

CAMP BLODGETT

AUDITED FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

*Goodlander, Swett & Rybicki
Certified Public Accountants*

CONTENTS

| | |
|--|-------|
| INDEPENDENT AUDITORS' REPORT..... | 1-2 |
| STATEMENTS OF FINANCIAL POSITION..... | 3-4 |
| STATEMENTS OF ACTIVITIES..... | 5-6 |
| STATEMENTS OF FUNCTIONAL EXPENSES..... | 7-8 |
| STATEMENTS OF CASH FLOWS..... | 9 |
| NOTES TO FINANCIAL STATEMENTS..... | 10-22 |

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INDEPENDENT AUDITORS' REPORT

Camp Blodgett
Grand Rapids, MI

Report on the Financial Statements

Opinion

We have audited the financial statements of Camp Blodgett, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 Camp Blodgett as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Blodgett and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Blodgett's ability to continue as a going concern for the next year.

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 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 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 Camp Blodgett'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 Blodgett'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.



Goodlander, Swett & Rybicki
Certified Public Accountants
June 25, 2024

Camp Blodgett
Statements of Financial Position

| <i>December 31,</i> | 2023 | 2022 |
|--|---------------------|---------------------|
| Assets | | |
| Current Assets | | |
| Cash | \$ 321,767 | \$ 259,628 |
| Securities | - | 5,123 |
| Pledges receivable | 350,000 | 41,269 |
| Contributions receivable | 64,973 | 65,671 |
| Prepaid expenses | 29,210 | 27,946 |
| Total Current Assets | 765,950 | 399,637 |
| Property and Equipment | | |
| Land and land improvements | 305,202 | 234,248 |
| Buildings | 3,484,238 | 3,468,968 |
| Equipment | 292,411 | 284,350 |
| | 4,081,851 | 3,987,566 |
| Less accumulated depreciation | (2,654,839) | (2,551,761) |
| Net Property and Equipment | 1,427,012 | 1,435,805 |
| Other Assets | | |
| ROU asset - operating lease | 43,193 | 69,434 |
| Beneficial interest in assets held by community foundation | 107,463 | 99,224 |
| Endowment investments | 2,187,657 | 2,092,810 |
| | 2,338,313 | 2,261,468 |
| Total Assets | \$ 4,531,275 | \$ 4,096,910 |

See Notes to Financial Statements.

Camp Blodgett
Statements of Financial Position

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable | \$ 8,500 | \$ 4,284 |
| Accrued expenses | 12,490 | 15,530 |
| Rental deposits | 64,244 | 69,045 |
| Deferred income | 9,031 | 9,031 |
| Total Current Liabilities | 94,265 | 97,890 |
| Lease liability | 45,613 | 72,359 |
| Total Liabilities | 139,878 | 170,249 |
| Net Assets | | |
| Without donor restrictions | | |
| Undesignated | 2,874,653 | 2,664,098 |
| Designated by the Board for endowment | 714,826 | 679,477 |
| With donor restrictions | | |
| Purpose restrictions | 488,415 | 297,514 |
| Perpetual in nature | 313,503 | 285,572 |
| Total Net Assets | 4,391,397 | 3,926,661 |
| Total Liabilities and Net Assets | \$ 4,531,275 | \$ 4,096,910 |

See Notes to Financial Statements.

Camp Blodgett
Statement of Activities

| <i>Year ended December 31, 2023</i> | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|------------------|
| Support and Revenue | | | |
| United Way | \$ 19,332 | \$ 60,000 | \$ 79,332 |
| Other contributions and grants | 294,747 | 543,000 | 837,747 |
| In-kind donations | 6,463 | - | 6,463 |
| Babies Welfare Guild | 15,200 | 62,212 | 77,412 |
| Government grants | 25,000 | - | 25,000 |
| Rentals | 331,037 | - | 331,037 |
| Camp fees | 30,505 | - | 30,505 |
| Net investment return | 294,485 | 27,931 | 322,416 |
| Fundraising net of expenses of \$4,583 | 19,638 | - | 19,638 |
| Miscellaneous income | 7,128 | - | 7,128 |
| Net assets released from restrictions | 474,311 | (474,311) | - |
| Total Support and Revenue | 1,517,846 | 218,832 | 1,736,678 |
| Expenses | | | |
| Program services: | | | |
| Camping Program | 512,716 | - | 512,716 |
| Camp Occupancy | 371,096 | - | 371,096 |
| Camp Blodgett STEM Academy | 91,701 | - | 91,701 |
| Young Leaders | 32,968 | - | 32,968 |
| Year-Round Programs | 2,519 | - | 2,519 |
| Supporting services: | | | |
| Management and general | 166,248 | - | 166,248 |
| Fundraising | 94,694 | - | 94,694 |
| Total Expenses | 1,271,942 | - | 1,271,942 |
| Change in Net Assets | 245,904 | 218,832 | 464,736 |
| Net Assets, beginning of year | 3,343,575 | 583,086 | 3,926,661 |
| Net Assets, end of year | \$ 3,589,479 | \$ 801,918 | \$ 4,391,397 |

See Notes to Financial Statements.

Camp Blodgett
Statement of Activities

| <i>Year ended December 31, 2022</i> | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|------------------|
| Support and Revenue | | | |
| United Way | \$ 4,445 | \$ 91,000 | \$ 95,445 |
| Other contributions and grants | 154,774 | 100,500 | 255,274 |
| In-kind donations | 5,123 | - | 5,123 |
| Babies Welfare Guild | 87,170 | - | 87,170 |
| Government grants | 12,199 | - | 12,199 |
| Rentals | 367,847 | - | 367,847 |
| Camp fees | 29,561 | - | 29,561 |
| Net investment return | (393,236) | (59,116) | (452,352) |
| Fundraising net of expenses of \$3,977 | 31,753 | - | 31,753 |
| Miscellaneous income | 1,924 | - | 1,924 |
| Net assets released from restrictions | 246,383 | (246,383) | - |
| Total Support and Revenue | 547,943 | (113,999) | 433,944 |
| Expenses | | | |
| Program services: | | | |
| Camping Program | 502,428 | - | 502,428 |
| Camp Occupancy | 302,051 | - | 302,051 |
| Camp Blodgett STEM Academy | 95,487 | - | 95,487 |
| Young Leaders | 25,634 | - | 25,634 |
| Year-Round Programs | 13,011 | - | 13,011 |
| Supporting services: | | | |
| Management and general | 138,850 | - | 138,850 |
| Fundraising | 130,425 | - | 130,425 |
| Total Expenses | 1,207,886 | - | 1,207,886 |
| Change in Net Assets | (659,943) | (113,999) | (773,942) |
| Net Assets, beginning of year | 4,003,518 | 697,085 | 4,700,603 |
| Net Assets, end of year | \$ 3,343,575 | \$ 583,086 | \$ 3,926,661 |

See Notes to Financial Statements.

Camp Blodgett
Statement of Functional Expenses

| <i>Year ended December 31, 2023</i> | Program Services | | | | | Supporting Services | | Total |
|--|----------------------------|-----------|------------------|------------------------|-------------------|---------------------------|-----------------|--------------|
| | Summer Camp and General | STEM | Young Leaders | Year-Round Programs | Camp Occupancy | Management and General | Fund Raising | |
| Compensation: | | | | | | | | |
| Salaries and wages | \$ 236,442 | \$ 63,253 | \$ 21,300 | \$ 1,118 | \$ 171,208 | \$ 100,673 | \$ 75,559 | 669,553 |
| Employee benefits | 25,908 | 6,714 | 1,388 | 82 | 23,849 | 14,546 | 10,892 | 83,379 |
| Occupancy: | | | | | | | | |
| Utilities | 1,591 | - | - | - | 41,690 | 1,591 | - | 44,872 |
| Telephone | 1,901 | - | - | - | 3,087 | 1,818 | 600 | 7,406 |
| Rent | 14,563 | - | - | - | - | 14,058 | - | 28,621 |
| Cleaning and Maintenance | 3,150 | 6,515 | 56 | 20 | 68,264 | 1,444 | 5 | 79,454 |
| Food and kitchen supplies | 41,264 | 834 | 2,618 | 286 | 21,631 | 875 | 58 | 67,566 |
| Other supplies and miscellaneous | 48,164 | 7,011 | 5,156 | 697 | 17,281 | 9,105 | 8,351 | 95,765 |
| Training | 3,422 | 381 | - | - | - | 80 | - | 3,883 |
| Professional services | - | 5,200 | - | - | 1,600 | 14,000 | 2,500 | 23,300 |
| Administration: | | | | | | | | |
| Postage and mailing | 565 | - | - | - | - | 325 | 1,288 | 2,178 |
| Insurance | 19,478 | - | - | - | 21,423 | 1,639 | - | 42,540 |
| Travel and vehicle expense | 8,689 | 1,793 | 2,450 | 316 | 1,063 | 12 | 24 | 14,347 |
| Depreciation | 107,579 | - | - | - | - | 6,082 | - | 113,661 |
| Total expenses by function | \$ 512,716 | \$ 91,701 | \$ 32,968 | \$ 2,519 | \$ 371,096 | \$ 166,248 | \$ 99,277 | \$ 1,276,525 |
| Less expenses included with revenues on the statement of activities: | | | | | | | | |
| Fundraising expense | - | - | - | - | - | - | (4,583) | (4,583) |
| Total expenses included in the expense section of the statement of activities | \$ 512,716 | \$ 91,701 | \$ 32,968 | \$ 2,519 | \$ 371,096 | \$ 166,248 | \$ 94,694 | \$ 1,271,942 |

See Notes to Financial Statements.

Camp Blodgett
Statement of Functional Expenses

| <i>Year ended December 31, 2022</i> | Program Services | | | | | Supporting Services | | Total |
|--|----------------------------|-----------|------------------|------------------------|-------------------|---------------------------|-----------------|--------------|
| | Summer Camp and General | STEM | Young Leaders | Year-Round Programs | Camp Occupancy | Management and General | Fund Raising | |
| Compensation: | | | | | | | | |
| Salaries and wages | \$ 231,592 | \$ 63,823 | \$ 19,315 | \$ 12,357 | \$ 133,168 | \$ 81,888 | \$ 103,910 | 646,053 |
| Employee benefits | 25,645 | 9,220 | 1,955 | 575 | 18,587 | 12,170 | 15,940 | 84,092 |
| Occupancy: | | | | | | | | |
| Utilities | 1,361 | - | - | - | 44,780 | 1,361 | - | 47,502 |
| Telephone | 2,706 | - | - | - | 1,752 | 1,977 | 600 | 7,035 |
| Rent | 15,600 | - | - | - | - | 15,600 | - | 31,200 |
| Cleaning and Maintenance | 7,641 | 2,766 | - | - | 49,416 | 1,430 | - | 61,253 |
| Food and kitchen supplies | 32,336 | 3,651 | 1,761 | - | 17,849 | 677 | 431 | 56,705 |
| Other supplies and miscellaneous | 25,618 | 8,424 | 2,603 | 79 | 15,159 | 8,611 | 8,022 | 68,516 |
| Training | 5,960 | - | - | - | 300 | 120 | 2,968 | 9,348 |
| Professional services | - | 5,900 | - | - | - | 9,198 | 1,380 | 16,478 |
| Administration: | | | | | | | | |
| Postage and mailing | 700 | - | - | - | - | 421 | 1,139 | 2,260 |
| Insurance | 17,664 | - | - | - | 19,617 | 1,545 | - | 38,826 |
| Travel and vehicle expense | 9,758 | 1,703 | - | - | 1,423 | - | 12 | 12,896 |
| Depreciation | 125,847 | - | - | - | - | 3,852 | - | 129,699 |
| Total expenses by function | \$ 502,428 | \$ 95,487 | \$ 25,634 | \$ 13,011 | \$ 302,051 | \$ 138,850 | \$ 134,402 | \$ 1,211,863 |
| Less expenses included with revenues on the statement of activities: | | | | | | | | |
| Fundraising expense | - | - | - | - | - | - | (3,977) | (3,977) |
| Total expenses included in the expense section of the statement of activities | \$ 502,428 | \$ 95,487 | \$ 25,634 | \$ 13,011 | \$ 302,051 | \$ 138,850 | \$ 130,425 | \$ 1,207,886 |

See Notes to Financial Statements.

Camp Blodgett
Statements of Cash Flows

| <i>Year Ended December 31,</i> | 2023 | 2022 |
|--|------------------|-----------------|
| Cash Flows From Operating Activities | | |
| Increase (Decrease) in net assets | \$ 464,736 | \$ (773,942) |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities: | | |
| Depreciation | 113,661 | 129,699 |
| In-kind donations | - | (5,123) |
| (Gain) loss on sale of property and equipment | (1,500) | - |
| Net realized and unrealized loss (gain) in investments | (452,905) | 475,205 |
| Changes in operating assets and liabilities: | | |
| Pledges receivable | (308,731) | 103,600 |
| Contributions receivable | 698 | (18,524) |
| Prepaid expenses | (1,264) | (1,589) |
| ROU asset - operating lease | 26,241 | (69,434) |
| Accounts payable | 4,216 | 3,479 |
| Accrued expenses | (3,040) | 1,927 |
| Deferred income | (4,801) | (11,943) |
| Lease liability | (26,746) | 72,359 |
| Net cash from (for) operating activities | (189,435) | (94,286) |
| Cash Flows for Investing Activities | | |
| Purchases of property and equipment | (104,868) | (31,606) |
| Proceeds from sale of property and equipment | 1,500 | - |
| Purchases of investments | (43,925) | (2,177,904) |
| Proceeds from sale of investments | 398,867 | 2,161,103 |
| Net cash from (for) investing activities | 251,574 | (48,407) |
| | | |
| Net increase (decrease) in cash | 62,139 | (142,693) |
| | | |
| Cash, beginning of year | 259,628 | 402,321 |
| | | |
| Cash, end of year | \$ 321,767 | \$ 259,628 |
| Supplemental Disclosure: | | |
| Cash paid for interest | \$ - | \$ - |

See Notes to Financial Statements.

Camp Blodgett

Notes to Financial Statements

December 31, 2023

Note 1 – Significant Accounting Policies

Nature of Activities

Camp Blodgett (the Camp) is a nonprofit organization whose mission is to empower youth in West Michigan through an educational and recreational experience that promotes social responsibility, encourages academic success, and supports the development of healthy self-esteem. The Camp owns property where it operates summer camp and a STEM (science, technology, engineering, and math) program primarily for low-income children. It includes a year-round retreat center that allows for rentals to school, church, and other groups. In addition, the Camp runs its STEM programming, Young Leaders program, as well as other year-round programming, during after school time and on Saturdays in various locations.

Basis of Presentation

The financial statements of the Camp have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles for nonprofit organizations.

Net assets of the Camp are classified as follows:

Net Assets Without Donor Restrictions – Net assets that are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions – Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Functional Allocation of Expenses

The costs to provide the various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocation percentages for employee salary/taxes/benefits were determined based on general time study of function tasks. Common costs of occupying the camp facilities are charged to Camp Occupancy Expense.

Camp Blodgett
Notes to Financial Statements
December 31, 2023

Note 1 – Significant Accounting Policies (continued)

Donated Services and In-kind Contributions

Many volunteers donate their time and perform a variety of tasks for the Camp. Camp Blodgett received no contributed services in 2023 and 2022.

Contributed goods valued at greater than \$500 are recorded at fair value at the date of donation. Camp Blodgett received donated goods valued at \$6,463 in 2023 and \$5,123 in 2022.

Use of Estimates

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

Tax Status

Camp Blodgett is exempt under section 501(c)(3) of the Internal Revenue Code of 1986 and has received income tax exemptions in the various jurisdictions where it is required to do so. Camp Blodgett annually files IRS Form 990. Management of Camp Blodgett believes it has no material uncertain tax positions and, accordingly, a liability for unrecognized tax position has not been recorded. The tax returns for 2020 to the present are open and subject to examination by taxing authorities.

Investments

Investments are reported at fair value. Investment return, which consists of interest and dividends earned, and realized and unrealized gains and losses, is included in the change in net assets. Income and gains on investments restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized.

Concentrations of Risk

The Camp's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Camp places its cash with high quality financial institutions. At times, cash balances may be in excess of the F.D.I.C. insurance limit. The Camp performs periodic evaluations of the relative credit standing of the financial institutions and limits the amount of credit exposure with any institution.

Camp Blodgett
Notes to Financial Statements
December 31, 2023

Note 1 – Significant Accounting Policies (continued)

Property and Equipment

Land, buildings and equipment are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. Major improvements and renewals are capitalized while ordinary maintenance and repairs are expensed. Management annually reviews these assets to determine whether carrying values have been impaired. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Estimated useful lives are as follows:

| | Years |
|-----------------------------------|-------|
| Land improvements | 20 |
| Buildings | 40 |
| Equipment, furniture and fixtures | 5-10 |

Deferred Income

Deferred income consists of facility rents, deposits, and cellular telephone tower rentals received in advance. The Camp received \$18,061 in 2023 and \$18,061 in 2022 of rental payments for a cellular telephone tower. The original agreement was for a ten-year period starting in 1995 and is subject to four additional extensions of ten years each.

Revenue Recognition

The Camp recognizes revenue in accordance with Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers (Topic 606).” Topic 606 supersedes the revenue recognition requirements in “Revenue Recognition (Topic 605)” and requires entities to recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Camp 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. There were no such promises to give in existence as of December 31, 2023 and 2022.

The Camp recognizes revenue from camps and facility rentals over the length of the event. Camps and rentals typically last from a day up to a week and are paid in advance. Camp and rental deposits are recorded as deferred income.

Camp Blodgett

Notes to Financial Statements

December 31, 2023

Note 1 – Significant Accounting Policies (continued)

Recently Adopted Accounting Pronouncement

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842). FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases and provide enhanced disclosures. The Camp adopted FASB ASC 842, with a date of initial application of January 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, Leases (Topic 842): Targeted Improvements. The Camp did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to net assets as of January 1, 2022, was necessary for the cumulative impact of adoption of FASB ASC 842. No cumulative effect adjustment to net assets as of January 1, 2022, was necessary. FASB ASC 842 did not have a significant effect on the results of activities or cash flows for the year ended December 31, 2022.

As part of the transition, the Camp implemented new internal controls and key system functionality to enable the preparation of financial information on adoption and elected to apply the following package of practical expedients:

- Election not to reassess whether any expired or existing contracts are or contain leases.
- Election not to reassess the lease classification for any expired or existing leases.
- Election not to reassess initial direct costs on any existing leases.
- Election whereby the lease and non-lease components will not be separated for leases of office space.
- Election not to record ROU assets and corresponding lease liabilities for short-term leases with a least term of 12 months or less, but greater than 1 month. Leases of 1 month or less are not included in short-term least costs.

Note 2 – Liquidity and Availability

The Camp receives significant contributions and promises-to-give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Camp manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Camp Blodgett
Notes to Financial Statements
December 31, 2023

Note 2 – Liquidity and Availability (continued)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

| | | |
|--|------------------|---------------------|
| Cash and cash equivalents | \$ 321,767 | |
| Contributions receivable | 64,973 | |
| Pledges receivable | 350,000 | |
| Endowment investments without restrictions | <u>1,265,743</u> | 2,002,483 |
| Less: | | |
| Net assets with donor restrictions | <u>(488,415)</u> | <u>(488,415)</u> |
| Net financial assets available for general expenditures | | <u>\$ 1,514,068</u> |

The Camp also could draw upon \$100,000 of available line of credit (as further discussed in Note 6).

Note 3 – Endowment Investments

Investment income is reported on the Statement of Activities net of any realized or unrealized gains and losses and any investment expenses. Expenses include fund management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Management has estimated the embedded fees using expense ratios per fund from annual fund prospectus reports and the annual fair market value of each fund. Total investment fees for embedded and external broker management fees for 2023 and 2022 are \$1,057 and \$14,702 respectively.

The Camp’s endowments consist of three funds established by donors to provide annual funding for specific activities and general operations. The endowments also include certain net assets without donor restrictions that have been designated for endowment by the Board of directors.

The Board of Directors has interpreted the Michigan Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment fund, unless there are explicit donor stipulations to the contrary. At December 31, 2023 and 2022 there were such donor stipulations. From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

Camp Blodgett
Notes to Financial Statements
December 31, 2023

Note 3 – Endowment Investments (continued)

Ruth & Jack Loeks Fund (Without Donor Restrictions): In 2012, a bequest in the amount of \$1,000,000 and an IRA distribution totaling \$13,871 was received from the estate of Ruth Loeks. Per Board vote, long-term debt was paid off and \$903,491 was used to establish the Ruth & Jack Loeks Fund. Fair value of the fund was \$1,265,743 at December 31, 2023 and \$1,214,260 at December 31, 2022.

Anonymous Trust (Perpetual Donor Restricted): In 1998, \$206,000 was received to establish a fund that allows up to 5% to be withdrawn annually for spending. The donor has indicated that the Camp may withdraw the income and principal even if that results in the value of the fund decreasing below the original fair value amount. Due to market declines and appropriations deemed prudent by the board, the fair value of the trust has declined at times below the original gift value. Fair value was \$207,085 at December 31, 2023 and \$188,583 at December 31, 2022.

General Endowment (Without Donor Restrictions – Board Designated): This fund was established in 1994 with an initial investment of \$127,000. It has grown to its current value through market growth, donations made during the Capital Campaign in 1997, an unrestricted bequest from Edith Blodgett in 2012, various memorial donations in 2012, and being combined with the Watson-Glen Trust that was released from restrictions in 2016. The Board has designated that this unrestricted fund should be invested and up to 5% of the value can be withdrawn each year for Camp operations. Fair value of the fund was \$714,829 at December 31, 2023 and \$689,967 at December 31, 2022.

Investments and Investment Return

The Board has a general policy of withdrawing up to 5% of the three-year rolling quarterly market value at December 31 of the preceding year for all investments.

The Camp reports its broker managed endowments and general investments at fair value under generally accepted accounting principles using market values in actively traded markets (Level 1 inputs). The broker managed funds are invested in mutual funds. At December 31, 2023, the cost was \$2,036,614 and the fair value was \$2,187,657. At December 31, 2022, the cost was \$2,191,429 and the fair value was \$2,092,810.

Endowments at Grand Rapids Community Foundation (Perpetual in Nature)

Phyllis Walther Endowment Fund: In 2001, a gift of \$97,991 was received. The Board voted to use \$32,199 for operations and an endowment of \$65,792 was established at Grand Rapids Community Foundation. Although the principal must remain intact, income may be withdrawn annually.

Camp Blodgett Agency Fund: In 1993, an endowment of \$20,000 was received and an endowment fund was established at Grand Rapids Community Foundation.

Camp Blodgett
Notes to Financial Statements
December 31, 2023

Note 3 – Endowment Investments (continued)

In 2005, the two funds were combined into one Camp Blodgett Fund at the Grand Rapids Community Foundation.

The Board of Trustees of the Grand Rapids Community Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served. The fair value of the endowment was \$107,463 at December 31, 2023 and \$99,224 at December 31, 2022.

The Grand Rapids Community Foundation also holds individual donations within the Agency Fund that have been made on behalf of Camp Blodgett. The Camp has an unrecorded beneficial interest in these funds in the amount of \$16,250 at December 31, 2023 and \$15,004 at December 31, 2022.

Changes in Endowment net assets for the years ended December 31, 2023 and 2022 are as follows:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|--------------------|
| <u>Year Ended December 31, 2023</u> | | | |
| Endowment net assets, beginning of year | \$1,904,227 | \$ 287,807 | \$2,192,034 |
| Investment return, net | 280,140 | 41,551 | 321,691 |
| Appropriation of endowment assets | | | |
| Pursuant to spending-rate policy | (127,504) | (14,810) | (142,314) |
| Other Changes: | | | |
| Distribution from board-designated | | | |
| Endowment pursuant to distribution policy | (76,291) | - | (76,291) |
| Endowment net assets, end of year | <u>\$1,980,572</u> | <u>\$ 314,548</u> | <u>\$2,295,120</u> |

Camp Blodgett
Notes to Financial Statements
December 31, 2023

Note 3 – Endowment Investments (continued)

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|--------------------|
| <u>Year Ended December 31, 2022</u> | | | |
| Endowment net assets, beginning of year | \$2,305,750 | \$ 344,688 | \$2,650,438 |
| Investment return, net | (401,523) | (52,021) | (453,544) |
| Appropriation of endowment assets | | | |
| Pursuant to spending-rate policy | - | (4,860) | (4,860) |
| Other Changes: | | | |
| Distribution from board-designated | | | |
| Endowment pursuant to distribution policy | - | - | - |
| Endowment net assets, end of year | <u>\$1,904,227</u> | <u>\$ 287,807</u> | <u>\$2,192,034</u> |

Without Donor Restrictions amounts include board-designated funds not subject to donor restrictions. All board-designated distributions are listed separately.

Note 4 – Fair Value Measurements

The organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- *Level 2.* Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets in markets that are not active;
 - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3.* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Camp Blodgett
Notes to Financial Statements
December 31, 2023

Note 4 – Fair Value Measurements (continued)

When available, the organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for some of the assets and liabilities that the organization is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in the organization’s financial statements are to measure its investments.

The following tables summarize the levels in the fair value hierarchy of the organization’s investments at December 31, 2023 and 2022:

Year ended December 31, 2023

| | Total | Level 1 | Level 3 |
|--|--------------|--------------|------------|
| Mutual funds | \$ 2,187,657 | \$ 2,187,657 | - |
| Interest in investment fund at Grand Rapids Community Foundation | 107,463 | - | \$ 107,463 |
| | \$ 2,295,120 | \$ 2,187,657 | \$ 107,463 |

Year ended December 31, 2022

| | Total | Level 1 | Level 3 |
|--|--------------|--------------|-----------|
| Mutual funds | \$ 2,092,810 | \$ 2,092,810 | - |
| Interest in investment fund at Grand Rapids Community Foundation | 99,224 | - | \$ 99,224 |
| | \$ 2,192,034 | \$ 2,092,810 | \$ 99,224 |

The organization did not have any investments measured using Level 2 inputs.

Camp Blodgett
Notes to Financial Statements
December 31, 2023

Note 4 – Fair Value Measurements (continued)

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2023 and 2022:

| | <u>Assets Held by Community Foundation</u> |
|---|--|
| <u>Year Ended December 31, 2023</u> | |
| Balance at December 31, 2022 | \$ 99,224 |
| Purchases/contributions of investments | - |
| Investment return, net | 13,034 |
| Distributions | <u>(4,795)</u> |
| Balance at December 31, 2023 | <u>\$ 107,463</u> |
| <u>Year Ended December 31, 2022</u> | |
| Balance at December 31, 2021 | \$ 122,433 |
| Purchases/contributions of investments | - |
| Investment return, net | (18,349) |
| Distributions | <u>(4,860)</u> |
| Balance at December 31, 2022 | <u>\$ 99,224</u> |

Note 5 – Risk Management

Camp Blodgett is self-insured for unemployment benefits and reimburses the Michigan Employment Security Commission for benefits paid to former Camp employees. Unemployment expense was \$0 in 2023 and 2022.

The Camp manages deposit concentration risk by placing cash, money market accounts, and/or certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Camp has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and pledges receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts due are from Board members, public agencies, and/or foundations supportive of our mission.

Camp Blodgett
Notes to Financial Statements
December 31, 2023

Note 5 – Risk Management (continued)

Investments are made by investment managers whose performance is monitored by the finance committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the finance committee believes that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Note 6 – Line of Credit

The Camp has a \$100,000 line of credit with a bank. The line of credit expires on September 27, 2024 and bears interest at the prime rate. The line of credit balance as of December 31, 2023 and 2022 was \$0. The loan is unsecured. The Camp expects this line of credit to be renewed for another year under similar terms and conditions in September 2024.

Note 7 – Net Assets with Donor Restrictions Other than Perpetual in Nature

Net assets with donor restrictions are restricted for the following purposes at December 31:

| | 2023 | 2022 |
|------------------------------|------------|------------|
| Camp O'Malley Partnership | \$ - | \$ 12,500 |
| Adventure Course Renovation | - | 15,000 |
| STEM Program | 102,951 | 207,409 |
| Deck Renovation | 4,244 | 4,244 |
| Bicycle Drive | 28,336 | 28,336 |
| Young Leaders Program | - | 27,751 |
| Summer Camp | 350,000 | - |
| Leadership Capacity Building | 950 | - |
| Emergency Generator | 1,934 | 2,274 |
| | \$ 488,415 | \$ 297,514 |

Note 8 – Related Party

The Babies' Welfare Guild (the Guild) is a separate organization that elects its own board of directors and maintains separate membership. One of its stated purposes is the maintenance of Camp Blodgett. It has representatives on, but not a majority of, the board of directors of Camp Blodgett. The Camp may request funds from the Guild for particular purposes, but the Guild determines whether to fund such requests.

Camp Blodgett
Notes to Financial Statements
December 31, 2023

Note 8 – Related Party (continued)

The Guild conducts fundraising events for the potential benefit of the Camp. Funds are remitted to the Camp upon approval by the Guild of a specific request. Guild contributions (including restricted contributions) were \$77,412 in 2023 and \$87,170 in 2022.

Note 9 – Leases

The Camp accounts for leases in accordance with FASB ASC 842. The Camp is a lessee in a noncancellable operating lease for office space. The Camp determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Camp determines if an arrangement conveys the right to use an identified asset and whether the Camp obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Camp recognizes a lease liability and ROU asset at the commencement date of the lease. Beginning January 1, 2022, operating lease ROU assets and related operating leases liabilities have been presented in the balance sheet.

Lease liabilities: A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are measured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. As outlined in FASB ASC 842, the discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Camp uses its incremental borrowing rate. Also, as outlined in FASB ASC 842, a lessee that is not a public business entity is permitted to use a risk-free discount rate for the lease, determined using a period comparable with that of the lease term, as an accounting policy election for all leases. The Camp made this accounting policy election for all leases.

ROU assets: A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued lease payments), less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

Camp Blodgett
Notes to Financial Statements
December 31, 2023

Note 9 – Leases (continued)

Accounting policy election for short-term leases: The Camp has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the Camp is reasonably certain to exercise. The Camp recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term. The Camp has an obligation as a lessee for office space. This office space has a term of 3 years. The Camp classifies this lease as an operating lease. This lease does not include renewal options, termination options for either party to the lease, guaranteed residual values or restrictive financial or other covenants. This lease does not contain any variable payments. Future base rent payments for this lease are as follows: \$2,465.00 per month from August 2023 through July 2024 and \$2,540.00 per month from August 2024 through July 2025. The lease liability balance associated with this lease was \$45,613 as of December 31, 2023, and \$72,359 as of December 31, 2022. The right-of-use asset balance associated with this lease was \$43,193 as of December 31, 2023, and \$69,434 as of December 31, 2022.

Note 10 – Subsequent Events

Subsequent events have been evaluated through June 25, 2024, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.