

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Consolidated Financial Statements and Schedules
(With Independent Auditors' Report)

April 30, 2024 and 2023

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

April 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

The Boards of Directors of
Chill Foundation and Entities Under Common Control
Burlington, Vermont

Opinion

We have audited the accompanying consolidated financial statements of Chill Foundation and Entities Under Common Control (a nonprofit foundation) ("Chill") which comprises the consolidated statement of financial position as of April 30, 2024 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chill Foundation and Entities Under Common Control as of April 30, 2024 and the changes in its consolidated net assets and 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Chill 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chill's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 for one resulting from 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 consolidated 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 consolidated 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 consolidated 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 Chill'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chill'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.

Report on Summarized Comparative Information

We have previously audited Chill's 2023 consolidated financial statements, and in our report dated September 18, 2023, we expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein, as of and for the year ended April 30, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities as of and for the years ended April 30, 2024 and 2023 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

McSoley McCoy & Co.

South Burlington, Vermont
August 14, 2024
VT Reg. No. 92-349

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Consolidated Statements of Financial Position

April 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets:		
Cash	\$ 733,596	\$ 760,640
Due from related party, net	99,782	1,184
Pledges receivable	171,368	107,673
Other receivables	118,342	122,839
Prepaid expenses	43,130	33,838
Investments	<u>941,978</u>	<u>848,543</u>
Total assets	<u>\$ 2,108,196</u>	<u>\$ 1,874,717</u>
Liabilities and net assets:		
Liabilities		
Accounts payable and accrued expenses	\$ 337,146	\$ 129,302
Due to related party, net	165	220,305
Deferred revenue	<u>50,363</u>	<u>27,976</u>
Total liabilities	<u>387,674</u>	<u>377,583</u>
Net assets		
Net assets with donor restrictions	68,902	21,527
Net assets without donor restrictions	<u>1,651,620</u>	<u>1,475,607</u>
Total net assets	<u>1,720,522</u>	<u>1,497,134</u>
Total liabilities and net assets	<u>\$ 2,108,196</u>	<u>\$ 1,874,717</u>

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

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Consolidated Statement of Activities
For the Year Ended April 30, 2024
(With Summarized Financial Information for 2023)

	2024			(summarized)
	Without donor restrictions	With donor restrictions	Total	2023
Revenue and support:				
Corporate support	\$ 2,567,569	\$ -	\$ 2,567,569	\$ 2,381,394
COVID-19 relief funding	-	-	-	118,538
Grant income	635,510	18,902	654,412	406,996
Individual contributions	1,379,571	50,000	1,429,571	876,510
Special events income, net	570,937	-	570,937	531,159
Other income	38,700	-	38,700	75,047
Release from restriction	21,174	(21,174)	-	-
Total revenue and support	<u>5,213,461</u>	<u>47,728</u>	<u>5,261,189</u>	<u>4,389,644</u>
Expenses:				
Program services	3,728,797	-	3,728,797	3,273,140
General and administrative	597,918	-	597,918	797,506
Fundraising	806,067	-	806,067	549,425
Total expenses	<u>5,132,782</u>	<u>-</u>	<u>5,132,782</u>	<u>4,620,071</u>
Total income (loss) from operations	<u>80,679</u>	<u>47,728</u>	<u>128,407</u>	<u>(230,427)</u>
Other income (loss):				
Foreign currency gain (loss), net	1,845	(353)	1,492	(7,231)
Unrealized gain (loss) on investments, net	60,184	-	60,184	(16,825)
Investment income, net	33,305	-	33,305	27,024
Total other income (loss)	<u>95,334</u>	<u>(353)</u>	<u>94,981</u>	<u>2,968</u>
Change in net assets	176,013	47,375	223,388	(227,459)
Net assets - beginning of year	<u>1,475,607</u>	<u>21,527</u>	<u>1,497,134</u>	<u>1,724,593</u>
Net assets - end of year	<u>\$ 1,651,620</u>	<u>\$ 68,902</u>	<u>\$ 1,720,522</u>	<u>\$ 1,497,134</u>

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

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Consolidated Statement of Functional Expenses

For the Year Ended April 30, 2024

(With Summarized Financial Information for 2023)

	Program Services	General and Administrative	Fundraising	2024 Total	(Summarized) 2023 Total
Advertising and promotion	\$ 6,619	\$ 216	\$ 70,410	\$ 77,245	\$ 92,662
Board sports - snow	1,226,161	-	-	1,226,161	931,024
Board sports - other	209,781	-	-	209,781	551,582
Office expenses	129,490	25,409	29,688	184,587	77,732
Other	372	7,949	(15)	8,306	51,349
Professional fees	46,334	16,848	21,061	84,243	97,831
Rent expense	26,897	1,790	9,405	38,092	37,163
Salaries and benefits	1,844,044	545,706	675,402	3,065,152	2,494,838
Transportation	235,459	-	-	235,459	231,553
Travel and meeting expenses	<u>3,640</u>	<u>-</u>	<u>116</u>	<u>3,756</u>	<u>54,337</u>
	<u>\$ 3,728,797</u>	<u>\$ 597,918</u>	<u>\$ 806,067</u>	<u>\$ 5,132,782</u>	<u>\$ 4,620,071</u>

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

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Consolidated Statements of Cash Flows For the Years Ended April 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flow from operating activities:		
Change in net assets	\$ 223,388	\$ (227,459)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net unrealized gain (loss) on investments	(60,184)	16,825
Change in assets and liabilities:		
Due from related party	(98,598)	(1,184)
Pledges receivable	(63,695)	(25,919)
Other receivables	4,497	(122,573)
Prepaid expenses	(9,292)	(8,838)
Accounts payable and accrued expenses	207,844	(33,465)
Due to related party	(220,140)	135,545
Deferred revenue	<u>22,387</u>	<u>12,976</u>
Net cash provided (used) by operating activities	<u>6,207</u>	<u>(254,092)</u>
Cash flow from investing activities:		
Purchase of investments	(59,020)	(467,235)
Sale of investments	<u>25,769</u>	<u>439,996</u>
Net cash used by investing activities	<u>(33,251)</u>	<u>(27,239)</u>
Net change in cash	(27,044)	(281,331)
Cash, beginning of year	<u>760,640</u>	<u>1,041,971</u>
Cash, end of year	<u>\$ 733,596</u>	<u>\$ 760,640</u>

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

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Notes to Consolidated Financial Statements

April 30, 2024 and 2023

1. Background

The Chill Foundation Inc. (“Chill”) was established in 1995 to inspire youth to overcome challenges through board sports. Chill’s robust youth development programs pair a curriculum-driven program model with the excitement of learning to snowboard, skateboard, surf, and stand-up paddleboard to promote personal growth, connection to the outdoors, and an inclusive outdoor community. Working with a diverse set of participants who range in ages 11-19, Chill offers its programs in various locations throughout the United States.

The majority stockholder of The Burton Corporation (“Burton”) is the co-founder of Chill and serves on Chill’s Board of Directors. Based on its fiscal year, Burton provides funding for Chill via cash contributions and expenses paid by Burton on behalf of Chill. In 2024, Chill received approximately 27% of its cash contributions and 37% of its in-kind contributions revenue from Burton and its majority stockholder. In 2023, Chill received approximately 27% of its cash contributions and 29% of its in-kind contributions revenue from Burton and its majority stockholder. Burton donates office space, facilities and other services.

Chill Foundation of Canada (“Chill CA”) was established in 2012 to provide similar services to the youth in Canada.

Chill Global was established in 2022 to support the success of Chill programming offered in various countries around the world and facilitate coordination among the entities leading Chill programs.

2. Summary of Significant Accounting Policies

Principles of consolidation – The consolidated financial statements include the accounts of Chill Foundation and entities under common control; Chill Global and Chill CA (together “Chill”). All significant intercompany transactions and accounts are eliminated.

Basis of accounting – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Estimates – The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the period reported. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents – For purposes of the consolidated statements of cash flows, Chill considers all highly liquid investments, excluding cash held for investment, available for current use with an initial maturity of three months or less to be cash equivalents.

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Notes to Consolidated Financial Statements

April 30, 2024 and 2023

Summary of Significant Accounting Policies (continued)

Investments – Investment purchases are recorded at cost, or if donated, are recorded at fair value on the date of donation. Net investment activity is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less direct investment expenses.

Financial instruments and credit risk – Chill has concentrated its credit risk for cash by maintaining deposits in financial institutions that at times exceed amounts covered by insurance provided by the United States Federal Deposit Insurance Corporation (FDIC). Chill has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

Revenue recognition – Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Special events revenue and expenses are netted on the consolidated financial statements. Special events revenue was \$748,195 and \$635,913, for the years ending April 30, 2024 and 2023, respectively.

Donated assets and other noncash donations are recorded as contributions as of the date of donation. These are recorded at the fair values provided by the donor. No donations are recorded if proper documentation is not received from the donor.

Promises to give – Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Pledges receivable are stated at the amount Chill expects to collect from balances outstanding within 90 days. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. There were pledges receivable of \$171,368 and \$107,673 as of April 30, 2024 and 2023, respectively.

On May 1, 2023, Chill adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. Chill adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Company's financial statements but did change how the allowance for credit losses is determined.

Chill's primary allowance for credit losses is the allowance for uncollectible accounts. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. Management uses judgment in determining the relevant information and estimation methods that are appropriate in its circumstances.

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Notes to Consolidated Financial Statements

April 30, 2024 and 2023

Summary of Significant Accounting Policies (continued)

Net assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor, or certain grantor, 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. 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.

Advertising costs – Advertising and promotional costs are charged to development when incurred, except when netted with respect to special events.

Income taxes – Chill and Chill Global are not-for-profit public charities as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Code. Chill CA is a Canadian registered charity, and is also exempt from tax under the Canadian *Income Tax Act*.

U.S. generally accepted accounting principles requires entities to disclose in their financial statements the nature of any uncertainty in their tax positions. For tax-exempt entities, tax-exempt status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status. Management believes Chill has no uncertain tax positions. Chill anticipates that it will not have a change in uncertain tax positions during the next twelve months that would have a material impact on their consolidated financial statements. If necessary, Chill would accrue interest and penalties on uncertain tax positions as a component of the provision for income taxes.

Management believes Chill is no longer subject to income tax examinations for years prior to the year ending April 30, 2021.

Functional allocation of expenses – The costs of program and supporting services activities have been summarized on a functional basis as a separate statement in the consolidated financial statements. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions – U.S. GAAP defines contributions as voluntary, unconditional transfers of assets. Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions.

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Notes to Consolidated Financial Statements

April 30, 2024 and 2023

Summary of Significant Accounting Policies (continued)

Comparative information – The consolidated financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Chill's consolidated financial statements for the year ended April 30, 2023, from which the summarized information was derived.

Subsequent events – Chill evaluated subsequent events through August 14, 2024, the date Chill's consolidated financial statements were available to be used.

Foreign currency translation – Chill's functional currency is denominated in US Dollars. Assets and liabilities transacted in foreign currency are translated at rates in effect at the reporting date.

3. Related Party Transactions

At April 30, 2024 and 2023, receivables from Burton were \$99,782 and \$0. Payables to Burton were \$165 and \$220,305 at April 30, 2024 and 2023, respectively. The receivable amounts relate to various contributions that are due from Burton to Chill from outside parties. The payables relate to various expenses that Chill owes Burton. These amounts are included in due from related parties and due to related parties on the accompanying consolidated financial statements.

4. Fair Value Measurements and Investments

Generally accepted accounting principles in the United States of America establish a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Chill has the ability to access.

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Notes to Consolidated Financial Statements

April 30, 2024 and 2023

Fair Value Measurements and Investment (continued)

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at April 30, 2024 and 2023.

Equity index mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed income funds: Valued based on quoted prices in active markets for identical funds.

Money market funds: Valued at cost, which approximates fair value.

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

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Notes to Consolidated Financial Statements

April 30, 2024 and 2023

Fair Value Measurements and Investment Disclosures (continued)

Investments are stated at fair value and consisted of the following at April 30, 2024 and 2023:

2024	(Level 1)	(Level 2)	(Level 3)	Fair Value
Money market funds	\$ 316,246	\$ -	\$ -	\$ 316,246
Fixed income	115,736	-	-	115,736
Equity index mutual funds	<u>509,996</u>	<u>-</u>	<u>-</u>	<u>509,996</u>
Total investments	<u>\$ 941,978</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 941,978</u>
2023	(Level 1)	(Level 2)	(Level 3)	Fair Value
Money market funds	\$ 272,598	\$ -	\$ -	\$ 272,598
Fixed income	47,497	-	-	47,497
Equity index mutual funds	<u>528,448</u>	<u>-</u>	<u>-</u>	<u>528,448</u>
Total investments	<u>\$ 848,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 848,543</u>

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Notes to Consolidated Financial Statements

April 30, 2024 and 2023

Fair Value Measurements and Investment Disclosures (continued)

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gain/(Loss)</u>
April 30, 2024			
Money Market	\$ 316,246	\$ 316,246	\$ -
Fixed Income	98,231	115,736	17,505
Equity	<u>467,260</u>	<u>509,996</u>	<u>42,736</u>
Total investments	<u>\$ 881,737</u>	<u>\$ 941,978</u>	<u>\$ 60,241</u>
April 30, 2023			
Money Market	\$ 272,598	\$ 272,598	\$ -
Fixed Income	41,655	47,497	5,842
Equity	<u>546,339</u>	<u>528,448</u>	<u>(17,891)</u>
Total investments	<u>\$ 860,592</u>	<u>\$ 848,543</u>	<u>\$ (12,049)</u>

The following schedule summarizes the investment income, net reported as an increase in the consolidated statements of activities for the years ended April 30:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 36,547	\$ 32,481
Management fees	<u>(3,242)</u>	<u>(5,457)</u>
Investment income, net	33,305	27,024
Net unrealized gain (loss)	<u>60,184</u>	<u>(16,825)</u>
Investment income, net	<u>\$ 93,489</u>	<u>\$ 10,199</u>

5. Donated Services and Facilities

Donated services are recognized as contributions if the services create or enhance nonfinancial assets, or if the services require specialized skills and were performed by people with those skills, and would otherwise be purchased by Chill. In addition, a number of individuals volunteer their time and perform a variety of tasks that assist Chill with its program, administrative and fundraising activities. These are not recognized as contributions as they do not meet the recognition criteria.

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Notes to Consolidated Financial Statements

April 30, 2024 and 2023

Donated Services and Facilities (continued)

Chill received donated professional services and materials as follows for the years ended April 30:

2024	Program Services	General and Administrative	Fundraising	Total
Storage	\$ 29,129	\$ -	\$ -	\$ 29,129
Legal services	5,402	1,889	360	7,651
Office Expenses	24,487	7,838	1,492	33,817
Occupancy	26,897	9,405	1,790	38,092
Salaries and related	307,091	101,867	19,392	428,350
Program	954,637	-	-	954,637
	<u>\$ 1,347,643</u>	<u>\$ 120,999</u>	<u>\$ 23,034</u>	<u>\$ 1,491,676</u>
2023				
Storage	\$ 28,419	\$ -	\$ -	\$ 28,419
Legal services	7,650	-	-	7,650
Office Expenses	26,640	8,880	8,880	44,400
Occupancy	22,298	7,433	7,433	37,164
Salaries and related	159,593	53,198	53,198	265,989
Program	685,915	-	-	685,915
	<u>\$ 930,515</u>	<u>\$ 69,511</u>	<u>\$ 69,511</u>	<u>\$ 1,069,537</u>

6. Functional Expenses

Chill's consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a basis that is consistently applied. Salaries, payroll taxes and benefits are allocated based on time and effort per function. Employees working on programs are allocated 100% to those programs. Employees working on fundraising are allocated 100% to fundraising. Staff with both program and fundraising duties are allocated individually according to each function. Professional services, office expenses, information technology, interest, insurance and other expenses are allocated 71% program, 12% fundraising and 17% administrative unless it is a directly identifiable expense then it is 100% allocable to its appropriate function.

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Notes to Consolidated Financial Statements

April 30, 2024 and 2023

7. Retirement Plan

Chill employees participate in a 401(k) incentive savings plan (the “Plan”) sponsored by Burton. Full time employees are eligible within 90 days or 1st quarter after their hire date. Participants may make pre-tax and after-tax Roth contributions to the Plan up to 100% of their eligible compensation for the year, up to the maximum amount allowed under the Internal Revenue Code. Matching contributions, which are provided by Burton and are included in their annual contribution to Chill, are made at the discretion of Burton’s Board of Directors. Contributions to the Plan made on behalf of Chill’s employees totaled \$44,044 in 2024 and \$45,867 in 2023, and are included in salaries and benefits on the accompanying consolidated statement of functional expenses.

8. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of April 30, 2024 and 2023:

	2024	2023
Cash	\$ 733,596	\$ 760,640
Short Term portion of investments	316,246	287,865
Pledge and other receivables	<u>422,139</u>	<u>256,696</u>
Total	1,471,981	1,305,201
Less amounts not readily available to meet general expenditures		
Net assets restricted to time or purpose	<u>(68,902)</u>	<u>(21,527)</u>
Total	<u>\$ 1,403,079</u>	<u>\$ 1,283,674</u>

Chill regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Chill has various sources of liquidity at its disposal, including cash, receivables expected to be collected within the coming year and short term portion of investments.

In addition to financial assets available to meet general expenditures over the next 12 months, Chill operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Chill strives to maintain liquid cash reserves sufficient to cover 90 days of general expenditures. General expenditures include administrative, fundraising and operating expenses.

Chill receives a significant amount of its funding from Burton. Chill relies on these contributions each year, which are available to meet annual cash needs for general expenditures. Some contributions are restricted to specific programs, and are used in accordance with the associated purpose restrictions.

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Notes to Consolidated Financial Statements

April 30, 2024 and 2023

9. Net Assets With Donor Restrictions

Net assets with donor restrictions as of April 30, 2024 and 2023 consist of the following:

	2024	2023
Chill Canada: Jumpstart Charities	\$ -	\$ 21,527
Chill USA: Staff Summit	50,000	-
Chill USA: Beyond Sports	18,902	-
	<u>\$ 68,902</u>	<u>\$ 21,527</u>

10. COVID-19 Relief

During the year ended April 30, 2023, Chill applied for the Employee Retention Credit ("ERC") under the CARES Act. ERC provides a per employee credit to eligible businesses based on a percentage of qualified wages and health insurance benefits paid to employees. It works as a refundable payroll tax credit. Management has included \$118,538 in other receivable as of April 30, 2023 relating to the ERC and deems this amount fully collectible.

11. Subsequent Event

In June 2024, the Organization made a decision to consolidate Chill Global with Chill Foundation into one entity "Chill Foundation", either through a merger or assets transfer.

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Consolidating Statements of Financial Position

April 30, 2024 and 2023

	2024					2023				
	<u>Chill USA</u>	<u>Chill Canada</u>	<u>Chill Global</u>	<u>Eliminations</u>	<u>Total</u>	<u>Chill USA</u>	<u>Chill Canada</u>	<u>Chill Global</u>	<u>Eliminations</u>	<u>Total</u>
Assets:										
Cash	\$ 325,875	\$ 86,945	\$ 320,776	\$ -	\$ 733,596	\$ 435,545	18,843	306,252	\$ -	\$ 760,640
Due from related party, net	375,002	100,145	-	(375,365)	99,782	154,867	1,184	-	(154,867)	1,184
Pledges receivable	140,920	18,102	12,346	-	171,368	100,592	172,401	-	(165,320)	107,673
Other receivables	118,342	-	-	-	118,342	122,839	-	-	-	122,839
Prepaid expenses	42,512	6,204	(5,586)	-	43,130	31,810	2,028	-	-	33,838
Investments	<u>941,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>941,978</u>	<u>848,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>848,543</u>
Total assets	<u>\$ 1,944,629</u>	<u>\$ 211,396</u>	<u>\$ 327,536</u>	<u>\$ (375,365)</u>	<u>\$ 2,108,196</u>	<u>\$ 1,694,196</u>	<u>\$ 194,456</u>	<u>\$ 306,252</u>	<u>\$ (320,187)</u>	<u>\$ 1,874,717</u>
Liabilities and net assets:										
Accounts payable and accrued expenses	\$ 313,704	\$ 17,564	\$ 5,878	\$ -	\$ 337,146	\$ 116,705	\$ 9,974	\$ 2,623	\$ -	\$ 129,302
Due to related party, net	165	116,157	259,208	(375,365)	165	220,305	112,894	41,973	(154,867)	220,305
Notes payable	-	-	-	-	-	-	-	165,320	(165,320)	-
Deferred revenue	<u>40,000</u>	<u>10,363</u>	<u>-</u>	<u>-</u>	<u>50,363</u>	<u>26,500</u>	<u>1,476</u>	<u>-</u>	<u>-</u>	<u>27,976</u>
Total liabilities	353,869	144,084	265,086	(375,365)	387,674	363,510	124,344	209,916	(320,187)	377,583
Net assets with donor restrictions	68,902	-	-	-	68,902	-	21,527	-	-	21,527
Net assets without donor restrictions	<u>1,521,858</u>	<u>67,312</u>	<u>62,450</u>	<u>-</u>	<u>1,651,620</u>	<u>1,330,686</u>	<u>48,585</u>	<u>96,336</u>	<u>-</u>	<u>1,475,607</u>
Total liabilities and net assets	<u>\$ 1,944,629</u>	<u>\$ 211,396</u>	<u>\$ 327,536</u>	<u>\$ (375,365)</u>	<u>\$ 2,108,196</u>	<u>\$ 1,694,196</u>	<u>\$ 194,456</u>	<u>\$ 306,252</u>	<u>\$ (320,187)</u>	<u>\$ 1,874,717</u>

See independent auditors' report.

CHILL FOUNDATION AND ENTITIES UNDER COMMON CONTROL

Consolidating Statements of Activities
For the Years Ended April 30, 2024 and 2023

	2024							2023						
	Chill USA	Chill USA	Chill Canada	Chill Canada	Chill Global	Eliminations	Total	Chill USA	Chill Canada	Chill Canada	Chill Global	Eliminations	Total	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restriction			Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions			
Revenue and support:														
Corporate support	\$ 2,483,325	\$ -	\$ 286,401	\$ -	\$ 749,500	\$ (951,657)	\$ 2,567,569	\$ 2,202,625	\$ 197,562	\$ 21,527	\$ 775,000	\$ (815,320)	\$ 2,381,394	
COVID-19 relief funding	-	-	-	-	-	-	-	118,538	-	-	-	-	118,538	
Grant income	560,854	18,902	49,656	-	25,000	-	654,412	362,096	44,900	-	-	-	406,996	
Individual contributions	929,875	50,000	8,915	-	440,781	-	1,429,571	617,878	18,632	-	240,000	-	876,510	
Special events income, net	535,521	-	35,416	-	-	-	570,937	518,488	12,671	-	-	-	531,159	
Other income	35,334	-	3,366	-	-	-	38,700	69,519	5,528	-	-	-	75,047	
Release from restriction	-	-	21,174	(21,174)	-	-	-	-	-	-	-	-	-	
Total revenue and support	4,544,909	68,902	404,928	(21,174)	1,215,281	(951,657)	5,261,189	3,889,144	279,293	21,527	1,015,000	(815,320)	4,389,644	
Expenses:														
Program services	3,060,632	-	384,052	-	1,235,770	(951,657)	3,728,797	2,840,684	292,763	-	955,013	(815,320)	3,273,140	
General and administrative	583,641	-	1,382	-	12,895	-	597,918	761,639	9,126	-	26,741	-	797,506	
Fundraising	802,953	-	767	-	2,347	-	806,067	548,669	756	-	-	-	549,425	
Total expenses	4,447,226	-	386,201	-	1,251,012	(951,657)	5,132,782	4,150,992	302,645	-	981,754	(815,320)	4,620,071	
Total income (loss) from operations	97,683	68,902	18,727	(21,174)	(35,731)	-	128,407	(261,848)	(23,352)	21,527	33,246	-	(230,427)	
Other income (loss):														
Foreign currency gain (loss), net	-	-	-	(353)	1,845	-	1,492	-	(7,231)	-	-	-	(7,231)	
Unrealized loss on investments, net	60,184	-	-	-	-	-	60,184	(16,825)	-	-	-	-	(16,825)	
Investment income, net	33,305	-	-	-	-	-	33,305	27,024	-	-	-	-	27,024	
Total other income (loss)	93,489	-	-	(353)	1,845	-	94,981	10,199	(7,231)	-	-	-	2,968	
Change in net assets	191,172	68,902	18,727	(21,527)	(33,886)	-	223,388	(251,649)	(30,583)	21,527	33,246	-	(227,459)	
Net assets without donor restrictions - beginning of year	1,330,686	-	48,585	21,527	96,336	-	1,497,134	1,582,335	79,168	-	63,090	-	1,724,593	
Net assets with donor restrictions - end of year	\$ -	\$ 68,902	\$ -	\$ -	\$ -	\$ -	\$ 68,902	\$ -	\$ -	\$ 21,527	\$ -	\$ -	\$ 21,527	
Net assets without donor restrictions - end of year	\$ 1,521,858	\$ -	\$ 67,312	\$ -	\$ 62,450	\$ -	\$ 1,651,620	\$ 1,330,686	\$ 48,585	\$ -	\$ 96,336	\$ -	\$ 1,475,607	

See independent auditors' report.