

Friends Camp
New England Yearly Meeting of Friends
Fiscal Year 2022 (year ending September 30, 2022) Financial Statements
Notes from the Treasurer January 26, 2023

I am pleased to report for Fiscal Year 2022, Friends Camp generated operating income of \$616,269 against operating expenses of \$556,141, for a surplus of \$60,128, higher than budgeted. This welcome news has allowed the Camp to increase its reserves to \$268,985, in pursuit of its long-term goal, as approved by Permanent Board, of having unrestricted reserves equal to one year's operating expense.

The Camp experienced unforeseen financial challenges in Fiscal Year 2022, but managed to overcome these. Inflation affected several expense lines, especially food costs. To remain competitive in the hiring market, the Camp Director found it necessary to increase staff wage rates more than anticipated. Mirroring the global market, the Camp's investment in NEYM's Pooled Funds suffered a loss for the first time (but it has still done reasonably well over the years since the original investment).

On the plus side, camper enrollment also exceeded expectations. Every additional camper makes a significant contribution to the Camp's bottom line. Contributions from individuals continued at a high level, for which we are grateful. We also benefited from a rare and significant rebate on our health and disability insurance policy.

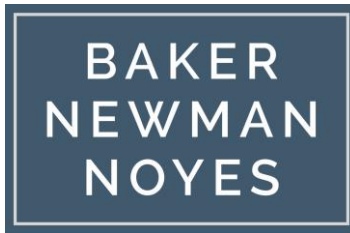
Additionally, the Camp received forgiveness from the federal government for its share of NEYM's second draw Payroll Paycheck Protection loan in the amount of nearly \$66,000. It is important to note that without this cash infusion, the Camp would have posted a deficit for the year. We will not benefit from this in the future.

As we learn from the past and envision the future, the Camp continues to take steps to ensure it will remain a sustainable operation.

The Town of China conducted a revaluation of property this past year. Consistent with the general recent rise in real estate prices, the assessment of the land and buildings, owned by NEYM and managed by the Camp, rose markedly. In order to present a realistic picture of the market value of the real estate, we have applied an additional valuation adjustment on the Camp's books. The total reported value of the assets managed by the Camp now stands at over \$1.6 million.

Baker Newman Noyes, an independent accounting firm contracted by the Camp, has just completed its second triennial financial review of our books. The results from the first review resulted in changes to our reporting formats and procedures, including the adoption of a financial handbook. The latest review proceeded smoothly. We believe we have now reached our goal of making the Camp's financial reporting compliant with Generally Accepted Accounting Principles (GAAP), with the intentional exception of the valuation adjustment applied to land and buildings for which we have no records of purchase price. The final financial statements for FY2022, as prepared by BNN, are attached. Also attached is a report of restricted funds activity, which has not been reviewed by BNN.

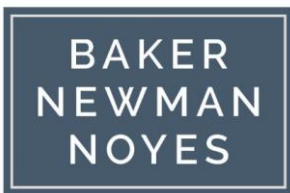
Robb Spivey, Friends Camp Treasurer



Friends Camp, a Division of New England Yearly Meeting of Friends

Financial Statements

*Year Ended September 30, 2022
With Independent Accountants' Review Report*



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Friends Camp Committee of
New England Yearly Meeting of Friends

We have reviewed the accompanying financial statements of Friends Camp, a division of New England Yearly Meeting of Friends, which comprise the statement of financial position as of September 30, 2022, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Friends Camp and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Basis for Qualified Conclusion

As disclosed in Note 2 to the financial statements, accounting principles generally accepted in the United States of America require that property and equipment be reported at cost less depreciation. Management has informed us that certain property and equipment is stated in the accompanying financial statements at estimated fair value, and that the effects of this departure from accounting principles generally accepted in the United States of America on financial position, results of operations and cash flows have not been determined.

To the Friends Camp Committee of
New England Yearly Meeting of Friends

Qualified Conclusion

Based on our reviews, except for the effect of the matter described in the Basis for Qualified Conclusion paragraph, we are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Baker Newman + Noyes LLC

Portland, Maine
January 23, 2023

**FRIENDS CAMP, A DIVISION OF
NEW ENGLAND YEARLY MEETING OF FRIENDS**

STATEMENT OF FINANCIAL POSITION

September 30, 2022

ASSETS

Current assets:	
Cash and cash equivalents	\$ 166,361
Investments	102,224
Accounts receivable	<u>400</u>
Total current assets	268,985
Property and equipment:	
Land and land improvements	576,800
Buildings	986,192
Furniture, fixtures and equipment	100,594
Construction in progress	<u>9,477</u>
	1,673,063
Less accumulated depreciation	<u>(296,050)</u>
	<u>1,377,013</u>
Total assets	<u>\$1,645,998</u>

LIABILITIES

Current liabilities:	
Accounts payable and accrued expenses	\$ <u>5,446</u>
Total liabilities	5,446
Earnings retained for operations:	
Without donor restrictions	1,638,002
With donor restrictions	<u>2,550</u>
Total earnings retained for operations	<u>1,640,552</u>
Total liabilities and earnings retained for operations	<u>\$1,645,998</u>

See accompanying notes.

**FRIENDS CAMP, A DIVISION OF
NEW ENGLAND YEARLY MEETING OF FRIENDS**

STATEMENT OF ACTIVITIES

Year Ended September 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Program income:			
Tuition	\$ 433,385	\$ –	\$ 433,385
Contributions:			
Individuals	62,381	6,025	68,406
New England Yearly Meeting of Friends	2,769	–	2,769
Meetings	5,304	1,300	6,604
Grants	<u>–</u>	<u>12,985</u>	<u>12,985</u>
	70,454	20,310	90,764
Other:			
Off season rental	29,161	–	29,161
Merchandise sales	9,254	–	9,254
Other	1,533	–	1,533
Paycheck Protection Program	<u>65,946</u>	<u>–</u>	<u>65,946</u>
	105,894	–	105,894
Net investment loss	(13,774)	–	(13,774)
Earnings retained for operations released from restrictions	<u>17,760</u>	<u>(17,760)</u>	<u>–</u>
Total income	613,719	2,550	616,269
Expenses:			
Program expenses	454,792	–	454,792
Management and administration	93,912	–	93,912
Fundraising	<u>7,437</u>	<u>–</u>	<u>7,437</u>
Total expenses	<u>556,141</u>	<u>–</u>	<u>556,141</u>
Net income	57,578	2,550	60,128
Property and equipment valuation adjustment	<u>306,526</u>	<u>–</u>	<u>306,526</u>
Total increase in earnings retained for operations	364,104	2,550	366,654
Earnings retained for operations, beginning of year	<u>1,273,898</u>	<u>–</u>	<u>1,273,898</u>
Earnings retained for operations, end of year	<u>\$1,638,002</u>	<u>\$ 2,550</u>	<u>\$1,640,552</u>

See accompanying notes.

**FRIENDS CAMP, A DIVISION OF
NEW ENGLAND YEARLY MEETING OF FRIENDS**

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2022

	<u>Program</u>	<u>Management and Administration</u>	<u>Fund- raising</u>	<u>Total</u>
Compensation	\$221,369	\$28,352	\$4,327	\$254,048
Benefits	11,415	3,963	484	15,862
Payroll tax and fees	17,024	2,180	333	19,537
Contract services	5,175	13,719	–	18,894
Depreciation	31,069	–	–	31,069
Insurance	–	16,547	–	16,547
Miscellaneous	6,546	630	–	7,176
Food	78,705	–	–	78,705
Program and office supplies	9,515	4,333	2,034	15,882
Professional dues and fees	–	9,759	–	9,759
Rent – offseason office	–	3,040	–	3,040
Repairs and maintenance	26,042	–	–	26,042
Utilities	11,172	–	–	11,172
Training	11,389	–	–	11,389
Travel, meals and lodging	15,313	947	105	16,365
Marketing	1,527	1,375	154	3,056
Merchandise	8,531	–	–	8,531
Bank fees	<u>–</u>	<u>9,067</u>	<u>–</u>	<u>9,067</u>
	<u>\$454,792</u>	<u>\$93,912</u>	<u>\$7,437</u>	<u>\$556,141</u>
Percentage of total	<u>81.8%</u>	<u>16.9%</u>	<u>1.3%</u>	<u>100.0%</u>

See accompanying notes.

**FRIENDS CAMP, A DIVISION OF
NEW ENGLAND YEARLY MEETING OF FRIENDS**

STATEMENT OF CASH FLOWS

Year Ended September 30, 2022

Cash flows from operating activities:	
Increase in earnings retained for operations	\$ 366,654
Adjustments to reconcile increase in earnings retained for operations to net cash provided by operating activities:	
Depreciation	31,069
Valuation adjustment	(306,526)
Net realized and unrealized loss on investments	14,036
Restricted contributions	(20,310)
Increase in accounts receivable	(400)
Increase in accounts payable	<u>1,971</u>
Net cash provided by operating activities	86,494
Cash flows from investing activities:	
Purchase of investments	(50,000)
Additions to property and equipment	<u>(20,011)</u>
Net cash used by investing activities	(70,011)
Cash flows from financing activities:	
Proceeds from restricted contributions	<u>20,310</u>
Net cash provided by financing activities	<u>20,310</u>
Net increase in cash	36,793
Cash and cash equivalents at beginning of year	<u>129,568</u>
Cash and cash equivalents at end of year	<u>\$ 166,361</u>

See accompanying notes.

**FRIENDS CAMP, A DIVISION OF
NEW ENGLAND YEARLY MEETING OF FRIENDS**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2022

1. Organization and Nature of Activities

Friends Camp (the Camp), a division of New England Yearly Meeting of Friends (NEYM), was founded in 1953 by NEYM and is located in South China, Maine. The Camp is a caring and accepting youth camp community with Quaker values. The Camp offers recreational, artistic, dramatic and aquatic programming with Quaker worship and community work projects. The Camp gives youth a unique outdoor camping experience for spiritual, emotional, and creative growth that helps them discern a true and healthy path into adulthood.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received, and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed.

In accordance with GAAP, the Camp is required to report information regarding its financial position and activities according to the following classes of earnings retained for operations:

Earnings retained without donor restrictions represent expendable resources that are available for operations at management's discretion.

Earnings retained with donor restrictions are those subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Camp or by the passage of time. This includes funds to support capital improvements and funds donated for camperships.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual amounts could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents includes bank deposit accounts and cash on hand. All highly liquid savings deposits and investments with maturities of three months or less when purchased are considered to be cash equivalents for the statement of cash flows, except for amounts included in investments.

**FRIENDS CAMP, A DIVISION OF
NEW ENGLAND YEARLY MEETING OF FRIENDS**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2022

2. Summary of Significant Accounting Policies (Continued)

Investments

Investments are stated at fair value. Gains and losses on investments are computed on the specific identification basis. Investment income and realized and unrealized gains/losses are included in revenue without donor restrictions unless restricted by donor or law. In addition, investment returns from donor restricted investments are classified as net asset with donor restrictions until appropriated for expenditures.

Investments, in general, are exposed to various risks, such as interest rate, credit, liquidity and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

Property and Equipment

The Camp has an approved capitalization policy whereby certain property and equipment will be recorded at cost and depreciation is to be computed over the estimated useful life in conformity with GAAP. The Camp has elected to report land and buildings at estimated fair value which is a departure from GAAP. Property and equipment reflected on the statement of financial position includes a valuation adjustment of \$891,581. The increase in the valuation adjustment recognized during 2022 in the amount of \$306,526 has been reflected as an increase in earnings retained for operations on the statement of activities. Repairs and maintenance are expensed as incurred and major renewals and improvements are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Revenue Recognition

Unconditional promises to give cash and other assets to the Camp are reported at their fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at their fair value at the date the gift is actually received or the conditions are met. Gifts are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, earnings retained for operations with donor restrictions are reclassified to earnings retained for operations without donor restrictions and reported in the statement of activities as earnings retained for operations released from restrictions.

The Camp recognizes tuition and fees revenue over a period of time for each summer camp session based on gross price, net of explicit price concessions such as camperships (financial aid) and discounts, which is displayed in the statement of activities as tuition. Given the timing of each summer camp session, all performance obligations are satisfied by the Camp within the fiscal year. Tuition and fees revenue is derived from providing summer camp programs and boarding. Camperships are awarded to campers based on need.

**FRIENDS CAMP, A DIVISION OF
NEW ENGLAND YEARLY MEETING OF FRIENDS**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2022

2. Summary of Significant Accounting Policies (Continued)

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Income Taxes and Accounting for Uncertain Tax Position

The Camp is a division of NEYM which is exempt from federal and state income tax under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the financial statements.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board (FASB), assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included as a component of income tax expense.

NEYM has evaluated the position taken on its filed tax returns. NEYM has not taken, nor does it expect to take any uncertain tax positions in any income tax return.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs, fundraising, and management and administration based on employees' time and effort.

Advertising

The Camp expenses all advertising costs when incurred. Advertising and marketing expenses totalled \$3,056 for the year ended September 30, 2022.

Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the Camp on October 1, 2022. Lessees (for capital and operating leases) may apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The Camp is currently evaluating the impact of ASU 2016-02 on the financial statements

**FRIENDS CAMP, A DIVISION OF
NEW ENGLAND YEARLY MEETING OF FRIENDS**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2022

2. Summary of Significant Accounting Policies (Continued)

Subsequent Events

Events occurring after the statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. Management has evaluated subsequent events through January 23, 2023, which is the date the financial statements were available to be issued.

3. Investments

NEYM invests certain assets on behalf of the Camp. NEYM invests the amount in a pooled investment fund and allocates the return from the investment pool to the Camp. The investment pool is invested in a variety of investments and amounts are available to the Camp on demand.

Pooled investments held at NEYM consist of the following at September 30, 2022:

Cash	11%
U.S. equity	67
Corporate bonds	19
Other	3

4. Fair Value Measurements

As defined in GAAP, fair value is 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. In determining fair value, the Camp uses various methods including market, income and cost approaches. Based on these approaches, the Camp utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Camp utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Camp is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets traded in active exchange markets, such as the New York Stock Exchange. Level 1 includes cash and cash equivalents as well as mutual funds and exchange traded funds, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

**FRIENDS CAMP, A DIVISION OF
NEW ENGLAND YEARLY MEETING OF FRIENDS**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2022

4. Fair Value Measurements (Continued)

Level 2 – Valuations for assets traded in less active dealer or broker markets. Valuations are obtained from third party pricing services and other sources for identical or similar assets.

Level 3 – Valuations for assets that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Camp performs a detailed analysis of the assets and liabilities that are reported at fair value. At September 30, 2022, all investments were classified as Level 2.

5. Earnings Retained for Operations

Earnings retained for operations without donor restrictions are available for the following purposes at September 30, 2022:

Undesignated	<u>\$1,638,002</u>
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Earnings retained for operations with donor restrictions are available for the following purposes at September 30, 2022:

Purpose restriction:	
Capital improvement fund	\$ 2,500
Campership fund	<u>50</u>
	<u>\$ 2,550</u>

6. Tuition Revenue

Tuition revenue consists of the following for the year ended September 30, 2022:

	<u>Without Donor Restrictions</u>
Program income:	
Tuition and fees	\$471,940
Less camperships	(36,155)
Less discounts	<u>(2,400)</u>
	<u>\$433,385</u>

**FRIENDS CAMP, A DIVISION OF
NEW ENGLAND YEARLY MEETING OF FRIENDS**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2022

7. Concentration of Credit Risk

The Camp occasionally maintains significant cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of September 30, 2022, the Camp has not experienced any losses from deposit concentrations.

8. Liquidity and Availability

Financial assets available for general expenditure within one year of the statement of financial position date consist of the following at September 30, 2022:

Financial assets at year end:	
Cash and cash equivalents	\$166,361
Investments	102,224
Accounts receivable	<u>400</u>
Financial assets available to meet general expenditures within one year	<u>\$268,985</u>

9. Retirement Plan

NEYM sponsors a defined contribution plan (tax sheltered annuity) for employees of the Camp who normally work no less than twenty hours per week. Under the terms of the plan, an employee may defer up to 100% of compensation up to the allowable amount under Internal Revenue Service regulations. NEYM may provide discretionary contributions. The determination of the discretionary contributions is made on an annual basis. Discretionary contributions and employer contributions vest 100% immediately. The Camp's expense under the defined contribution plan was \$5,485 in the year ended September 30, 2022.

Friends Camp
New England Yearly Meeting of Friends
RESTRICTED FUNDS ACTIVITY -- NOT REVIEWED BY BAKER NEWMAN NOYES
Year Ended September 30, 2022
Final Report Jan. 26, 2023

Restricted Funds Activity by Fund

	<u>Beginning</u> <u>Balance</u>	<u>Contributions</u> <u>Received</u>	<u>Released to</u> <u>General Fund</u>	<u>Ending</u> <u>Balance</u>	<u>Net</u> <u>Change</u>
Campership funds:					
General Campership Fund	\$ -	\$ 4,825	\$ (4,825)	\$ -	\$ -
Codman Academy Fund	-	-	-	-	-
One Child at a Time Fund	-	1,000	(950)	50	50
Level Ground Fund	-	-	-	-	-
Total campership funds	\$ -	\$ 5,825	\$ (5,775)	\$ 50	\$ 50
Capital Improvement Fund	-	1,500	(1,500)	-	-
Grants	-	12,985	(10,485)	2,500	2,500
All restricted funds	\$ -	\$ 20,310	\$ (17,760)	\$ 2,550	\$ 2,550

Restricted Funds Income by Source

	<u>Individuals</u>	<u>New England</u> <u>Yearly Meeting</u>	<u>Monthly &</u> <u>Quarterly Mtgs.</u>	<u>Other</u> <u>Organizations</u>	<u>Total</u>
Campership funds:					
General Campership Fund	\$ 3,525	\$ -	\$ 1,300	\$ -	\$ 4,825
Codman Academy Fund	-	-	-	-	-
One Child at a Time Fund	1,000	-	-	-	1,000
Level Ground Fund	-	-	-	-	-
Total campership funds	\$ 4,525	\$ -	\$ 1,300	\$ -	\$ 5,825
Capital Improvement Fund	1,500	-	-	-	1,500
Grants	-	-	-	12,985	12,985
All restricted funds	<u>\$ 6,025</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ 12,985</u>	<u>\$ 20,310</u>