

QUAKER LAKE CAMP
FOUNDATION

FINANCIAL STATEMENTS

December 31, 2021 and 2020

QUAKER LAKE CAMP FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Quaker Lake Camp Foundation
Climax, North Carolina

Opinion

I have audited the accompanying financial statements of Quaker Lake Camp Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Quaker Lake Camp Foundation as of December 31, 2021 and 2020, and the changes in its net assets 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

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Quaker Lake Camp Foundation and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Quaker Lake Camp Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement 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 Quaker Lake Camp Foundation'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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Quaker Lake Camp Foundation's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.



William R. Huneycutt, CPA, PLLC
Asheboro, North Carolina

May 2, 2022

QUAKER LAKE CAMP FOUNDATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Cash and cash equivalents	\$ 308,612	\$ 100,218
Investments held by fiscal agent	70,223	-
Restricted cash and cash equivalents	<u>10,368</u>	<u>38,758</u>
Total Current Assets	<u>389,203</u>	<u>138,976</u>
Total Assets	<u>\$ 389,203</u>	<u>\$ 138,976</u>
Net Assets:		
Without donor restrictions	311,497	100,218
With donor restrictions	<u>77,706</u>	<u>38,758</u>
Total Net Assets	<u>389,203</u>	<u>138,976</u>

QUAKER LAKE CAMP FOUNDATION

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2021 and 2020

	2021		2020			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:						
Contributions	\$ 237,198	\$ 40,345	\$ 277,543	\$ 54,323	\$ 19,551	\$ 73,874
Golf tournament proceeds	35,865	-	35,865	40,200	-	40,200
Income earned on investments	4,626	-	4,626	172	-	172
Net unrealized gains/(losses) on investments	(1,775)	-	(1,775)	-	-	-
Net assets released from restrictions	1,397	(1,397)	-	-	-	-
Satisfaction of program restrictions						
Total Revenues, Gains and Other Support	277,311	38,948	316,259	94,695	19,551	114,246
Expenses:						
Contributions to/on behalf of Quaker Lake Camp for:						
Support of various camp programs	52,906	-	52,906	15,245	-	15,245
Fundraising	7,844	-	7,844	3,584	-	3,584
Management and general	5,282	-	5,282	1,135	-	1,135
Total Expenses	66,032	-	66,032	19,964	-	19,964
Change in Net Assets	211,279	38,948	250,227	74,731	19,551	94,282
Net Assets - Beginning of Year	100,218	38,758	138,976	25,487	19,207	44,694
Net Assets - End of Year	\$ 311,497	\$ 77,706	\$ 389,203	\$ 100,218	\$ 38,758	\$ 138,976

The Notes to Financial Statements are an integral part of these statements.

QUAKER LAKE CAMP FOUNDATION

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ <u>250,227</u>	\$ <u>94,282</u>
Cash Flows from Investing Activities:		
Purchases of investments	(67,911)	-
Other additions and withdrawals	<u>(2,312)</u>	<u>-</u>
Net Cash Used by Investing Activities	<u>(70,223)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	180,004	94,282
Cash and Cash Equivalents - Beginning of Year	<u>138,976</u>	<u>44,694</u>
Cash and Cash Equivalents - End of Year	<u>\$ 318,980</u>	<u>\$ 138,976</u>
Supplemental Disclosure of Cash Flows Information		
Cash paid during the year for:		
Investment fees	<u>\$ 215</u>	<u>\$ -</u>

QUAKER LAKE CAMP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies

Nature of Activity

Quaker Lake Camp Foundation. (the Foundation) is a legally separate nonprofit organization incorporated on November 16, 2017. The Foundation serves a supporting role by raising, managing, and distributing funds for Quaker Lake Camp and its ministries.

Income Taxes

The Foundation is tax-exempt as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Basis of Presentation

The financial statements of Quaker Lake Camp Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation 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 restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Basis of Accounting

The Foundation's financial statements have been prepared on the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

QUAKER LAKE CAMP FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Foundation considers all highly liquid short-term investments to be cash equivalents. Short-term investments include amounts on deposit held by a fiscal agent.

Donated Services

The Foundation received donated services from a variety of unpaid board and committee members assisting the Foundation in administrative duties. No amounts have been recognized in the accounting statement of activities because the criteria for recognition of such volunteer effort under FASB ASC 958-605 have not been satisfied.

Donated Materials, Facilities, and Equipment

The Foundation reports donated materials, facilities, and equipment at their estimated values at the date of receipt. During the years ended December 31, 2021 and 2020 office space and some personnel support were provided to the Foundation at no charge by Quaker Lake Camp. Due to the relationship between the two organizations, no in-kind support has been recognized in these financial statements for facilities or personnel.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases are reflected on a trade-date basis. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those

QUAKER LAKE CAMP FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Fair Value Measurements (Concluded)

assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobserved inputs). The Foundation groups assets at fair value using unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in Note 4. The Foundation has chosen not to allocate expenses between functions due to the nature of the expenses.

Note 2 - Availability and Liquidity

Financial assets at year end:	2021	2020
Cash and cash equivalents	\$ 318,980	\$ 138,976
Investments	70,223	-
Total financial assets	<u>389,203</u>	<u>138,976</u>
Less amounts not available to be used within one year:		
Net assets held for special QLC projects	204,601	-
Net assets with donor restrictions	77,706	38,758
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 106,896</u>	<u>\$ 100,218</u>

Quaker Lake Camp Foundation's liquidity plan is to generally maintain a cash balance in checking to meet 90 days of operating expenses. As noted in the Memorandum of Understanding between Quaker Lake Camp and the QLC Foundation, Quaker Lake Camp will assume financial responsibility for some QLC Foundation expenses while the Foundation is in its infancy.

Note 3 - Concentration of Credit Risk

All operating cash funds of the Foundation are deposited in board-designated official depository. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000, respectively, per type of account. With the Raymond James Bank Deposit Program, available cash within the investment account is deposited into interest-bearing deposit accounts at multiple banks, providing full coverage and eligibility for in excess of \$2.5 million in deposit insurance coverage by the FDIC. At December 31, 2021, there were no uninsured bank balances.

QUAKER LAKE CAMP FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 4 - Functional Expenses

Expenses were incurred for:

	2021				2020			
	Total	Contributions in Support of Quaker Lake Camp	Management and General	Fundraising	Total	Contributions in Support of Quaker Lake Camp	Management and General	Fundraising
Support of Programs	\$ 52,906	\$ 52,906	\$ -	\$ -	\$ 15,245	\$ 15,245	\$ -	\$ -
Office Expenses	-	-	-	-	1,135	-	1,135	-
Accounting Fees	4,000	-	4,000	-	-	-	-	-
Information Technology	2,890	-	-	2,890	-	-	-	-
Credit Card Fees	1,086	-	-	1,086	-	-	-	-
Investment Fees	215	-	215	-	-	-	-	-
Other Expenses	1,067	-	1,067	-	-	-	-	-
Fundraising	<u>3,868</u>	<u>-</u>	<u>-</u>	<u>3,868</u>	<u>3,584</u>	<u>-</u>	<u>-</u>	<u>3,584</u>
Total	<u>\$ 66,032</u>	<u>\$ 52,906</u>	<u>\$ 5,282</u>	<u>\$ 7,844</u>	<u>\$ 19,964</u>	<u>\$ 15,245</u>	<u>\$ 1,135</u>	<u>\$ 3,584</u>

Note 5 - Net Assets with Donor Restrictions

Net assets with donor restrictions were as follows for the years ended December 31, 2021 and 2020:

	2021	2020
Purpose restriction: Camper scholarship	\$ <u>1,525</u>	\$ <u>800</u>
	\$ <u>1,525</u>	\$ <u>800</u>
	2021	2020
Funds to be maintained in perpetuity: Endowment fund for program support	\$ <u>76,181</u>	\$ <u>37,958</u>
	76,181	37,958
Net assets with donor restrictions	<u>\$ 77,706</u>	<u>38,758</u>

QUAKER LAKE CAMP FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

Note 6 - Related Party Transactions

There were no related party transactions in the year ended December 31, 2021.

Note 7 - Evaluation of Subsequent Events

The Foundation has evaluated subsequent events through May 2, 2022, which is the date the financial statements were available to be issued. The Foundation is not aware of any material subsequent events.