Camp For All Foundation

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2010 and 2009

Blazek & Vetterling
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors of
Camp For All Foundation:

We have audited the accompanying statements of financial position of Camp For All Foundation as of December 31, 2010 and 2009 and the related statements of activities, of cash flows, and of functional expenses for the years then ended. These financial statements are the responsibility of the management of Camp For All Foundation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camp For All Foundation as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Blazek & Vetterling

May 25, 2011

2900 Weslayan, Suite 200 Houston, Texas 77027-5132 (713) 439-5757 Fax (713) 439-5758

Camp For All Foundation

Statements of Financial Position as of December 31, 2010 and 2009

	2010	2009
ASSETS		
Cash	$ 561,395	$ 464,500
Pledges receivable, net *(Note 2)*	113,307	251,202
Other assets	53,994	40,591
Cash restricted for capital additions	572,142	
Pledges restricted for capital additions, net *(Note 2)*	1,048,723	
Investments *(Notes 3 and 4)*	2,213,873	2,535,475
Property, net *(Note 5)*	8,712,414	8,677,928
TOTAL ASSETS	$ 13,275,848	$ 11,969,696
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 49,252	$ 47,081
Construction payables	110,564	
Deferred revenue	122,275	89,920
Total liabilities	282,091	137,001
Net assets:		
Unrestricted *(Note 7)*	9,638,834	10,169,116
Temporarily restricted *(Note 8)*	2,041,529	350,185
Permanently restricted *(Note 9)*	1,313,394	1,313,394
Total net assets	12,993,757	11,832,695
TOTAL LIABILITIES AND NET ASSETS	$ 13,275,848	$ 11,969,696

See accompanying notes to financial statements.

Camp For All Foundation

Statement of Activities for year ended December 31, 2010

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
REVENUE:				
Program service fees	$ 1,186,112			$ 1,186,112
Contributions	749,344	$ 1,900,174		2,649,518
Special events	813,758			813,758
Direct donor benefit costs	(124,032)			(124,032)
Investment return *(Note 3)*	62,525	49,212		111,737
Camp store sales and other	23,908			23,908
Total revenue	2,711,615	1,949,386		4,661,001
Net assets released from restrictions:				
Capital expenditures	133,383	(133,383)		
Expiration of time restrictions	91,895	(91,895)		
Program expenditures	32,764	(32,764)		
Total	2,969,657	1,691,344		4,661,001
EXPENSES:				
Program services – camp operations	2,597,436			2,597,436
Management and general	230,592			230,592
Fundraising	671,911			671,911
Total expenses	3,499,939			3,499,939
CHANGES IN NET ASSETS	(530,282)	1,691,344		1,161,062
Net assets, beginning of year	10,169,116	350,185	$ 1,313,394	11,832,695
Net assets, end of year	$ 9,638,834	$ 2,041,529	$ 1,313,394	$ 12,993,757

See accompanying notes to financial statements.

Camp For All Foundation

Statement of Activities for year ended December 31, 2009

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
REVENUE:				
Program service fees	$ 1,184,120			$ 1,184,120
Contributions	889,347	$ 59,040		948,387
Special events	839,620			839,620
Direct donor benefit costs	(116,078)			(116,078)
Loss on valuation of pledges receivable		(28,200)		(28,200)
Investment return *(Note 3)*	412,795			412,795
Camp store sales and other	14,564			14,564
Total revenue	3,224,368	30,840		3,255,208
Net assets released from restrictions:				
Capital expenditures	97,107	(97,107)		
Expiration of time restrictions	142,065	(142,065)		
Program expenditures	3,690	(3,690)		
Total	3,467,230	(212,022)		3,255,208
EXPENSES:				
Program services – camp operations	2,340,232			2,340,232
Management and general	305,987			305,987
Fundraising	413,193			413,193
Total expenses	3,059,412			3,059,412
CHANGES IN NET ASSETS	407,818	(212,022)		195,796
Net assets, beginning of year	9,761,298	562,207	$ 1,313,394	11,636,899
Net assets, end of year	$ 10,169,116	$ 350,185	$ 1,313,394	$ 11,832,695

See accompanying notes to financial statements.

Camp For All Foundation

Statements of Cash Flows for the years ended December 31, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 1,161,062	$ 195,796
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Contributions restricted for capital additions	(1,840,340)	(203,000)
Loss on valuation of pledges receivable		28,200
Net appreciation in value of interest in assets of GHCF	(107,002)	(402,772)
Depreciation	364,186	378,310
Changes in operating assets and liabilities:		
Pledges receivable (except capital and endowment)	137,795	157,120
Other assets	(13,403)	(17,882)
Accounts payable and accrued expenses	2,171	(36,701)
Deferred revenue	32,355	(73,252)
Net cash provided (used) by operating activities	(263,176)	25,819
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in cash and certificates of deposit held for investment	428,604	(429,471)
Change in cash restricted for capital additions	(572,142)	
Purchase of property	(288,108)	(119,707)
Net cash used by investing activities	(431,646)	(549,178)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for capital additions	791,617	179,605
Proceeds from contributions restricted for permanent endowment	100	20,600
Net cash provided by financing activities	791,717	200,205
NET CHANGE IN CASH	96,895	(323,154)
Cash, beginning of year	464,500	787,654
Cash, end of year	$ 561,395	$ 464,500

See accompanying notes to financial statements.

Camp For All Foundation

Statement of Functional Expenses for the year ended December 31, 2010

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries and contract labor	$ 1,061,731	$ 95,132	$ 252,811	$ 1,409,674
Payroll taxes and benefits	280,038	25,269	47,226	352,533
Total salaries and related expenses	1,341,769	120,401	300,037	1,762,207
Depreciation	364,186			364,186
Food	234,413			234,413
Supplies	168,957	6,975	29,233	205,165
Utilities	189,908			189,908
Professional fees	24,685	15,016	70,346	110,047
Equipment repair, rent, and purchase	84,057	3,821	3,821	91,699
Printing and reproduction	3,462	8,930	71,137	83,529
Insurance	70,272	1,483		71,755
Meetings and events	13,326	6,494	49,314	69,134
Buildings and grounds maintenance	52,344	2,058	2,058	56,460
Dues and fees	10,306	23,467	13,172	46,945
Facility rental	5,500	12,250	12,250	30,000
Postage and delivery	2,087	1,481	23,132	26,700
Travel	9,040	8,858	4,268	22,166
Telephone	10,334	2,432	2,432	15,198
Awards and prizes	6,307	5,511	2,395	14,213
Bad debt	1,376	11,100		12,476
Training	5,107	315	737	6,159
Subtotal	2,597,436	230,592	584,332	3,412,360
Capital campaign:				
Professional fees			78,795	78,795
Printing and reproduction			6,179	6,179
Dues and fees			1,734	1,734
Other			871	871
Subtotal			87,579	87,579
Total expenses	$ 2,597,436	$ 230,592	$ 671,911	3,499,939
Direct donor benefit costs – special events				124,032
Total				$ 3,623,971

See accompanying notes to financial statements.

Camp For All Foundation

Statement of Functional Expenses for the year ended December 31, 2009

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries and contract labor	$ 952,175	$ 103,252	$ 197,482	$ 1,252,909
Payroll taxes and benefits	258,907	24,943	29,921	313,771
Total salaries and related expenses	1,211,082	128,195	227,403	1,566,680
Depreciation	378,310			378,310
Food	200,042			200,042
Supplies	137,335	4,445	12,185	153,965
Utilities	173,488			173,488
Professional fees	1,240	93,289	7,383	101,912
Equipment repair, rent, and purchase	40,579	4,542		45,121
Printing and reproduction	1,467	7,104	62,891	71,462
Insurance	84,192	2,377		86,569
Meetings and events	7,652	6,581	56,180	70,413
Buildings and grounds maintenance	51,791	668	667	53,126
Dues and fees	11,900	28,633	7,465	47,998
Facility rental	2,920	14,603	11,681	29,204
Postage and delivery	1,167	2,868	17,721	21,756
Travel	8,727	7,099	4,722	20,548
Telephone	10,930	1,847	1,846	14,623
Awards and prizes	11,558	2,815	2,861	17,234
Training	5,852	921	188	6,961
Total expenses	$ 2,340,232	$ 305,987	$ 413,193	3,059,412
Direct donor benefit costs – special events				116,078
Total				$ 3,175,490

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 a camp facility designed for chronically ill or disabled children and adults. 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 for campers requiring medication.

The Foundation collaborates with 56 other non-profits primarily from the greater Houston area but also throughout Texas and some camps draw campers nationally. The Foundation operates throughout the year and in 2010 provided services for more than 7,500 children and adults including those with cancer, muscular dystrophy, visual challenges, spinal cord injuries, spinal bifida, sickle cell, severe burns, HIV, epilepsy, and their caretakers. Through its fundraising efforts the Foundation provides 63% of the cost for each individual to attend and experience its life changing facilities and programming.

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

Pledges receivable – Amounts that are expected to be collected within one year are recorded at net realizable value. Amounts that are expected to be collected in future years are discounted to estimate the present value of future cash flows.

Investments other than certificates of deposit are reported at fair value. Certificates of deposits are non-negotiable bank deposits which are recorded at face value plus accrued interest. Investment return is reported in the statement of activities as a change in unrestricted net assets unless the use of the income is limited by donor-imposed restrictions.

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

Net asset classification – Contributions and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations even though their use may be limited in other respects, such as by contract or board designation.
- *Temporarily restricted net assets* include contributions and investment income restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.
- *Permanently restricted net assets* include contributions that donors have restricted in perpetuity. The income earned on these funds is available to support the operations of the Foundation.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit the use of the donated assets are recognized as restricted support. Conditional contributions are recognized in the same manner when the conditions are substantially met. The Foundation received $122,275 and $89,920 conditional contributions in 2010 and 2009, respectively, for special events which are recorded as deferred revenue. Donor restricted contributions whose restrictions are satisfied in the same year the contribution is received are recognized as unrestricted contributions.

In-kind contributions – Donated assets, materials and use of facilities are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recorded as the item is used. 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. During 2010 and 2009, $117,390 and $16,870, respectively, of in-kind special event services, property donations and program materials were recognized.

Program service fees represent fees from user groups for use of camp facilities. Fees are recognized in the period in which the services are provided.

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 – PLEDGES RECEIVABLE

Pledges receivable consist of the following:

	2010	2009
Pledges receivable	$ 1,176,147	$ 280,380
Allowance for uncollectible pledges	(6,200)	(23,050)
Discount to net present value at 1.7% to 5.0%	(7,917)	(6,128)
Pledges receivable, net	$ 1,162,030	$ 251,202

Pledges receivable at December 31, 2010 are expected to be collected as follows:

Within one year	$ 606,967
In one to five years	569,180
Total pledges receivable	$ 1,176,147

NOTE 3 – INVESTMENTS

Investments consist of the following:

	2010	2009
Interest in assets of Greater Houston Community Foundation (GHCF)	$ 2,134,571	$ 2,027,570
Money market mutual funds	79,302	78,986
Certificates of deposit		428,919
Total investments	$ 2,213,873	$ 2,535,475

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.

Investment return is comprised of the following:

	2010	2009
Net appreciation in value of interest in assets of GHCF	$ 107,002	$ 402,772
Interest income	4,735	10,023
Total investment return	$ 111,737	$ 412,795

The agreement with GHCF specifies that amounts transferred from the Foundation to GHCF will be invested and held for the benefit of the Foundation. The Foundation may request grants from these funds from GHCF. The investments held by GHCF are in pooled accounts with the following investment composition as reported by GHCF:

	2010	2009
Domestic equity securities	31%	44%
Fixed income securities	28%	7%
Alternative investments	18%	22%
Money market mutual funds	14%	13%
International equity securities	9%	14%
Total	100%	100%

NOTE 4 – FAIR VALUE MEASUREMENTS

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.

The Foundation invests in pooled investments which allow it to invest in a large portfolio of assets with many other investors in an attempt to reduce risk. Such pooled investments are considered a Level 3 investment under the accounting standard because the pricing inputs are not observable. Classification as a Level 3 investment is not a determination of risk or liquidity.

Assets measured at fair value at December 31, 2010 are as follows:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Interest in assets of GHCF			$ 2,134,571	$ 2,134,571
Money market mutual funds	$ 79,302			79,302
Total assets measured at fair value	$ 79,302	$ 0	$ 2,134,571	$ 2,213,873

Assets measured at fair value at December 31, 2009 are as follows:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Interest in assets of GHCF			$ 2,027,570	$ 2,027,570
Money market mutual funds	$ 78,986			78,986
Total assets measured at fair value	$ 78,986	$ 0	$ 2,027,570	$ 2,106,556

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

- *Interest in assets of GHCF* is valued at the fair value as provided by GHCF, based on the fair value of the underlying investments.
- *Money market mutual funds* are valued at the net asset value of shares held at year end.

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.

Changes in the fair value of Level 3 assets consist of the following:

Balance at January 1, 2009	$ 1,624,798
Net appreciation in value of interest in assets of GHCF	402,772
Balance at December 31, 2009	2,027,570
Net appreciation in value of interest in assets of GHCF	107,002
Balance at December 31, 2010	$ 2,134,572

	2010	2009
The amount reported in investment return attributable to net appreciation in value of interest in assets of Greater Houston Community Foundation related to Level 3 assets held at year end.	$ 107,002	$ 402,772

NOTE 5 – PROPERTY

Property consists of the following:

	2010	2009
Land	$ 435,332	$ 435,332
Construction in progress	254,927	
Camp facilities	11,833,750	11,883,907
Camp furniture and equipment	893,142	1,207,939
Office furniture and equipment	5,475	7,183
Property, at cost	13,422,626	13,534,361
Accumulated depreciation	(4,710,212)	(4,856,433)
Property, net	$ 8,712,414	$ 8,677,928

NOTE 6 – LINE OF CREDIT

The Foundation has a $200,000 line of credit with an interest rate of one percentage point under the bank's prime rate and an expiration date of November 23, 2011. As of December 31, 2010 and 2009, no amounts were outstanding on this line of credit.

The Foundation has a $600,000 construction loan. It is with an interest rate of 4.55% and a maturity of December 1, 2013. As of December 31, 2010, no amounts were outstanding on this loan.

NOTE 7 – UNRESTRICTED NET ASSETS

Unrestricted net assets consist of the following:

	2010	2009
Undesignated	$ 526,068	$ 885,648
Board-reserve fund	655,279	623,795
Property	8,457,487	8,677,928
Aggregate deficiency of endowment funds		(18,255)
Total unrestricted net assets	$ 9,638,834	$ 10,169,116

The board-reserve fund can only be accessed by obtaining a resolution approved by a majority of the Board of Directors.

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2010	2009
Camp facility construction and enhancements	$ 1,917,010	$ 182,983
Future operations	75,307	167,202
Accumulated endowment earnings for operations	49,212	
Total temporarily restricted net assets	$ 2,041,529	$ 350,185

NOTE 9 – ENDOWMENT FUNDS

The Foundation has donor-restricted endowment funds which are maintained in accordance with explicit donor stipulations. The Board of Directors of the Foundation has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies the original value of gifts donated to the permanent endowment as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by TUPMIFA. In accordance with TUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund

- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

The Board of Directors may approve a distribution of available endowment funds equal to a maximum of 6% of the average endowment investment balance for the previous three years. A distribution was not approved by the Board of Directors in 2009 or 2010.

Endowment funds are maintained in an investment account which is managed by GHCF. 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.

Changes in endowment funds for the years ended December 31, 2010 and 2009 are as follows:

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Endowment net assets, January 1, 2009	$ (272,783)	$ 0	$ 1,313,394	$ 1,040,611
Investment return:				
Interest and dividends	552			552
Net appreciation of investments	253,976			253,976
Total investment return	254,528			254,528
Endowment net assets, December 31, 2009	(18,255)	0	1,313,394	1,295,139
Investment return:				
Interest and dividends	691			691
Net appreciation of investments	17,564	49,212		66,776
Total investment return	18,255	49,212		67,467
Endowment net assets, December 31, 2010	$ 0	$ 49,212	$ 1,313,394	$ 1,362,606

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. Deficiencies of this nature resulted from unfavorable market fluctuations. These deficiencies are reported in unrestricted net assets as an aggregate deficiency of endowment funds.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 25, 2011, 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.