# Camp For All Foundation

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2023 and 2022

## Camp For All Foundation

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# Independent Auditors' Report

To the Board of Directors of
Camp For All Foundation:

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of Camp For All Foundation, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Camp For All Foundation as of December 31, 2023 and 2022, 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*

We conducted our audits 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 Financial Statements* section of our report. We are required to be independent of Camp For All Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of 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 Camp For All Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 Camp For All 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Camp For All Foundation'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.

Blazek & Vetterling

May 13, 2024

## Camp For All Foundation

Statements of Financial Position as of December 31, 2023 and 2022

| | 2023 | 2022 |
|---|---|---|
| **ASSETS** | | |
| Operating cash *(Note 3)* | $ 1,384,553 | $ 1,430,643 |
| Accounts receivable | 24,922 | 51,735 |
| Operating contributions receivable *(Note 4)* | 233,996 | 13,100 |
| Interest receivable | 84,616 | |
| Prepaids and other assets | 163,824 | 133,856 |
| Restricted and designated cash *(Note 3)* | 2,346,688 | 1,582,764 |
| Contributions receivable for capital campaign, net *(Note 4)* | 16,444,588 | 12,580,274 |
| Restricted and designated investments *(Note 5)* | 15,588,164 | 4,554,263 |
| Operating right-of-use asset *(Note 6)* | 186,408 | 290,136 |
| Property, net *(Note 7)* | 14,846,331 | 14,692,476 |
| TOTAL ASSETS | $ 51,304,090 | $ 35,329,247 |
| **LIABILITIES AND NET ASSETS** | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | $ 227,884 | $ 191,959 |
| Deferred revenue: | | |
| Special events | 408,104 | 345,399 |
| Program service fees | 33,731 | 16,201 |
| Operating lease liability *(Note 6)* | 196,663 | 303,871 |
| Total liabilities | 866,382 | 857,430 |
| Net assets: | | |
| Without donor restrictions *(Note 8)* | 17,076,877 | 17,617,559 |
| With donor restrictions *(Notes 9 and 10)* | 33,360,831 | 16,854,258 |
| Total net assets | 50,437,708 | 34,471,817 |
| TOTAL LIABILITIES AND NET ASSETS | $ 51,304,090 | $ 35,329,247 |

*See accompanying notes to financial statements.*

## Camp For All Foundation

Statement of Activities for year ended December 31, 2023

| | WITHOUT DONOR RESTRICTIONS | WITH DONOR RESTRICTIONS | TOTAL |
|---|---|---|---|
| REVENUE: | | | |
| Contributions *(Notes 2 and 14)* | $ 897,556 | $ 17,309,271 | $ 18,206,827 |
| Special events | 1,651,440 | | 1,651,440 |
| Direct donor benefit costs | (329,846) | | (329,846) |
| Program service fees | 1,539,253 | | 1,539,253 |
| Net investment return | 370,152 | 249,269 | 619,421 |
| Other | 43,272 | | 43,272 |
| Total revenue | 4,171,827 | 17,558,540 | 21,730,367 |
| Net assets released from restrictions: | | | |
| Capital expenditures | 116,717 | (116,717) | |
| Capital campaign expenses | 478,262 | (478,262) | |
| Program expenditures | 456,988 | (456,988) | |
| Total | 5,223,794 | 16,506,573 | 21,730,367 |
| EXPENSES: | | | |
| Program services – camp operations | 4,174,486 | | 4,174,486 |
| Management and general | 724,910 | | 724,910 |
| Fundraising | 865,080 | | 865,080 |
| Total expenses | 5,764,476 | | 5,764,476 |
| CHANGES IN NET ASSETS | (540,682) | 16,506,573 | 15,965,891 |
| Net assets, beginning of year | 17,617,559 | 16,854,258 | 34,471,817 |
| Net assets, end of year | $ 17,076,877 | $ 33,360,831 | $ 50,437,708 |

*See accompanying notes to financial statements.*

## Camp For All Foundation

Statement of Activities for year ended December 31, 2022

| | WITHOUT DONOR RESTRICTIONS | WITH DONOR RESTRICTIONS | TOTAL |
|---|---|---|---|
| REVENUE: | | | |
| Contributions *(Notes 2 and 14)* | $ 1,093,485 | $ 15,296,923 | $ 16,390,408 |
| Contribution of land and improvements *(Note 11)* | 2,967,000 | | 2,967,000 |
| Special events | 1,672,440 | | 1,672,440 |
| Direct donor benefit costs | (320,861) | | (320,861) |
| Program service fees | 1,270,961 | | 1,270,961 |
| Net investment return | (249,303) | (357,814) | (607,117) |
| Other | 31,670 | | 31,670 |
| Total revenue | 6,465,392 | 14,939,109 | 21,404,501 |
| Net assets released from restrictions: | | | |
| Capital expenditures | 33,819 | (33,819) | |
| Satisfaction of time restrictions | 130,000 | (130,000) | |
| Program expenditures | 877,005 | (877,005) | |
| Total | 7,506,216 | 13,898,285 | 21,404,501 |
| EXPENSES: | | | |
| Program services – camp operations | 3,885,078 | | 3,885,078 |
| Management and general | 649,978 | | 649,978 |
| Fundraising | 753,238 | | 753,238 |
| Total expenses | 5,288,294 | | 5,288,294 |
| CHANGES IN NET ASSETS | 2,217,922 | 13,898,285 | 16,116,207 |
| Net assets, beginning of year | 15,414,741 | 2,955,973 | 18,370,714 |
| Prior period adjustment due to change in accounting principle | (15,104) | | (15,104) |
| Net assets, end of year | $ 17,617,559 | $ 16,854,258 | $ 34,471,817 |

*See accompanying notes to financial statements.*

## Camp For All Foundation

Statement of Functional Expenses for the year ended December 31, 2023

| | PROGRAM SERVICES | MANAGEMENT AND GENERAL | FUNDRAISING | TOTAL |
|---|---|---|---|---|
| Salaries and benefits | $ 2,185,347 | $ 401,420 | $ 505,683 | $ 3,092,450 |
| Depreciation | 715,522 | 5,152 | 5,152 | 725,826 |
| Professional fees | 38,465 | 125,225 | 191,255 | 354,945 |
| Food | 266,347 | | | 266,347 |
| Electricity, water, and telephone | 213,308 | 9,253 | 2,587 | 225,148 |
| Supplies | 198,327 | 5,559 | 19,977 | 223,863 |
| Maintenance | 160,682 | 15,644 | 3,567 | 179,893 |
| Equipment rental and maintenance | 129,305 | 5,770 | 5,626 | 140,701 |
| Insurance | 129,173 | 7,351 | | 136,524 |
| Rent | 25,432 | 63,580 | 38,148 | 127,160 |
| Printing | 4,914 | 6,193 | 47,207 | 58,314 |
| Credit card and other fees | | 52,902 | | 52,902 |
| Dues and subscriptions | 25,504 | 7,025 | 16,872 | 49,401 |
| Travel and meetings | 20,262 | 8,681 | 13,358 | 42,301 |
| Awards and recognition | 15,930 | 8,602 | 7,468 | 32,000 |
| Other | 45,968 | 2,553 | 8,180 | 56,701 |
| Total expenses | $ 4,174,486 | $ 724,910 | $ 865,080 | 5,764,476 |
| Direct donor benefit costs | | | | 329,846 |
| Total | | | | $ 6,094,322 |

*See accompanying notes to financial statements.*

## Camp For All Foundation

Statement of Functional Expenses for the year ended December 31, 2022

| | PROGRAM SERVICES | MANAGEMENT AND GENERAL | FUNDRAISING | TOTAL |
|---|---|---|---|---|
| Salaries and benefits | $ 1,898,967 | $ 378,303 | $ 405,729 | $ 2,682,999 |
| Depreciation | 712,417 | 6,694 | 6,694 | 725,805 |
| Professional fees | 16,978 | 79,968 | 173,971 | 270,917 |
| Food | 174,503 | | | 174,503 |
| Electricity, water, and telephone | 219,591 | 9,630 | 1,973 | 231,194 |
| Supplies | 198,420 | 3,578 | 22,039 | 224,037 |
| Maintenance | 229,291 | 8,811 | 1,932 | 240,034 |
| Equipment rental and maintenance | 184,962 | 6,025 | 3,325 | 194,312 |
| Insurance | 109,824 | 6,254 | | 116,078 |
| Rent | 23,979 | 59,949 | 35,969 | 119,897 |
| Printing | 2,116 | 2,462 | 42,244 | 46,822 |
| Credit card and other fees | | 43,287 | | 43,287 |
| Dues and subscriptions | 15,574 | 6,930 | 25,472 | 47,976 |
| Travel and meetings | 18,474 | 11,950 | 14,943 | 45,367 |
| Awards and recognition | 10,810 | 13,130 | 6,030 | 29,970 |
| Donation of land to Washington County | 36,416 | | | 36,416 |
| Other | 32,756 | 13,007 | 12,917 | 58,680 |
| Total expenses | $ 3,885,078 | $ 649,978 | $ 753,238 | 5,288,294 |
| Direct donor benefit costs | | | | 320,861 |
| Total | | | | $ 5,609,155 |

*See accompanying notes to financial statements.*

## Camp For All Foundation

Statements of Cash Flows for the years ended December 31. 2023 and 2022

| | 2023 | 2022 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Changes in net assets | $ 15,965,891 | $ 16,116,207 |
| Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities: | | |
| Contributions restricted for capital additions | (16,121,131) | (14,576,707) |
| Contribution of land and improvements | | (2,967,000) |
| Depreciation | 725,826 | 725,805 |
| Amortization of operating right-of-use asset | 103,728 | 98,165 |
| Net realized and unrealized (gain) loss on investments | (309,498) | 722,538 |
| Donation of land to Washington County | | 36,416 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 26,813 | (32,624) |
| Contributions receivable | (220,896) | 176,546 |
| Interest receivable | (84,616) | |
| Prepaids and other assets | (29,968) | (11,190) |
| Accounts payable and accrued expenses | 35,925 | 42,153 |
| Refundable advance – Paycheck Protection Program | | (601,164) |
| Deferred revenue | 80,235 | (44,554) |
| Operating lease liability | (107,208) | (99,534) |
| Net cash provided (used) by operating activities | 65,101 | (414,943) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of investments | (10,872,058) | (1,752,048) |
| Net change in cash and money market mutual funds held as investments | (2,973,160) | (304,004) |
| Sales of investments | 3,120,815 | 1,440,554 |
| Purchase of property | (879,681) | (237,567) |
| Net cash used by investing activities | (11,604,084) | (853,065) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from contributions restricted for capital additions | 12,256,817 | 1,996,433 |
| NET CHANGE IN CASH | 717,834 | 728,425 |
| Cash, beginning of year | 3,013,407 | 2,284,982 |
| Cash, end of year | $ 3,731,241 | $ 3,013,407 |
| *Summary of cash balances:* | | |
| Operating cash | $ 1,384,553 | $ 1,430,643 |
| Restricted and designated cash | 2,346,688 | 1,582,764 |
| Total cash | $ 3,731,241 | $ 3,013,407 |

*See accompanying notes to financial statements.*

## NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Camp For All Foundation (the Foundation) was incorporated in 1993 under the Texas Non-Profit Corporation Act. Its purpose is to provide life-changing experiences for children and adults with challenging illnesses or special needs. The barrier-free facility features paved walkways to assist wheelchair travel, specialized equipment to enable maximum participation in water sports, horseback riding and other physical activities, as well as a medical facility to meet campers' medical needs.

The Foundation collaborates with more than 65 different nonprofit organizations from the Greater Houston area, Austin, and throughout Texas and some camps draw campers nationally. The Foundation operates throughout the year and in 2023 provided services for approximately 6,000 children and adults including those with cancer, autism, muscular dystrophy, visual challenges, spinal cord injuries, spinal bifida, sickle cell, severe burns, HIV, and epilepsy, and their caretakers. Through its fundraising efforts, the Foundation provides 50% of the cost for each individual to attend and experience its life-changing facilities and programming. The nonprofit organizations that the Foundation partners with provide the other 50%; therefore, most of the campers come free of charge.

In March, 2022, the Foundation launched the *Blazing New Trails* capital campaign. Having been at capacity at the current location for many years and with the growing population of children and adults with special needs and challenging illnesses who need the Foundation's services, the campaign funds will be used to build a second camp with the capacity to double the number of mission campers.

Federal income tax status – The Foundation is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §170(b)(1)(A)(vi).

Cash – Bank deposits exceed the federally insured limit per depositor per institution. Cash held for investment is excluded from cash for purposes of the statement of cash flows.

Accounts receivable represent amounts due from exchange transactions with non-profit user groups and are based on amounts that reflect the consideration to which the Foundation expects to be entitled to in exchange for services already provided. The Foundation assesses collectability on all non-profit user group accounts prior to providing services and does not require collateral or provide financing. An allowance for accounts receivable is established when an adverse change in circumstances indicate that the balance may no longer be collected in full. Accounts are written off after collection efforts have been exhausted and an account is deemed uncollectible. The Foundation believes that all accounts receivable at December 31, 2023 will be fully collected; accordingly, no allowance has been provided. Accounts receivable were $24,922, $51,735 and $19,111 at December 31, 2023, 2022 and 2021, respectively.

Contributions receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in future years are discounted to estimate the present value of future cash flows. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue. An allowance for contributions receivable is provided when it is believed balances may not be collected in full. The adequacy of the allowance at the end of each period is determined using a combination of historical loss experience and donor-by-donor analysis of balances.

Investments are reported at fair value. Net investment return consists of interest and dividends, realized and unrealized gains and losses, net of external and direct internal investment expenses.

Operating leases – Operating right-of-use assets are recognized at the present value of the lease payments at inception of the lease adjusted, as appropriate, for certain other payments and allowances related to obtaining the lease and placing the asset in service. Operating right-of-use assets are amortized so that lease costs remain constant over the lease term. Short-term leases with terms of 12 months or less are not recognized as assets on liabilities but are recognized as expense on a straight-line basis over the lease term. The Foundation uses its incremental borrowing rate as the discount rate when the rate implicit in a lease is not readily determinable.

Property is reported at cost, if purchased, or at fair value at the date of gift, if donated. The Foundation capitalizes additions and improvements with a cost of more than $5,000. Depreciation is calculated using the straight-line method over estimated useful lives of 3 to 39 years.

Deferred program service fees result from payments received before the performance obligations are satisfied and are expected to be recognized as revenue in the following year. Deferred program service fees include payments from contracts with non-profit user groups in excess of revenue recognized. At December 31, 2023, 2022 and 2021, deferred program service fees were $33,731, $16,201 and $102,593, respectively. All of the Foundation's performance obligations for deferred revenue at December 31, 2023 and 2022 relate to contracts, which will be completed within one year.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Contributions of long-lived assets and of assets restricted for acquisition of long-lived assets are released when those assets are placed in service. Donor-restricted endowment earnings are released when those earnings are appropriated in accordance with spending policies and are used for the stipulated purpose.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as *net assets with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before the organization is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when conditions have been met. Funding received before conditions are satisfied is reported as refundable advances.

Special events revenue is the total amount paid by sponsors and attendees of an event and includes elements of both contributions and exchange transactions. Special events revenue is recognized when the event occurs. Amounts received for future events represent conditional contributions and are reported in the statement of financial position as deferred revenue until earned. Direct donor benefit costs represent the cost of goods and services provided to attendees of special events.

Program service fees represent fees from non-profit user groups for use of camp facilities, meals and incidentals. Revenue is recognized when the services are provided in an amount that reflects the consideration the Foundation expects to be entitled to in exchange for those services. Revenue is recognized based on the service output method as services are rendered for the term of the camp as the Foundation believes this to be the most faithful depiction of the transfer of control of services as participants simultaneously receive and consume the benefits provided by the performance obligation. Non-profit user groups pay a deposit when the contract is executed. Prior to camp, a guarantee fee payment is received based on the estimated number of campers which is non-refundable, unless the cancellation is due to weather or other factors beyond the non-profit user group's control. Non-profit user groups are billed after the camp session for additional campers, meals and incidentals.

Subsequent changes to the transaction price are recorded as adjustments to program service fees in the period of change. Subsequent changes that are determined to be a result of an adverse change in the non-profit user group's ability to pay (change in credit risk) are recorded as bad debt expense. The Foundation had no material adjustments related to subsequent changes in the estimate of the transaction price or subsequent changes of an adverse nature in a non-profit user group's ability to pay for the periods reported.

Nonfinancial asset contributions – Donated materials, use of facilities and services are recognized as revenue at fair value when an unconditional commitment is received from the donor. The related expense is recognized as the item is used or the services are received. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Houston office costs including rent, maintenance, insurance, telephone, supplies and travel are allocated based on estimated time and effort expended by Houston office staff.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

## NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

| | 2023 | 2022 |
|---|---|---|
| Financial assets: | | |
| Cash | $ 3,731,241 | $ 3,013,407 |
| Accounts receivable | 24,922 | 51,735 |
| Interest receivable | 84,616 | |
| Contributions receivable, net | 16,678,584 | 12,593,374 |
| Investments | 15,588,164 | 4,554,263 |
| Total financial assets | 36,107,527 | 20,212,779 |
| Less financial assets not available for general expenditure: | | |
| Endowment investments less amounts appropriated for upcoming year | (2,366,154) | (2,146,096) |
| Donor-restricted for capital projects | (29,710,044) | (14,422,109) |
| Board-designated reserves less amounts appropriated for upcoming year | (2,153,242) | (1,999,096) |
| Time-restricted net assets not expected to be satisfied in upcoming year | (80,000) | |
| Total financial assets available for general expenditure | $ 1,798,087 | $ 1,645,478 |

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities of providing a camp facility designed for chronically ill or disabled children and adults, as well as the conduct of services undertaken to support those activities other than capital expenditures, to be general expenditures.

The Foundation regularly monitors liquidity required to meet its operating needs while striving to maximize the investment of available funds. The Foundation operates with a balanced budget and anticipates collecting sufficient fees and contribution revenue to cover general expenditures. To manage unanticipated liquidity needs, the Foundation has a line of credit of $200,000 expiring July 21, 2025, all of which was available to be drawn at December 31, 2023. Additionally, the Foundation has board-designated cash and investments at December 31, 2023. Although the Foundation does not intend to spend from the board-designated cash and investments, amounts could be made available, if necessary.

## NOTE 3 – CASH

Cash consists of the following:

| | 2023 | 2022 |
|---|---|---|
| Operating cash | $ 1,384,553 | $ 1,430,643 |
| Board-designated reserves – strategic initiatives | 441,737 | 441,737 |
| Cash restricted for capital campaign | 1,781,212 | 1,033,816 |
| Cash restricted for other capital projects | 123,739 | 107,211 |
| Total cash | $ 3,731,241 | $ 3,013,407 |

## NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable are as follows:

| | 2023 | 2022 |
|---|---|---|
| Contributions receivable | $ 17,510,878 | $ 13,503,100 |
| Discount to net present value at 3.93% to 4.10% | (832,294) | (909,726) |
| Contributions receivable, net | 16,678,584 | 12,593,374 |
| Contributions receivable for capital campaign, net | (16,444,588) | (12,580,274) |
| Operating contributions receivable | $ 233,996 | $ 13,100 |

Contributions receivable at December 31, 2023 are expected to be collected as follows:

| | |
|---|---|
| Within one year | $ 4,906,910 |
| One to five years | 12,603,968 |
| Total contributions receivable | $ 17,510,878 |

## NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of the following:

| | 2023 | 2022 |
|---|---|---|
| Investments restricted for capital campaign | $ 11,360,505 | $ 700,808 |
| Investments restricted for endowment | 2,486,154 | 2,266,096 |
| Investments held for board-designated reserves | 1,741,505 | 1,587,359 |
| Total investments | $ 15,588,164 | $ 4,554,263 |

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. 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. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity's assumptions about the inputs market participants would use in pricing the asset or liability.

Assets measured at fair value at December 31, 2023 are as follows:

| | LEVEL 1 | LEVEL 2 | LEVEL 3 | TOTAL |
|---|---|---|---|---|
| Investments: | | | | |
| U. S. Treasury securities | $ 4,805,197 | | | $ 4,805,197 |
| Certificates of deposit | | $ 3,262,847 | | 3,262,847 |
| Common stock | 2,596,631 | | | 2,596,631 |
| Mutual funds: | | | | |
| High yield bond | 655,487 | | | 655,487 |
| Reinsurance | 131,420 | | | 131,420 |
| Multi-sector fixed income | 28,701 | | | 28,701 |
| Corporate bonds | | 603,240 | | 603,240 |
| Exchange-traded funds: | | | | |
| Small/mid-cap | 81,741 | | | 81,741 |
| Corporate bonds | 28,119 | | | 28,119 |
| REITs | 59,060 | | | 59,060 |
| Total assets measured at fair value | $ 8,386,356 | $ 3,866,087 | $ 0 | 12,252,443 |
| Cash held for investment | | | | 3,335,721 |
| Total investments | | | | $ 15,588,164 |

Assets measured at fair value at December 31, 2022 are as follows:

| | LEVEL 1 | LEVEL 2 | LEVEL 3 | TOTAL |
|---|---|---|---|---|
| Investments: | | | | |
| U. S. Treasury securities | $ 749,537 | | | $ 749,537 |
| Common stock | 2,269,522 | | | 2,269,522 |
| Mutual funds: | | | | |
| High yield bond | 655,100 | | | 655,100 |
| Reinsurance | 115,459 | | | 115,459 |
| Money market | 216,038 | | | 216,038 |
| Corporate bonds | | $ 166,337 | | 166,337 |
| Exchange-traded funds: | | | | |
| Small/mid-cap | 75,128 | | | 75,128 |
| Short-term government | 93,833 | | | 93,833 |
| REITs | 66,786 | | | 66,786 |
| Total assets measured at fair value | $ 4,241,403 | $ 166,337 | $ 0 | 4,407,740 |
| Cash held for investment | | | | 146,523 |
| Total investments | | | | $ 4,554,263 |

Valuation methods used for assets measured at fair value are as follows:

- *U. S. Treasury securities* are valued using prices obtained from active market makers and inter-dealer brokers on a daily basis.
- *Certificates of deposit* are valued based upon a matrix or model pricing method.
- *Common stock*, *exchange-traded funds,* and *REITs* are valued at the closing price reported on the active market on which the individual securities are traded.
- *Mutual funds* are valued at the reported net asset value of shares held.

- *Corporate bonds* are valued using prices obtained from independent quotation bureaus that use computerized valuation formulas which may include market-corroborated inputs for credit risk factors, interest rate and yield curves, and broker quotes to calculate fair values.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Investments are exposed to various risks such as interest rate, market, and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities 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.

## NOTE 6 – LEASES

At December 31, 2023, operating lease right-of-use asset and lease liability represents a real estate lease for office space. The components of lease costs are as follows:

| | 2023 | 2022 |
|---|---|---|
| Operating lease costs | $ 117,522 | $ 117,522 |
| Short-term lease costs | 9,638 | 2,375 |
| Total lease costs | $ 127,160 | $ 119,897 |

Cash paid for amounts included in the measurement of the lease liability are as follows:

| | 2023 | 2022 |
|---|---|---|
| Operating leases – operating cash outflows | $121,002 | $118,891 |

The weighted-average term and discount rate for the operating lease outstanding are as follows:

| | 2023 | 2022 |
|---|---|---|
| Weighted-average remaining lease term | 20 months | 32 months |
| Weighted-average discount rate | 5.4% | 5.4% |

Undiscounted cash flows related to the operating lease liability at December 31, 2023 are as follows:

| | |
|---|---|
| 2024 | $ 123,113 |
| 2025 | 83,013 |
| Total undiscounted cash flows | 206,126 |
| Less discount to present value | (9,463) |
| Total discounted present value of lease liability | $ 196,663 |

## NOTE 7 – PROPERTY

Property consists of the following:

| | 2023 | 2022 |
|---|---|---|
| Land | $ 3,034,916 | $ 3,034,916 |
| Camp facilities | 21,659,105 | 21,610,395 |
| Camp furniture and equipment | 1,555,877 | 1,441,384 |
| Office furniture and equipment | 116,047 | 116,047 |
| Construction in progress | 852,287 | 135,809 |
| Property, at cost | 27,218,232 | 26,338,551 |
| Accumulated depreciation | (12,371,901) | (11,646,075) |
| Property, net | $ 14,846,331 | $ 14,692,476 |

## NOTE 8 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are comprised of the following:

| | 2023 | 2022 |
|---|---|---|
| Undesignated | $ 14,893,635 | $ 15,588,463 |
| Board-designated reserves: | | |
| Capital maintenance | 1,068,138 | 973,594 |
| Operating | 673,367 | 613,765 |
| Strategic initiatives | 441,737 | 441,737 |
| Total net assets without donor restrictions | $ 17,076,877 | $ 17,617,559 |

The Board of Directors does not have a specific policy in regard to establishing board-designated reserves. However, the Board of Directors may designate excess cash flow for reserves and specific projects, as deemed prudent.

## NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

| | 2023 | 2022 |
|---|---|---|
| Subject to expenditure for specified purpose: | | |
| *Blazing New Trails* capital campaign | $ 30,370,561 | $ 14,450,707 |
| Camp facility construction and enhancements | 191,770 | 107,211 |
| Programs | 137,346 | 30,244 |
| Total subject to expenditure for specified purpose | 30,699,677 | 14,588,162 |
| Subject to passage of time: | | |
| Contributions receivable that are not restricted by donors, but which are unavailable for expenditures until due | 175,000 | |
| Endowments subject to spending policy and appropriation: | | |
| General operations | 2,486,154 | 2,266,096 |
| Total net assets with donor restrictions | $ 33,360,831 | $ 16,854,258 |

## NOTE 10 – ENDOWMENT FUND

The Foundation has a donor-restricted general endowment fund to support operations. Donor-restricted endowment funds are subject to the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA). The Board of Directors has interpreted TUPMIFA as allowing the Foundation to appropriate for expenditure or accumulate as much of an endowment fund as determined prudent for the uses, benefits, purposes, and duration for which the endowment fund was established, subject to explicit donor stipulations.

Donor-restricted endowment net assets are classified as *net assets with donor restrictions* until appropriated in accordance with spending policies and used for the stipulated purpose, if any. The Foundation classifies contributions to an endowment plus any donor-stipulated accumulations as *net assets with donor restrictions* required to be maintained in perpetuity. The unappropriated investment earnings on donor-restricted endowments are classified as *net assets with donor restrictions* accumulated net investment return. The Board of Directors has interpreted TUPMIFA as not precluding the Foundation from spending below the amount required to be maintained in perpetuity subject to prudent standards. An endowment fund is *underwater* if the fair value of the fund's investments falls below the amount required to be maintained in perpetuity because of declines in the fair value of investments and/or continued appropriation and spending in accordance with prudent measures.

Changes in endowment net assets are as follows:

| | WITH DONOR RESTRICTIONS | | |
|---|---|---|---|
| | ACCUMULATED NET INVESTMENT RETURN | REQUIRED TO BE MAINTAINED IN PERPETUITY | TOTAL |
| Endowment net assets, December 31, 2021 | $ 1,142,329 | $ 1,601,581 | $ 2,743,910 |
| Net investment return | (357,814) | | (357,814) |
| Distribution | (120,000) | | (120,000) |
| Endowment net assets, December 31, 2022 | 664,515 | 1,601,581 | 2,266,096 |
| Net investment return | 249,269 | | 249,269 |
| Distribution | (29,211) | | (29,211) |
| Endowment net assets, December 31, 2023 | $ 884,573 | $ 1,601,581 | $ 2,486,154 |

Spending Policy

The Board of Directors may approve a distribution of available endowment funds equal to a maximum of 5% of the average endowment investment balance for the previous three years.

Investment Objectives

Endowment funds are maintained in an investment account which is managed by independent financial advisors that follow guidance provided by an investment policy approved by the Board of Directors. The Foundation has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places an emphasis on a blend of equity-based investments and fixed-income investments to achieve its long-term return objectives within prudent risk constraints.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor specified as a fund of perpetual duration. These deficiencies are reported in *net assets with donor restrictions* as an aggregate deficiency of endowment funds. There were no such deficiencies at December 31, 2023 or 2022.

## NOTE 11 – CONTRIBUTED NONFINANCIAL ASSETS AND VOLUNTEER HOURS

The Foundation receives various forms of gifts-in-kind (nonfinancial asset contributions), including contributions of professional services and land. Gifts-in-kind are recognized at their estimated fair value at the date of receipt based on current rates for similar items or services in the market or appraised value for land and improvements and are expensed as utilized, or in the case of donations of land, are capitalized when ownership is transferred.

The Foundation recognized an in-kind contribution of land and improvements in 2022 of $2,967,000, which will be used in providing program services and to support those services. During fiscal years 2023 and 2022, volunteers provided approximately 4,000 hours and 2,000 hours, respectively, assist the Foundation in providing program services and to support those services. No amount has been recorded in the financial statements because the services did not meet the criteria for recognition under generally accepted accounting principles.

## NOTE 12 – RETIREMENT PLAN

The Foundation has a §401(k) plan that covers all employees who are 21 years of age and have completed 3 months of service. Employees may make contributions up to 80% of their compensation as defined by the plan, subject to certain limitations under the Internal Revenue Code. The Foundation matches 100% of employee contributions made to the §401(k) plan up to 2% of compensation. The Foundation made contributions of $59,136 and $47,301 during the years ended December 31, 2023 and 2022, respectively.

## NOTE 13 – LINE OF CREDIT

The Foundation has a $200,000 line of credit with an interest rate of 1% plus the bank's prime rate (8.5% at December 31, 2023) and an expiration date of July 21, 2025. At December 31, 2023 and 2022, no amounts were outstanding on this line of credit.

## NOTE 14 – CONCENTRATIONS

At December 31, 2023 and 2022, approximately 74% and 78% of contributions receivable are due from four donors and two donors, respectively. For the year ended December 31, 2023, approximately 56% or $10,230,000 of contributions were from two donors. For the year ended December 31, 2022, approximately 67% or $11,000,000 of contributions were from two donors.

## NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 13, 2024, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.