | 5 |
| Statement of Functional Expenses for the year ended September 30, 2023 | 6 |
| Statement of Functional Expenses for the year ended September 30, 2022 | 7 |
| Statements of Cash Flows | 8 |
| Notes to Financial Statements | 9 |





INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Experience Camps
Westport, Connecticut

Opinion

We have audited the financial statements of Experience Camps (hereinafter the "Organization," a not-for-profit corporation), which comprise the statement of financial position as of September 30, 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 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 for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 GAAS 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 GAAS, 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 the Organization'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 the Organization'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.

Other Matter

The financial statements of the Organization for the year ended September 30, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on February 13, 2023.

Cerini & Associates LLP

Bohemia, New York
February 29, 2024

EXPERIENCE CAMPS

STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30,

2023

2022

ASSETS

Current Assets:

| | | |
|--|------------|------------|
| Cash and cash equivalents..... | \$ 764,656 | \$ 978,408 |
| Investments..... | 4,570,397 | 4,082,482 |
| Accounts receivable..... | 5,031 | 29 |
| Donations receivable..... | 5,574 | 16,451 |
| Current portion of pledges receivable..... | 268,112 | 4,368 |
| Prepaid expenses..... | 7,903 | 33,021 |

| | | |
|-----------------------------|-----------|-----------|
| TOTAL CURRENT ASSETS | 5,621,673 | 5,114,759 |
|-----------------------------|-----------|-----------|

| | | |
|--|---------|---------|
| Right-of-use asset, net of accumulated amortization..... | 68,066 | - |
| Pledges receivable, net current portion and present value discount..... | 116,723 | 384,011 |
| Security deposits..... | 2,500 | 2,500 |
| Property and equipment, net of accumulated depreciation and amortization..... | 1,725 | 2,624 |

| | | |
|---------------------|--------------|--------------|
| TOTAL ASSETS | \$ 5,810,687 | \$ 5,503,894 |
|---------------------|--------------|--------------|

LIABILITIES AND NET ASSETS

Current Liabilities:

| | | |
|---|------------|------------|
| Accounts payable and accrued expenses..... | \$ 263,078 | \$ 257,634 |
| Current portion of operating lease liability..... | 30,315 | - |

| | | |
|----------------------------------|---------|---------|
| TOTAL CURRENT LIABILITIES | 293,393 | 257,634 |
|----------------------------------|---------|---------|

| | | |
|--|--------|---|
| Operating lease liability, net of current portion..... | 38,563 | - |
|--|--------|---|

| | | |
|--------------------------|---------|---------|
| TOTAL LIABILITIES | 331,956 | 257,634 |
|--------------------------|---------|---------|

Net Assets:

| | | |
|---|-----------|-----------|
| Net assets without donor restrictions:..... | 5,090,646 | 4,857,881 |
| Net assets with donor restrictions..... | 388,085 | 388,379 |

| | | |
|-------------------------|-----------|-----------|
| TOTAL NET ASSETS | 5,478,731 | 5,246,260 |
|-------------------------|-----------|-----------|

| | | |
|---|--------------|--------------|
| TOTAL LIABILITIES AND NET ASSETS | \$ 5,810,687 | \$ 5,503,894 |
|---|--------------|--------------|

EXPERIENCE CAMPS

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| SUPPORT AND REVENUE: | | | |
| Donations..... | \$ 2,031,654 | \$ 302,210 | \$ 2,333,864 |
| Grants..... | 325,650 | 303,574 | 629,224 |
| Special events, net direct costs of \$265,160..... | 688,484 | - | 688,484 |
| In-kind donations..... | 475,562 | - | 475,562 |
| Net investment gain..... | 400,926 | - | 400,926 |
| Other income..... | 1,400 | - | 1,400 |
| Net assets released from restrictions..... | 606,078 | (606,078) | - |
| TOTAL SUPPORT AND REVENUE | 4,529,754 | (294) | 4,529,460 |
| EXPENSES: | | | |
| Program services..... | 3,351,770 | - | 3,351,770 |
| Supporting services: | | | |
| Management and general..... | 174,989 | - | 174,989 |
| Fundraising..... | 770,230 | - | 770,230 |
| TOTAL SUPPORTING SERVICES | 945,219 | - | 945,219 |
| TOTAL EXPENSES | 4,296,989 | - | 4,296,989 |
| Change in net assets..... | 232,765 | (294) | 232,471 |
| Net assets, beginning of year..... | 4,857,881 | 388,379 | 5,246,260 |
| Net assets, end of year..... | <u>\$ 5,090,646</u> | <u>\$ 388,085</u> | <u>\$ 5,478,731</u> |

The accompanying notes are an integral part of these financial statements.

EXPERIENCE CAMPS

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| SUPPORT AND REVENUE: | | | |
| Donations..... | \$ 2,234,295 | \$ 291,324 | \$ 2,525,619 |
| Grants..... | 269,900 | 338,926 | 608,826 |
| Special events, net direct costs of \$347,563..... | 521,424 | - | 521,424 |
| In-kind donations..... | 120,708 | - | 120,708 |
| Net investment loss..... | (467,663) | - | (467,663) |
| Other income..... | - | - | - |
| Net assets released from restrictions..... | 382,978 | (382,978) | - |
| | <u>3,061,642</u> | <u>247,272</u> | <u>3,308,914</u> |
| TOTAL SUPPORT AND REVENUE | | | |
| EXPENSES: | | | |
| Program services..... | 2,709,275 | - | 2,709,275 |
| Supporting services: | | | |
| Management and general..... | 123,185 | - | 123,185 |
| Fundraising..... | 843,683 | - | 843,683 |
| | <u>966,868</u> | <u>-</u> | <u>966,868</u> |
| TOTAL SUPPORTING SERVICES | | | |
| | <u>3,676,143</u> | <u>-</u> | <u>3,676,143</u> |
| TOTAL EXPENSES | | | |
| Change in net assets..... | (614,501) | 247,272 | (367,229) |
| Net assets, beginning of year..... | <u>5,472,382</u> | <u>141,107</u> | <u>5,613,489</u> |
| Net assets, end of year..... | <u>\$ 4,857,881</u> | <u>\$ 388,379</u> | <u>\$ 5,246,260</u> |

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | Program Services | Supporting Services | | | Total Expenses |
|--|---------------------|------------------------------|-------------------|---------------------------------|---------------------|
| | | Management and General | Fundraising | Total Supporting Services | |
| Salaries..... | \$ 1,374,415 | \$ 49,468 | \$ 363,667 | \$ 413,135 | \$ 1,787,550 |
| Payroll taxes and fringe benefits..... | 238,854 | 5,929 | 67,360 | 73,289 | 312,143 |
| Professional fees..... | 122,823 | 72,976 | 204,712 | 277,688 | 400,511 |
| Office expenses..... | 34,396 | 12,560 | 8,170 | 20,730 | 55,126 |
| Rent | 21,971 | 3,933 | 11,148 | 15,081 | 37,052 |
| Travel and meetings..... | 136,385 | 4,335 | 18,080 | 22,415 | 158,800 |
| Marketing..... | 2,249 | - | 1,456 | 1,456 | 3,705 |
| Insurance..... | 35,736 | 4,481 | 1,169 | 5,650 | 41,386 |
| Fees and subscriptions..... | 19,466 | 21,307 | 94,018 | 115,325 | 134,791 |
| Camp expenses..... | 1,223,213 | - | - | - | 1,223,213 |
| Camp travel..... | 141,812 | - | - | - | 141,812 |
| Bad debt expense..... | - | - | - | - | - |
| Amortization expense..... | 450 | - | 450 | 450 | 900 |
| TOTAL EXPENSES | \$ 3,351,770 | \$ 174,989 | \$ 770,230 | \$ 945,219 | \$ 4,296,989 |

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | Supporting Services | | | | Total Expenses |
|--|---------------------|------------------------|-------------------|---------------------------|---------------------|
| | Program Services | Management and General | Fundraising | Total Supporting Services | |
| Salaries..... | \$ 1,205,035 | \$ 37,876 | \$ 399,490 | \$ 437,366 | \$ 1,642,401 |
| Payroll taxes and fringe benefits..... | 212,262 | 4,182 | 69,167 | 73,349 | 285,611 |
| Professional fees..... | 218,673 | 46,097 | 258,928 | 305,025 | 523,698 |
| Office expenses..... | 47,301 | 16,712 | 49,360 | 66,072 | 113,373 |
| Rent | 20,955 | 3,763 | 10,640 | 14,403 | 35,358 |
| Travel and meetings..... | 86,817 | 6,795 | 13,888 | 20,683 | 107,500 |
| Marketing..... | 209 | - | 7,538 | 7,538 | 7,747 |
| Insurance..... | 30,570 | 5,088 | 1,309 | 6,397 | 36,967 |
| Fees and subscriptions..... | 26,938 | 2,672 | 33,363 | 36,035 | 62,973 |
| Camp expenses..... | 734,796 | - | - | - | 734,796 |
| Camp travel..... | 125,311 | - | - | - | 125,311 |
| Bad debt expense..... | 333 | - | - | - | 333 |
| Amortization expense..... | 75 | - | - | - | 75 |
| TOTAL EXPENSES | \$ 2,709,275 | \$ 123,185 | \$ 843,683 | \$ 966,868 | \$ 3,676,143 |

EXPERIENCE CAMPS

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30,

| | 2023 | 2022 |
|---|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets..... | \$ 232,471 | \$ (367,229) |
| <u>Adjustment to reconcile change in net assets to net cash provided by operating activities:</u> | | |
| Amortization expense..... | 900 | 75 |
| Net realized and unrealized (gain)/loss on investments..... | (262,434) | 614,731 |
| Bad debt expense..... | - | 333 |
| Forgiveness of Paycheck Protection Program loan..... | - | (173,619) |
| Right-of-use asset..... | (68,066) | - |
| <u>Changes in operating assets and liabilities:</u> | | |
| Accounts receivable..... | (5,002) | (333) |
| Donations receivable..... | 10,877 | 16,986 |
| Pledges receivable..... | 3,544 | (261,192) |
| Prepaid expenses..... | 25,118 | 11,915 |
| Accounts payable and accrued expenses..... | 5,443 | 169,901 |
| Operating lease liability..... | 68,878 | - |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 11,729 | 11,568 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of property and equipment..... | - | (2,699) |
| Purchases of investments..... | (2,101,557) | (984,630) |
| Sales of investments..... | 1,876,076 | 1,157,117 |
| NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES | (225,481) | 169,788 |
| Net change in cash and cash equivalents..... | (213,752) | 181,356 |
| Cash and cash equivalents, beginning of year..... | 978,408 | 797,052 |
| Cash and cash equivalents, end of year..... | <u>\$ 764,656</u> | <u>\$ 978,408</u> |

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Organization

The Organization is a 501(c)(3) national not-for-profit that delivers year-round support for children and teens who have experienced the death of a parent, sibling, or primary caregiver.

An estimated six million children in the U.S. will experience the death of a parent, sibling, or primary caregiver by the time they turn 18. Grieving young people are more likely to endure mental health challenges, poor academic performance, and negative long-term physical and financial outcomes than their non-grieving peers. Left unaddressed, childhood grief can undermine a child's future. But with the appropriate interventions and an ecosystem of support around them, it can lead to remarkable resilience.

The Organization's goals are to make grief support programs accessible to a larger population of grieving children (particularly children of color), educate the public about the importance of talking about and addressing grief among children, and gain insights into how children are impacted by grief. Since 2009, the Organization has transformed the lives of thousands of children by reframing the experience of their grief and empowering them with the confidence, skills, and support to move forward. The programs are designed to help kids rediscover childhood, develop coping skills, and establish bonds with others who understand what it's like to lose someone so important to them. The Organization was incorporated in the State of Maine in 2007. Its mission is to give grieving children experiences that change their lives forever.

The Organization's program services include the following major components:

Summer Camp: The Organization provides young people with week-long, no-cost overnight camps that are clinically informed. These camps provide a space where children can experience the joy of childhood while learning to navigate their feelings with others who have experienced grief firsthand.

The Organization's camp program meets kids at the intersection of grief and play. It starts with the foundation of summer camp, which encourages collaboration, self-esteem, and new experiences through sports, time outside in nature, and socializing in a tech-free environment. A clinically-informed peer-support model is woven throughout the camp experience. Clinical activities are grounded in modern grief theories like the dual-process model (oscillating between confronting and avoiding loss), which occurs as campers move between traditional camp activities - such as dance parties and soccer games - and reflective moments of grief.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organization's oldest campers are invited to join the Leaders in Training program. Campers participate in a two-year program that starts after their sophomore year of high school and gradually applies increasing degrees of life lessons, character development, grief processing, and leadership goals. The Organization's emerging leaders mentor younger campers, model empathy and resilience, and learn that even during the complexity of their teen years - when it can feel like nobody understands - they are not alone.

Community: The Organization has applied insight gained throughout the last 14 years - totaling hundreds of thousands of hours spent with grieving kids - to building expert-driven digital content that supports millions of grieving children year-round. The Organization meets children where they are - in their schools and communities; on state-of-the-art gaming platforms like Minecraft and Roblox; and via YouTube, TikTok, and other platforms - to provide innovative content and connected experiences that normalize their grief and build new pathways to grief support.

Culture: The Organization recognizes that every person will experience grief, and it is helping to build a more grief-sensitive society. By amplifying the voices and insights of the young people it serves, the Organization is providing community and coping skills to an exponentially larger audience of grieving young people. Additionally, the Organization continually strengthens its issue leadership role by gathering insights into how society deals with grief and sharing its findings via panels, broadcast and streaming media, and conference presentations.

Throughout all of its program components, the Organization prioritizes addressing the racial grief gap. Studies have shown that by age 10, Black and Brown children are two times more likely to have dealt with the death of their father and three times more likely to have dealt with the death of their mother. Additionally, 65% of all children experiencing COVID-associated orphanhood or the death of their primary caregiver are of a racial or ethnic minority. The Organization continues to enhance its recruitment and outreach efforts in communities of color who frequently do not have access to grief support services and continues to ensure an inclusive environment at camp.

The Organization's principal source of revenue is money contributed by the general public.

Recent Accounting Pronouncements

During the year ended September 30, 2023, the Organization retrospectively adopted Accounting Standards Codification ("ASC") Topic 842, *Leases*, for all material, long-term operating leases. Under this accounting pronouncement, an entity is required to recognize right-of-use assets and lease liabilities calculated based on the present values of the lease payments not yet paid, discounted using appropriate discount rates at the lease commencement dates, for all long-term leases. The right-of-use assets are initially equal to the lease liabilities plus any initial direct costs and prepaid lease payments, less any lease incentives received. Under this approach, amortization of right-of-use assets is charged to rent expense, which is recorded on the straight-line basis over the term of each lease.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Effective for the year ending September 30, 2024, the Organization will be required to adopt ASC 326, *Measurement of Credit losses on Financial Instruments*, for all assets held at amortized cost basis. Under this new accounting approach, the pronouncement will require organizations to record an estimate of all expected future credit losses. The allowance for credit losses will be a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected.

Income Tax Status

The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and is publicly supported, as described in section 509(a). Donors may deduct contributions made to the Organization within the requirements of the Internal Revenue Code.

The Organization evaluated its activities for uncertain tax positions and has determined that there were no uncertain tax positions for the years ended September 30, 2023 and 2022.

The Organization files an IRS Form 990 and respective state and local tax returns. These tax returns are subject to review and examination by federal, State, and local taxing authorities. The Organization has determined that it has registered in all states where it is required to be registered.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when incurred.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. The Organization's board may designate net assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by action of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other donor restrictions can be perpetual in nature, whereby the donors may stipulate the funds be maintained in perpetuity.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

All donations and grants are considered available for the general program of the Organization, unless specifically restricted by the donor. The Organization reports all monetary gifts as support with donor restrictions if they are received with donor stipulations that limit their use or are subject to time restrictions.

Donations are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All donor restricted donations are reported as increases in net assets with donor restrictions depending on the nature of the restriction. A donor restriction expires when stipulated time restriction ends or when a purpose restriction is accomplished.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at net present value of their estimated future cash flows. The discount on the amount is computed at the date of the pledges, using the 2-year U.S. Treasury rate applicable to the years in which the promises are expected to be received. For the years ended September 30, 2023 and 2022, the interest rates used were 5.03% and 4.22%, respectively. Amortization of the discount is recognized as part of donation revenue.

Special Events

The Organization holds special events to provide additional support for its mission. Revenue is recorded in accordance with ASU 2014-09, *Revenue from Contracts with Customers* ("ASC 606"). Revenue from these events is recorded when the performance obligations are met at points in time as events are held. Costs incurred for which donors receive a direct benefit, exchange transactions, have been offset against the revenue earned in the statements of activities. Other costs related to the event for which the donors do not receive a direct benefit are included within fundraising costs in the statements of functional expenses.

The special events revenues and direct expenses were as follows for the years ended September 30.:

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Special event revenue..... | \$ 953,644 | \$ 868,987 |
| Less: cost of direct benefits to donors..... | (265,160) | (347,563) |
| Special event revenue, net..... | <u>\$ 688,484</u> | <u>\$ 521,424</u> |

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-Kind Donations

The Organization recognizes contributions of materials at their estimated fair value at the date of donation. The Organization reports gifts of equipment and other nonmonetary contributions as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used.

Donated services are defined as services that require specialized skills that would otherwise have been purchased by the Organization. No amounts have been reflected in the financial statements for donated services of volunteers because they do not meet the criteria for recognition in the financial statements under accounting principles generally accepted in the United States of America.

A vital component of the Organization's work with children struggling with grief is its network of 518 and 432 volunteers for the years ended September 30, 2023 and 2022, respectively. The average volunteer gives 40 hours during the summer camp to their activities with grieving children. As a result, the total volunteer hours listed were 20,720 and 17,280 for the years ended September 30, 2023 and 2022, respectively. The value of these hours is substantial, based on the hourly earnings provided by the Bureau of Labor Statistics. The Organization's volunteers receive training and are closely supervised in their counseling activities. Similar services in Maine are valued at \$15.00 per hour as of September 30, 2023 and 2022. The total value estimated for these services for the years ended September 30, 2023 and 2022 were \$310,800 and \$259,200, respectively. However, these donated services do not meet the criteria under generally accepted accounting principles to be recorded as donated services.

In-kind donations received by the Organization consisted of the following for the years ended September 30,:

| | 2023 | 2022 |
|-------------------------------|-------------------|-------------------|
| Camp supplies | \$ 300,016 | \$ 103,192 |
| Camp rental | 146,437 | - |
| Camp professional fees | 16,500 | 5,000 |
| Legal professional fees | 12,609 | 12,516 |
| Total in-kind donations | <u>\$ 475,562</u> | <u>\$ 120,708</u> |

The above in-kind donations are reported on the statements of functional expenses as camp expenses and professional fees and allocated amongst the program and supporting services. Additionally, special event income and direct expenses includes \$124,638 and \$96,377 for the years ended September 30, 2023 and 2022, respectively, for donated auction items, raffle items, and food and beverage. The fair values of the in-kind donations were estimated based on the price the Organization would have paid to purchase these services and supplies, if they were not donated. There are no donor-imposed restrictions on the in-kind donations.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The presentation 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 certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments (including money market accounts) with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents are insured up to \$250,000 by the Federal Deposit Insurance Corporation (the "FDIC"). The Securities Investors Protection Corporation ("SIPC") insures the money market fund up to \$500,000. At times cash and cash equivalent amounts may be in excess of these amounts. The Organization maintains its cash and cash equivalents at financial institutions it believes to be of high quality and credit worthiness.

Investments

The Organization maintains its investments in financial institutions that are insured by SIPC limits. The Organization has not experienced any counterparty credit losses and believes that it is not exposed to any significant credit risk.

Fair Value Measurements

Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy has been established for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable inputs to be used when available. The fair value hierarchy is categorized into three levels (see Note 2).

Property and Equipment

The Organization records property and equipment at cost, or if received by donation, at estimated fair value at the time such items are received. Property and equipment with a cost or fair value in excess of \$1,000 with a useful life in excess of one year are capitalized. Major repairs and replacements that extend the useful life of property are similarly capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. Vehicles, furniture, fixtures, and equipment are depreciated using the straight-line method over their useful lives which range from five to ten years. Leasehold improvements are amortized over the shorter of the remaining life of the lease or the actual asset life.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from accounts, and any related gain or loss is reflected in income for the period. The Organization's property and equipment consists of computers with estimated useful lives of three years.

Accounts Receivable

Receivables are stated at the amount management expects to collect from outstanding balances. The Organization considers receivables past due or delinquent when payments have not been received in a timely manner, and receivables are written off when management deems the possibility of collecting amounts due as completely unlikely. The Organization closely monitors outstanding balances for all receivables and adheres to a standard set of protocols for collection activities to be undertaken at certain times based upon delinquency status. Receivables were written off during the year ended September 30, 2022 as bad debt expense of \$333. No receivables were written off during the year ended September 30, 2023. The Organization considers all receivables to be collectible and no allowance for doubtful accounts was required.

The Organization, through its various campaigns, had entered into agreements with its donors involving future nonreciprocal transfers of cash. The agreements are recorded as pledges receivable if the agreement is, in substance, an unconditional promise to give. The long-term pledges receivable are shown at present value using a discount rate of 5.03% and 4.22% for the years ended September 30, 2023 and 2022, respectively. The discount on the pledges were \$8,977 and \$15,260 as of September 30, 2023 and 2022, respectively.

Pledges receivable consisted of the following as of September 30,:

| | 2023 | 2022 |
|---|-------------------|-------------------|
| Gross pledges receivable | \$ 393,812 | \$ 403,639 |
| Less: discount to net present value | (8,977) | (15,260) |
| Net pledges receivable | <u>\$ 384,835</u> | <u>\$ 388,379</u> |
| Amounts due in: | 2023 | 2022 |
| Less than one year | \$ 268,112 | \$ 4,368 |
| Two or more years..... | 125,700 | 399,271 |
| Gross pledges receivable | <u>\$ 393,812</u> | <u>\$ 403,639</u> |

Functional Allocation of Expenses

The statements of functional expenses present expenses by program and supporting service function, and by natural classification. Functional expenses have been allocated between program services and supporting services based upon actual costs and percentage of personnel time devoted to each area. Certain overhead costs have been allocated based upon analysis of aggregate charges within each functional area.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain balances reflected in the financial statements for the year ended September 30, 2022 were reclassified to conform to the current year presentation.

Events Occurring After Report Date

The Organization has evaluated events and transactions that occurred between October 1, 2023 and February 29, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements and has determined that no material events or transactions have occurred that would warrant additional disclosures in the financial statements.

NOTE 2 - INVESTMENTS

The Organization presents investments in the statements of financial position at fair value. A fair value hierarchy has been established based upon the observability of inputs to the evaluation of an asset or liability as of the measurement date. The three-level valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair value levels (Level 1, 2, and 3):

- *Level 1* - Level 1 investments are valued using observable inputs that reflect quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access at the measurement date.
- *Level 2* - Level 2 investments are valued using observable inputs, other than quoted prices included in Level 1, for the asset or liability or prices for similar assets and liabilities.
- *Level 3* - Level 3 investments are valued using valuations that are derived from techniques in which one or more of the significant inputs are unobservable (including assumptions about risk). Because Level 3 fair values, by their nature, contain unobservable market inputs as there is no observable market for these assets and liabilities, considerable judgment is used to determine the Level 3 fair values. Level 3 fair values represent the Organization's best estimate of an amount that could be realized in a current market exchange absent actual market exchanges.

The following table presents information about the Organization's investments measured at fair value on a recurring basis as of September 30, 2023, and indicates the fair value hierarchy of the valuation techniques used.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

NOTE 2 - INVESTMENTS (continued)

| <u>Investment</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|------------------------------|----------------|----------------|----------------|--------------|
| Mutual funds..... | \$ 983,123 | \$ - | \$ - | \$ 983,123 |
| Equities..... | 1,806,530 | - | - | 1,806,530 |
| Fixed income..... | 1,568,939 | - | - | 1,568,939 |
| Alternative investments..... | - | 211,805 | - | 211,805 |
| Total..... | \$ 4,358,592 | \$ 211,805 | \$ - | \$ 4,570,397 |

The following table presents information about the Organization's investments measured at fair value on a recurring basis as of September 30, 2022, and indicates the fair value hierarchy of the valuation techniques used.

| <u>Investment</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|------------------------------|----------------|----------------|----------------|--------------|
| Mutual funds..... | \$ 1,022,051 | \$ - | \$ - | \$ 1,022,051 |
| Equities..... | 1,480,481 | - | - | 1,480,481 |
| Fixed income..... | 1,237,953 | - | - | 1,237,953 |
| Alternative investments..... | - | 341,997 | - | 341,997 |
| Total..... | \$ 3,740,485 | \$ 341,997 | \$ - | \$ 4,082,482 |

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investment securities will occur and that such changes could affect amounts reported in the accompanying statements of financial position.

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS

The Organization's net assets with donor restrictions activity as of and for the year ended September 30, 2023 was as follows:

| | <u>Balance at September 30, 2022</u> | <u>Additions</u> | <u>Releases</u> | <u>Balance at September 30, 2023</u> |
|---|--|------------------|-----------------|--|
| Time restrictions | \$ 340,404 | \$ 208,825 | \$ (368,578) | \$ 180,651 |
| Camp | - | 257,210 | (100,000) | 157,210 |
| Learning Management System..... | - | 73,224 | 25,000 | 48,224 |
| Miscellaneous purpose restrictions ... | 47,975 | 4,025 | (50,000) | 2,000 |
| Total net assets with donor restrictions | \$ 388,379 | \$ 605,784 | \$ (606,078) | \$ 388,085 |

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS (continued)

The Organization's net assets with donor restrictions activity as of and for the year ended September 30, 2022 was as follows:

| | Balance at September 30, 2021 | Additions | Releases | Balance at September 30, 2022 |
|---|-------------------------------------|------------|--------------|-------------------------------------|
| Time restrictions | \$ 127,187 | \$ 262,274 | \$ (49,058) | \$ 340,404 |
| Miscellaneous purpose restrictions ... | 13,920 | 367,975 | (333,920) | 47,975 |
| Total net assets with donor restrictions | \$ 141,107 | \$ 630,250 | \$ (382,978) | \$ 388,379 |

NOTE 4 - LEASE COMMITMENTS

The Organization entered into a three-year operating lease agreement for office space in Westport, Connecticut that commenced in December of 2022, and ends in November of 2025. Monthly base rent pursuant to the lease is \$2,679.

Operating lease costs incurred during the year ended September 30, 2023, inclusive of right-of-use asset amortization, totaled \$32,084, and are included as part of rent expense in the accompanying statement of functional expenses.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities for the years ending September 30,:

| | |
|-----------------------------------|-----------|
| 2024..... | \$ 32,952 |
| 2025..... | 33,941 |
| 2026..... | 5,684 |
| Total..... | 72,577 |
| Less: present value discount..... | (3,699) |
| Present value..... | \$ 68,878 |

The remaining lease term (in months) and discount rate for the above-mentioned lease were as follows for the year ended September 30, 2023:

| | |
|----------------------------|-------|
| Remaining lease term | 26 |
| Discount rate..... | 5.03% |

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

NOTE 5 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at September 30,:

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Cash and cash equivalents | \$ 764,656 | \$ 978,408 |
| Investments | 4,570,397 | 4,082,482 |
| Accounts receivable | 5,031 | 29 |
| Donations receivable | 5,574 | 16,451 |
| Pledges receivable | 384,835 | 388,379 |
| Total financial assets | <u>5,730,493</u> | <u>5,465,749</u> |
| Less: | | |
| Long-term pledges receivable | (116,723) | (384,011) |
| Legacy funds | (791,798) | (597,222) |
| Total financial assets available to meet general expenditures over the next twelve months | <u>\$ 4,821,972</u> | <u>\$ 4,484,516</u> |

The Organization's goal in general is to maintain financial assets to meet ninety days of operating expenses (approximately \$1,059,000).

Legacy funds are held in readily available investment accounts, but intended for the long-term use of the Organization, and as such, are deducted from financial assets available within one year. However, should the need arise, these funds are available to the Organization.

NOTE 6 - FINANCIAL IMPACT OF THE COVID-19 PANDEMIC

During 2021, the Organization applied for, and received a second-round loan in the amount of \$173,619 from the Small Business Administration ("SBA") under the terms of the Paycheck Protection Program ("PPP") established by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, March 2020. The loan was fully forgiven by the SBA during fiscal year 2022.