

SMILE-A-MILE
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2023



Smile-A-Mile

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	7
STATEMENT OF CASH FLOWS	9
NOTES TO FINANCIAL STATEMENTS	10



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Smile-A-Mile
Birmingham, AL

Opinion

We have audited the accompanying financial statements of Smile-A-Mile (a non-profit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Smile-A-Mile as of December 31, 2023, and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Smile-A-Mile 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 Smile-A-Mile's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement due to fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Smile-A-Mile'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 Smile-A-Mile'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.

Tidwell Group, LLC

Atlanta, Georgia
July 31, 2024

Smile-A-Mile

STATEMENT OF FINANCIAL POSITION

December 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,502,056
Prepaid expenses	<u>27,008</u>

Total current assets	1,529,064
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LONG-TERM ASSETS

Other assets	5,000
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INVESTMENTS	2,332,174
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AGENCY ENDOWMENT FUND	175,954
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PROPERTY AND EQUIPMENT, NET	<u>3,192,933</u>
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Total assets	<u><u>\$ 7,235,125</u></u>
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Smile-A-Mile

STATEMENT OF FINANCIAL POSITION – CONTINUED

December 31, 2023

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 20,513
Deferred revenue	231,010
Current maturities of loan payable	193,407
Retirement plan deposits payable	<u>35,775</u>
Total current liabilities	<u>480,705</u>
LONG-TERM LIABILITIES	
Deferred compensation	<u>76,414</u>
Total long-term liabilities	<u>76,414</u>
Total liabilities	<u>557,119</u>
NET ASSETS	
Without donor restrictions	<u>6,678,006</u>
Total net assets	<u>6,678,006</u>
Total liabilities and net assets	<u><u>\$ 7,235,125</u></u>

See notes to financial statements

Smile-A-Mile

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2023

Revenue, Gains, and Support	
Donor contributions	\$ 256,144
In-kind contributions	119,500
Investment income, net of investment fees of \$12,775	72,662
Fundraising revenue - third party fundraising, net of fundraising expenses of \$18,745	124,571
Grant revenue	460,100
Realized and unrealized gains on investments, net	301,192
Other income	6,225
	<u>1,340,394</u>
Special events revenue	1,289,987
Less: Cost of direct benefits to donors	285,242
Net special events revenue	<u>1,004,745</u>
Total revenue, gains, and support	<u>2,345,139</u>
Functional Operating Expenses	
Program Services	
Camp activities	255,425
Camper programs	202,702
Salaries and benefits	566,258
Other activities	116,557
Advertising	8,000
Office utilities and maintenance	74,775
Payroll taxes and fees	32,967
Depreciation	133,394
Interest	17,611
Travel and mileage	15,538
Automobile	5,838
Insurance	20,535
Taxes and licenses	13,561
Dues and subscriptions	15,155
Postage	3,281
Total program services	<u>1,481,597</u>

(continued)

Smile-A-Mile

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS – CONTINUED

Year ended December 31, 2023

Supporting Services	
Salaries and benefits	\$ 60,751
Other activities	7,363
Office utilities and maintenance	6,462
Payroll taxes and fees	2,849
Depreciation	6,375
Travel and mileage	346
Automobile	504
Insurance	1,775
Dues and subscriptions	1,310
Postage	283
Consulting and professional fees	34,300
Taxes and licenses	1,172
Total supporting services	123,490
Fundraising Expenses	
Salaries and benefits	72,117
Advertising	8,000
Other activities	3,599
Office utilities and maintenance	11,076
Payroll taxes and fees	4,884
Travel and mileage	594
Automobile	865
Insurance	3,043
Dues and subscriptions	2,245
Postage	486
Taxes and licenses	2,009
Depreciation	6,375
Contract services	40,057
Bank fees	28,567
Total fundraising expenses	183,917
Total expenses	1,789,004
Change in net assets	556,135
Total Net Assets, Beginning of Year	6,121,871
Total Net Assets, End of Year	\$ 6,678,006

See notes to financial statements

Smile-A-Mile

STATEMENT OF CASH FLOWS

Year ended December 31, 2023

Cash flows from operating activities	
Change in net assets	\$ 556,135
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	146,144
Gain on sale of property and equipment	(5,100)
Unrealized gain on investments	(245,298)
Realized gain on sale of investments	(55,894)
Change in prepaid expenses	24,762
Change in accounts payable	18,197
Change in contributions receivable	(5,000)
Change in deferred compensation	53,497
Change in deferred revenue	21,592
	<u>509,035</u>
Net cash provided by operating activities	
Cash flows from investing activities	
Purchases of property and equipment	(42,909)
Proceeds from disposal of property and equipment	5,100
Purchases of investments	(1,070,274)
Proceeds from sale of investments	950,448
	<u>(157,635)</u>
Net cash used in investing activities	
Cash flows from financing activities	
Principal payments on loan payable	<u>(151,532)</u>
	<u>(151,532)</u>
Net cash used in financing activities	
Net increase in cash and cash equivalents	199,868
Cash and cash equivalents, beginning of year	<u>1,302,188</u>
Cash and cash equivalents, end of year	<u>\$ 1,502,056</u>

See notes to financial statements

Smile-A-Mile

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Smile-A-Mile (the Organization) is a not-for-profit, 501(c)(3) organization formed to operate exclusively for charitable purposes. In 2016, the Organization rebranded to operate as Smile-A-Mile rather than Camp Smile-A-Mile due to significant expansion in the depth and breadth of programming. The Organization's legal name remains Camp Smile-A-Mile. The Organization provides hope, healing of the spirit, and love for the whole family during the childhood cancer journey. Through year-round meaningful and educational programming, Smile-A-Mile helps those in Alabama who are affected by childhood cancer thrive during treatment and the years beyond. The Organization's major sources of support and revenues are contributions, fund-raising activities and investment income.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America (GAAP). Under this basis, contributions are recognized as revenue when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional contributions are recognized as revenue upon all conditions being met. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in net assets without donor restrictions. All public support and revenue is considered to be available for use as designated by the Organization's board of directors unless specifically restricted by the donor. Restricted contributions that are received and used for their intended purpose within the same period are reported as net assets with donor restrictions and released from restriction in the statement of activities and changes in net assets.

Basis of Presentation

Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets, and the changes in net assets of the Organization are classified as follows:

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. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Smile-A-Mile

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2023

Net assets with donor restrictions: Net assets that are subject to donor-imposed restrictions and are restricted by the donor for specific purposes or specific periods of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities and changes in net assets.

As of December 31, 2023, there were no donor restricted net assets held.

Contributions and Contributions Receivable

All contributions are considered to be available for the general programs of the Organization unless specifically restricted by the donor. Amounts received that are restricted for future periods, or are restricted by the donor for specific purposes, are reported showing amounts with or without donor restrictions that increase those net asset classes.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities and changes in net assets. Donor restricted contributions whose restrictions are met in the same reporting period are reported as restricted contributions and released from restriction in the statement of activities and changes in net assets.

Contributions receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. GAAP requires that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Fundraising and Deferred Revenue

Revenues for services provided to donors represent exchange transactions and are recognized in the period in which the services are performed and/or earned. Third-party fundraising and special events revenue are recognized when the event takes place. The Organization records special events revenue net of the cost of direct benefits to donors.

Smile-A-Mile

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2023

The Organization collects fundraising revenue prior to some events. Those event revenues, which are unearned at year end, are recorded as deferred revenue. The deferred revenue as of December 31, 2023 was \$231,010.

The following table provides information about significant changes in deferred revenue for the year ended December 31, 2023:

Deferred revenue, beginning of year	\$ 209,418
Revenue recognized which was included in deferred revenue at the beginning of the year	(209,418)
Deposits collected on behalf of future events	<u>231,010</u>
Deferred revenue, end of year	<u><u>\$ 231,010</u></u>

Conditional Promises to Give

Conditional promises to give are recognized as support when the donor-imposed conditions have been met. Conditional promises to give depend on the occurrence of a specified and uncertain event. For the year ended December 31, 2023, the Organization had no conditional promises to give outstanding.

Cash and Cash Equivalents

The Organization defines cash and cash equivalents as all cash in checking, savings and certificate of deposit accounts, as well as all highly liquid investments with an original maturity date of ninety days or less.

Investments

Investments in mutual funds and other equity securities with readily determinable fair values are reported at fair value. Realized and unrealized gains and losses associated with these investments are included in the statement of activities and changes in net assets.

Smile-A-Mile

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2023

Agency Endowment Fund

The Organization has an Agency Endowment Fund agreement with The Community Foundation of Greater Birmingham (the Community Foundation), an Alabama nonprofit organization. The Community Foundation exercises full control over the fund, which is held for the financial support of the Organization. Distributions may be made from the fund to the Organization upon written request from members of the Organization's board of directors. The Organization does not have a formal spending policy or investment policy relative to the endowment funds. In the event that the Organization ceases to exist as a nonprofit organization, the funds may be used for similar charitable purposes; however, management of the Community Foundation has authority to modify restrictions or conditions placed on recipient organizations. All investments held under the Agency Endowment Fund are reported at fair value. Realized and unrealized gains and losses associated with these investments are included in the statement of activities and changes in net assets.

Property and Equipment

Expenses for equipment in excess of \$1,000 are capitalized at cost. Depreciation and amortization are computed on the straight-line method based on the estimated useful lives of the assets. Expenses for maintenance and repairs are charged to expense as incurred.

Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Smile-A-Mile Place	39 years
Camp facilities	39 years
Vehicles	5 years
Camp equipment	5-7 years
Furniture and equipment	3-7 years
Leasehold improvements	10-39 years

Income Taxes

The Organization is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements. Management of the Organization considers the likelihood of changes by taxing authorities in its exempt organization returns and discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in filed returns that require disclosure in the accompanying financial statements. The Organization's tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

Smile-A-Mile

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2023

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, net assets, revenues, and expenses. Actual results could differ from those estimates.

NOTE 2 - INVESTMENTS

Investments as of December 31, 2023 were as follows:

Mutual funds	
Equity funds	\$ 1,721,084
Fixed income funds	611,090
Total mutual funds	<u>2,332,174</u>
Agency endowment fund	<u>175,954</u>
Total investments	<u>\$ 2,508,128</u>

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment and accumulated depreciation are as follows at December 31, 2023:

Land	\$ 650,000
Smile-A-Mile Place	2,930,514
Camp facilities	139,047
Vehicles	114,515
Camp equipment	117,358
Furniture and equipment	291,027
Leasehold improvements	34,195
	<u>4,276,656</u>
Less: Accumulated depreciation	<u>(1,083,723)</u>
Property and equipment, net	<u>\$ 3,192,933</u>

Depreciation expense for the year ended December 31, 2023 was \$146,144.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2023

NOTE 4 – FAIR VALUE OF ASSETS AND LIABILITIES

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 820, *Fair Value Measurement and Disclosure*, establishes a framework for measuring fair value under GAAP and expands disclosures about fair value measurements. The guidance clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions, the guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value, as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Valuations based on inputs, other than quoted prices included in Level 1 that are observable either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There are three general valuation techniques that may be used to measure fair value, as described below:

1. Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources.
2. Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).
3. Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (including present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Assets itemized below were measured at fair value using the market approach. There have been no changes in the valuation methodologies used at December 31, 2023.

Smile-A-Mile

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2023

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial assets could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization’s financial assets at fair value as of December 31, 2023:

	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Equity funds	\$ 1,721,084	\$ 1,721,084	\$ -	\$ -
Fixed income funds	611,090	611,090	-	-
Agency endowment fund	175,954	-	-	175,954
Total	\$ 2,508,128	\$ 2,332,174	\$ -	\$ 175,954

Summary of activity for the Level 3 investment held as of December 31, 2023:

Agency endowment fund, beginning of year	\$ 156,282
Investment fees	(1,378)
Interest	1,025
Realized loss	(711)
Unrealized gain	20,736
Agency endowment fund, end of year	<u>\$ 175,954</u>

The Organization recognizes transfers into and out of levels at the end of the reporting period. The fair value of the Organization’s interest in agency endowment funds is based on the assessment made by investment managers of the Community Foundation. This interest is included in Level 3 of the fair value hierarchy because the fair values of these investments are determined by the Community Foundation and are unobservable.

Smile-A-Mile

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2023

NOTE 5 – LOAN PAYABLE

In December 2015, the Organization obtained \$2,300,000 as a loan payable to ServisFirst Bank with a fixed interest rate of 2.95 percent. The terms of the note stipulated interest-only payments for the first 18 months and then converted to principal and interest payments based on a 20-year amortization. The note contained a provision for early payments without penalty. The note was secured by an abundance of caution mortgage on Smile-A-Mile Place. The loan was originally set to mature on December 1, 2022. Effective November 28, 2022, the loan was extended to February 1, 2023, with no other changes to the original terms of the loan agreement. On February 9, 2023, the Organization refinanced the existing loan in the amount of \$287,329, maturing on February 1, 2028. As of December 31, 2023, the outstanding balance was \$193,407. The note bears interest at a variable rate equal to the U.S. Prime Rate, as published by the Wall Street Journal. As of December 31, 2023, the interest rate was 8.50 percent. The note required monthly payments of \$2,374, with a balloon payment equal to all unpaid principal and accrued interest due on the maturity date of the note. Due to Smile-A-Mile repaying the entire balance of the note, \$193,407, on January 2, 2024, there are no remaining maturities of indebtedness to report. The remaining indebtedness as of December 31, 2023 has been classified as a current liability on the accompanying statement of financial position as the loan payoff was made from working capital and not other debt sources.

NOTE 6 – METHODS USED FOR ALLOCATION OF EXPENSES AMONG PROGRAM,
FUNDRAISING AND SUPPORTING SERVICES

The financial statements report certain categories of expenses that are attributable to either the program services, supporting services or fundraising expenses of the Organization. The expense allocations are based on time and cost studies of the Organization's personnel and direct expenses. Accordingly, certain costs have been allocated between the functional operating expenses benefited.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2023

NOTE 7 – CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash, restricted deposits, and reserves with financial institutions. The bank balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each bank. At times, these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these bank balances at December 31, 2023. As of December 31, 2023, the cash balances of the Organization exceeded the FDIC insured limit by \$911,318.

NOTE 8 – RETIREMENT PLANS AND DEFERRED COMPENSATION

Retirement Plan Deposits Payable

The Organization has established a 401(k) for all full-time employees. Contributions made by the Organization are at the discretion of the Compensation Committee of the Board of Directors. As of December 31, 2023, \$13,275 was payable pursuant to the Employer Matching provision for the 401(k) Plan.

Deferred Compensation

Effective January 1, 2020, the Organization's Board of Directors established two compensation plans to provide deferred compensation to a select highly compensated executive. Contributions made by the Organization for both plans are at the discretion of the Compensation Committee of the Board of Directors. Additional participants may be added to one or both of these plans in the future at the sole discretion of the Compensation Committee through an amendment to the Plan documents.

The Qualified Plan was established under 457(b) of the Internal Revenue Code (IRC). The assets of the Qualified Plan are held in a trust. As of December 31, 2023, a contribution of \$22,500 was payable to the Qualified Plan.

The Nonqualified Plan (NQP) was established under 457(f) of the IRC. The assets are held in a money market account (included in cash and cash equivalents in the accompanying statement of financial position) owned by the Organization for the benefit of the NQP's participant. In the event of bankruptcy, the assets of the NQP are subject to the claims of creditors. All contributions made to the NQP have a vesting schedule as determined by the Compensation Committee and are subject to forfeiture. In the event of death or dismemberment of the participant, all non-vested contributions accelerate and are distributed. As of December 31, 2023, the Organization held assets in the amount of \$82,025 in the money market account. At December 31, 2023, the total vested portion of the NQP for future compensation payments was \$76,414, which is included in deferred compensation in the accompanying statement of financial position.

Smile-A-Mile

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2023

The 2023 expense related to the two deferred compensation plans was \$67,910 in total and is included in salaries and benefits on the Statement of Activities and Changes in Net Assets.

NOTE 9 – IN-KIND CONTRIBUTIONS

The Organization’s financial statements include the following in-kind revenue and support, and associated expense:

Program Services

The Organization receives donated program services in the form of overnight lodging for individuals participating in camp activities that would typically be purchased if not provided as an in-kind donation. These donated services are recognized as in-kind contributions at fair value, with a corresponding expense, as they are used. The estimated fair value of these services is provided by the service provider, who estimates the fair value based on the date, time, and market in which the same services would normally be paid in the ordinary course of business.

During the year ended December 31, 2023, the Organization received the following in-kind contributions:

Donation of campsite facilities	<u>\$ 119,500</u>
Total in-kind contributions	<u><u>\$ 119,500</u></u>

Smile-A-Mile recognized these contributed nonfinancial assets in revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

NOTE 10 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. This amount consists of cash, net of deferred revenue, as presented on the accompanying statement of financial position.

None of these amounts are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position.

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. The Organization maintains financial assets on hand to meet normal operating expenses.

Smile-A-Mile

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2023

NOTE 11 – SUBSEQUENT EVENTS

Events that occur after the Statement of Financial Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of the subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. Management evaluated the activity of the Organization through July 31, 2024 (the date on which the financial statements were available to be issued) and concluded that one subsequent event had occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

On January 2, 2024, the December 31, 2023 balance of the loan payable in the amount of \$193,407 was repaid in full and has been disclosed in NOTE 5 of the Notes to the Financial Statements.