Camp For All Foundation

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2017 and 2016

Camp For All Foundation

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Independent Auditors' Report

To the Board of Directors of
Camp For All Foundation:

We have audited the accompanying financial statements of Camp For All Foundation, which comprise the statements of financial position as of December 31, 2017 and 2016 and the related statements of activities, of cash flows, and of functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements – Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility – 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2017 and 2016 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.

Blazek & Vetterling

May 15, 2018

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Camp For All Foundation

Statements of Financial Position as of December 31, 2017 and 2016

	2017	2016
ASSETS		
Cash	$ 689,672	$ 673,588
Operating pledges receivable, net	41,932	83,410
Accounts receivable and other assets	87,236	80,257
Cash designated for board reserves	148,563	499,460
Pledges restricted for capital additions, net		6,563
Investments *(Notes 2 and 3)*	3,951,800	3,366,276
Property, net *(Note 4)*	13,780,203	13,647,336
TOTAL ASSETS	$ 18,699,406	$ 18,356,890
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 170,746	$ 202,672
Deferred revenue – special events and program service fees	286,205	463,469
Total liabilities	456,951	666,141
Net assets:		
Unrestricted *(Note 5)*	16,005,591	15,720,756
Temporarily restricted *(Notes 6 and 7)*	685,283	418,412
Permanently restricted *(Note 7)*	1,551,581	1,551,581
Total net assets	18,242,455	17,690,749
TOTAL LIABILITIES AND NET ASSETS	$ 18,699,406	$ 18,356,890

See accompanying notes to financial statements.

Camp For All Foundation

Statement of Activities for year ended December 31, 2017

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
REVENUE:				
Program service fees	$ 2,024,831			$ 2,024,831
Contributions	749,079	$ 453,523		1,202,602
Special events	1,358,973			1,358,973
Direct donor benefit costs	(260,431)			(260,431)
Investment return, net *(Note 2)*	267,725	317,603		585,328
Camp store sales and other	37,281			37,281
Total revenue	4,177,458	771,126		4,948,584
Net assets released from restrictions:				
Program expenditures	324,362	(324,362)		
Capital expenditures	179,893	(179,893)		
Total	4,681,713	266,871		4,948,584
EXPENSES:				
Program services – camp operations	3,707,123			3,707,123
Management and general	344,097			344,097
Fundraising	617,391			617,391
Total expenses	4,668,611			4,668,611
CHANGES IN NET ASSETS BEFORE INVOLUNTARY CONVERSION	13,102	266,871		279,973
Net gain on involuntary conversion *(Note 9)*	271,733			271,733
CHANGES IN NET ASSETS	284,835	266,871		551,706
Net assets, beginning of year	15,720,756	418,412	$ 1,551,581	17,690,749
Net assets, end of year	$ 16,005,591	$ 685,283	$ 1,551,581	$ 18,242,455

See accompanying notes to financial statements.

Camp For All Foundation

Statement of Activities for year ended December 31, 2016

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
REVENUE:				
Program service fees	$ 1,858,541			$ 1,858,541
Contributions	925,988	$ 411,622		1,337,610
Special events	1,210,888			1,210,888
Direct donor benefit costs	(275,533)			(275,533)
Investment return, net *(Note 2)*	60,633	83,539		144,172
Camp store sales and other	34,436			34,436
Total revenue	3,814,953	495,161		4,310,114
Net assets released from restrictions:				
Program expenditures	249,830	(249,830)		
Capital expenditures	1,775,584	(1,775,584)		
Total	5,840,367	(1,530,253)		4,310,114
EXPENSES:				
Program services – camp operations	3,676,354			3,676,354
Management and general	320,538			320,538
Fundraising	622,544			622,544
Total expenses	4,619,436			4,619,436
CHANGES IN NET ASSETS BEFORE INVOLUNTARY CONVERSION	1,220,931	(1,530,253)		(309,322)
Net gain on involuntary conversion *(Note 9)*	5,906			5,906
CHANGES IN NET ASSETS	1,226,837	(1,530,253)		(303,416)
Net assets, beginning of year	14,493,919	1,948,665	$ 1,551,581	17,994,165
Net assets, end of year	$ 15,720,756	$ 418,412	$ 1,551,581	$ 17,690,749

See accompanying notes to financial statements.

Camp For All Foundation

Statements of Cash Flows for the years ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 551,706	$ (303,416)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	669,619	622,094
Impairment loss		215,235
Insurance proceeds for repairs to dam	(271,733)	(250,000)
Loss on valuation of pledges receivable		5,000
Contributions restricted for capital additions	(186,777)	(137,677)
Net realized and unrealized (gain) loss on investments	(91,541)	29,719
Changes in operating assets and liabilities:		
Operating pledges receivable	41,478	5,253
Accounts receivable and other assets	(6,979)	81,790
Accounts payable and accrued expenses	(31,926)	86,046
Deferred revenue – special events and program service fees	(177,264)	33,749
Net cash provided by operating activities	496,583	387,793
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(14,139)	(22,146)
Net change in cash held as investments	(479,844)	(150,960)
Insurance proceeds for repairs to dam	271,733	250,000
Purchase of property	(802,486)	(841,997)
Net cash used by investing activities	(1,024,736)	(765,103)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for capital additions	193,340	268,677
NET CHANGE IN CASH	(334,813)	(108,633)
Cash, beginning of year	1,173,048	1,281,681
Cash, end of year	$ 838,235	$ 1,173,048

Reconciliation of cash reported in the statement of financial position with cash reported in the statement of cash flows:

	2017	2016
Cash	$ 689,672	$ 673,588
Cash designated for board reserves	148,563	499,460
Total cash	$ 838,235	$ 1,173,048

See accompanying notes to financial statements.

Camp For All Foundation

Statements of Functional Expenses for the years ended December 31, 2017 and 2016

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	2017 TOTAL
Salaries and benefits	$ 1,877,006	$ 236,582	$ 335,746	$ 2,449,334
Camp supplies	803,047			803,047
Depreciation	669,619			669,619
Utilities	175,583			175,583
Professional fees	15,111	55,418	104,619	175,148
Meetings and special events	15,482	8,260	83,739	107,481
Office supplies and small equipment	36,272	17,888	31,819	85,979
Insurance	85,700	1,785	2,334	89,819
Occupancy	19,126	17,013	22,245	58,384
Credit card and bank fees		5,782	22,914	28,696
Printing	4,708	1,325	13,145	19,178
Other	5,469	44	830	6,343
Total expenses	$ 3,707,123	$ 344,097	$ 617,391	4,668,611
Direct donor benefit costs				260,431
Total				$ 4,929,042

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	2016 TOTAL
Salaries and benefits	$ 1,862,864	$ 217,950	$ 339,303	$ 2,420,117
Camp supplies	832,771			832,771
Depreciation	622,094			622,094
Utilities	188,166	1,931	2,518	192,615
Professional fees	3,480	51,858	91,063	146,401
Meetings and special events	16,278	8,189	82,270	106,737
Office supplies and small equipment	38,947	19,949	32,241	91,137
Insurance	82,464	1,645	2,146	86,255
Occupancy	19,475	16,685	21,760	57,920
Credit card and bank fees		2,290	24,409	26,699
Printing	4,042		14,826	18,868
Other	5,773	41	12,008	17,822
Total expenses	$ 3,676,354	$ 320,538	$ 622,544	4,619,436
Direct donor benefit costs				275,533
Total				$ 4,894,969

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 more than 65 other non-profits from the greater Houston area, Austin, and throughout Texas and some camps draw campers nationally. The Foundation operates throughout the year and in 2017 provided services for more than 11,000 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.

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.

Pledges receivable that are expected to be collected within one year are reported 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. All pledges are expected to be collected within one year. At December 31, 2016, approximately 56% of pledges receivable were from one organization.

Allowance for uncollectible receivables – An allowance for uncollectible accounts receivable and pledges receivable is provided when it is believed accounts 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 analysis of individual accounts receivable and pledge balances. Receivables are written off as a charge to the allowance for uncollectible receivables when management determines a receivable will not be collected.

Investments are reported at fair value. 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. Investment return whose use is restricted by the donor is reported as an increase in temporarily restricted net assets.

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.

Net asset classification – Contributions, investment return 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 return 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.

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.

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 restricted support. Conditional contributions are recognized as revenue when the conditions are substantially met. The Foundation recognizes gifts of property as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are classified as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Special events revenue is recognized when the event occurs. Amounts received in advance are reported as deferred revenue until earned. Direct donor benefit costs represent the expenses recognized for food, beverages, facility rental, entertainment and items purchased for auction.

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.

Recent financial accounting pronouncements – In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash.* This ASU requires that a statement of cash flows explain the change during the period in total cash and cash equivalents and restricted cash and cash equivalents. Therefore, the restricted cash and cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The Foundation early adopted this ASU, which was applied on a retrospective basis.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The amendments in this ASU are aimed at providing more useful information to users of not-for-profit financial statements. Under this ASU, net assets will be presented in two classes: *net assets with donor restrictions* and *net assets without donor restrictions* and underwater endowments will be grouped with *net assets with donor restrictions.* New or enhanced disclosures will be required about the nature and composition of net assets, and the liquidity and availability of resources for general operating expenditures within one year of the balance sheet date. Expenses will be required to be presented by both nature and function and investment return will be presented net of external and direct internal investment expenses. Absent explicit donor stipulations, restrictions on long-lived assets will expire when assets are placed in service. The ASU is effective for the Foundation in fiscal year 2018. Adoption of this ASU will impact the presentation and disclosures of the financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which replaces most existing revenue recognition guidance for exchange transactions not specifically covered by other guidance. This ASU does not apply to non-exchange transactions such as contributions. The core principle of the new guidance is that an entity should recognize revenue in an amount that reflects the consideration to which it expects to be entitled in exchange for transferred goods or services and establishes a 5-step process to determine when performance obligations are satisfied and revenue is recognized. The Foundation is required to adopt this ASU for fiscal year 2019 using an appropriate retrospective method. The Foundation has not yet determined the impact of adopting this ASU on its financial statements.

NOTE 2 – INVESTMENTS

Investments consist of the following:

	2017	2016
TIFF Multi-Asset Mutual Fund	$ 3,320,996	$ 3,215,316
Cash	630,804	150,960
Total investments	$ 3,951,800	$ 3,366,276

Investments at December 31, 2017 and 2016 are held for endowment and board-designated reserves.

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:

	2017	2016
Interest and dividend income	$ 493,787	$ 173,891
Net realized and unrealized gain (loss) on investments	91,541	(29,719)
Investment return, net	$ 585,328	$ 144,172

Investment management, administrative, and other fees for The Investment Fund for Foundations (TIFF) are approximately 1.39% of the Foundation's average monthly investment balance and are deducted from the Foundation's investment return from the investment portfolio.

NOTE 3 – 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.

Assets measured at fair value at December 31, 2017 are as follows:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments:				
TIFF Multi-Asset Mutual Fund	$ 3,320,996			$ 3,320,996
Total assets measured at fair value	$ 3,320,996	$ 0	$ 0	3,320,996
Cash held for investments				630,804
Total investments				$ 3,951,800

Assets measured at fair value at December 31, 2016 are as follows:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments:				
TIFF Multi-Asset Mutual Fund	$ 3,215,316			$ 3,215,316
Total assets measured at fair value	$ 3,215,316	$ 0	$ 0	3,215,316
Cash held for investment				150,960
Total investments				$ 3,366,276

TIFF Multi-Asset Mutual Fund is valued at the reported net asset value per share. This valuation method 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 method is appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

NOTE 4 – PROPERTY

Property consists of the following:

	2017	2016
Land	$ 435,332	$ 435,332
Camp facilities	20,398,593	19,734,587
Camp furniture and equipment	1,046,193	986,649
Office furniture and equipment	49,106	49,106
Property, at cost	21,929,224	21,205,674
Accumulated depreciation	(8,149,021)	(7,558,338)
Property, net	$ 13,780,203	$ 13,647,336

NOTE 5 – UNRESTRICTED NET ASSETS

Unrestricted net assets consist of the following:

	2017	2016
Investment in property, net	$ 13,780,203	$ 13,647,336
Undesignated	65,944	102,728
Board-designated reserves:		
Capital maintenance	872,222	737,856
Operating	866,926	733,376
Strategic initiatives	420,296	499,460
Total unrestricted net assets	$ 16,005,591	$ 15,720,756

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2017	2016
Accumulated endowment earnings for operations	$ 661,066	$ 343,463
Programs	16,006	58,966
Camp facility construction and enhancements	8,211	15,983
Total temporarily restricted net assets	$ 685,283	$ 418,412

NOTE 7 – ENDOWMENT FUND

The Foundation has a donor-restricted general endowment fund to support operations.

Changes in the endowment fund for the years ended December 31, 2017 and 2016 are as follows:

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Endowment net assets, January 1, 2016	$ 0	$ 259,924	$ 1,551,581	$ 1,811,505
Investment return:				
Interest and dividends		97,384		97,384
Net depreciation of investments		(13,845)		(13,845)
Total investment return		83,539		83,539
Endowment net assets, December 31, 2016	0	343,463	1,551,581	1,895,044
Investment return:				
Interest and dividends		267,366		267,366
Net appreciation of investments		50,237		50,237
Total investment return		317,603		317,603
Endowment net assets, December 31, 2017	$ 0	$ 661,066	$ 1,551,581	$ 2,212,647

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 2017 or 2016.

Endowment funds are maintained in an investment account which is managed by TIFF. 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. 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 8 – LINE OF CREDIT

The Foundation has a $200,000 line of credit with an interest rate of 1% plus the bank's prime rate (5.50% at December 31, 2017) and an expiration date of June 21, 2019. As of December 31, 2017, no amounts were outstanding on this line of credit.

NOTE 9 – INVOLUNTARY CONVERSION

The Foundation incurred significant damage to the campus in May 2016 due to a flood. The following is a summary of insurance proceeds recognized and expenses incurred through December 31, 2017 relating to the damage:

	2017	2016
Insurance proceeds	$ 271,733	$ 250,000
Impairment loss		(215,235)
Clean-up expenses incurred		(28,859)
Gain on involuntary conversion	$ 271,733	$ 5,906

During fiscal year 2017, costs of $480,640 related to repair of the dam were capitalized in the statement of financial position.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 15, 2018, 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.