Camp For All Foundation

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2016 and 2015

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, 2016 and 2015 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, 2016 and 2015 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 18, 2017

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Camp For All Foundation

Statements of Financial Position as of December 31, 2016 and 2015

	2016	2015
ASSETS		
Cash	$ 673,588	$ 208,723
Operating pledges receivable, net *(Note 2)*	83,410	88,663
Accounts receivable and other assets	80,257	162,047
Cash designated for board reserves	499,460	
Cash restricted for capital additions		1,072,958
Pledges restricted for capital additions, net *(Note 2)*	6,563	142,563
Investments *(Notes 3 and 4)*	3,366,276	3,222,889
Property, net *(Note 5)*	13,647,336	13,844,834
TOTAL ASSETS	$ 18,356,890	$ 18,742,677
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 202,672	$ 116,626
Construction payable		202,166
Deferred revenue – special events and program service fees	463,469	429,720
Total liabilities	666,141	748,512
Net assets:		
Unrestricted *(Note 6)*	15,720,756	14,493,919
Temporarily restricted *(Notes 7 and 8)*	418,412	1,948,665
Permanently restricted *(Note 8)*	1,551,581	1,551,581
Total net assets	17,690,749	17,994,165
TOTAL LIABILITIES AND NET ASSETS	$ 18,356,890	$ 18,742,677

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 3)*	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)
Gain on involuntary conversion *(Note 10)*	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

Statement of Activities for year ended December 31, 2015

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
REVENUE:				
Program service fees	$ 1,751,952			$ 1,751,952
Contributions	627,714	$ 609,485		1,237,199
Special events	1,262,703			1,262,703
Direct donor benefit costs	(249,109)			(249,109)
Investment return, net *(Note 3)*	(21,505)	(34,327)		(55,832)
Camp store sales and other	22,578			22,578
Total revenue	3,394,333	575,158		3,969,491
Net assets released from restrictions:				
Program expenditures	213,762	(213,762)		
Capital expenditures	128,995	(128,995)		
Total	3,737,090	232,401		3,969,491
EXPENSES:				
Program services – camp operations	3,510,536			3,510,536
Management and general	239,631			239,631
Fundraising	612,194			612,194
Total expenses	4,362,361			4,362,361
CHANGES IN NET ASSETS	(625,271)	232,401		(392,870)
Net assets, beginning of year	15,119,190	1,716,264	$ 1,551,581	18,387,035
Net assets, end of year	$ 14,493,919	$ 1,948,665	$ 1,551,581	$ 17,994,165

See accompanying notes to financial statements.

Camp For All Foundation

Statements of Cash Flows for the years ended December 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ (303,416)	$ (392,870)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	622,094	588,931
Impairment loss	215,235	
Loss on valuation of pledges receivable	5,000	
Contributions restricted for capital additions	(137,677)	(351,329)
Net realized and unrealized loss on investments	29,719	229,546
Changes in operating assets and liabilities:		
Operating pledges receivable	5,253	(59,163)
Accounts receivable and other assets	81,790	(47,181)
Accounts payable and accrued expenses	86,046	20,135
Deferred revenue – special events and program service fees	33,749	89,145
Net cash provided by operating activities	637,793	77,214
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(22,146)	(202,715)
Net change in cash held as investments	(150,960)	
Change in cash restricted for capital additions	1,072,958	(405,902)
Change in cash designated for board reserves	(499,460)	
Purchase of property	(841,997)	(563,982)
Net cash used by investing activities	(441,605)	(1,172,599)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for capital additions	268,677	715,497
NET CHANGE IN CASH	464,865	(379,888)
Cash, beginning of year	208,723	588,611
Cash, end of year	$ 673,588	$ 208,723

See accompanying notes to financial statements.

Camp For All Foundation

Statements of Functional Expenses for the years ended December 31, 2016 and 2015

	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

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	2015 TOTAL
Salaries and benefits	$ 1,682,444	$ 181,980	$ 322,198	$ 2,186,622
Camp supplies	810,923			810,923
Depreciation	588,931			588,931
Utilities	241,324	1,695	2,535	245,554
Professional fees	6,637	16,157	79,861	102,655
Meetings and special events	13,178	2,590	76,036	91,804
Office supplies and small equipment	25,926	17,255	42,074	85,255
Insurance	101,171	1,375	2,056	104,602
Occupancy	20,742	14,730	22,024	57,496
Credit card and bank fees		3,822	27,039	30,861
Printing	7,355		23,910	31,265
Other	11,905	27	14,461	26,393
Total expenses	$ 3,510,536	$ 239,631	$ 612,194	4,362,361
Direct donor benefit costs				249,109
Total				$ 4,611,470

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 64 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 2016 provided services for more than 10,500 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.

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.

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 each period. 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 and equipment 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 pronouncement – In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The amendments in this ASU are the first phase of changes 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 fiscal periods beginning after December 15, 2017, but early adoption is permitted. Adoption of this ASU will impact the presentation and disclosures of the financial statements.

NOTE 2 – PLEDGES RECEIVABLE

Pledges receivable consist of the following:

	2016	2015
Pledges receivable	$ 89,973	$ 236,226
Allowance for uncollectible pledges		(5,000)
Pledges receivable, net	$ 89,973	$ 231,226

At December 31, 2016, all pledges are expected to be collected within one year and approximately 56% of pledges receivable were from one organization. At December 31, 2015, approximately 63% of pledges receivable were from two organizations.

NOTE 3 – INVESTMENTS

Investments consist of the following:

	2016	2015
TIFF Multi-Asset Mutual Fund	$ 3,215,316	$ 3,222,889
Cash	150,960	
Total investments	$ 3,366,276	$ 3,222,889

Investments at December 31, 2016 and 2015 are held for the 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:

	2016	2015
Interest and dividend income	$ 173,891	$ 173,714
Net realized and unrealized loss on investments	(29,719)	(229,546)
Investment return, net	$ 144,172	$ (55,832)

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 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.

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

Assets measured at fair value at December 31, 2015 are as follows:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments:				
TIFF Multi-Asset Mutual Fund	$ 3,222,889			$ 3,222,889
Total assets measured at fair value	$ 3,222,889	$ 0	$ 0	$ 3,222,889

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 5 – PROPERTY

Property consists of the following:

	2016	2015
Land	$ 435,332	$ 435,332
Construction in progress		652,358
Camp facilities	19,734,587	18,763,709
Camp furniture and equipment	986,649	912,089
Office furniture and equipment	49,106	17,590
Property, at cost	21,205,674	20,781,078
Accumulated depreciation	(7,558,338)	(6,936,244)
Property, net	$ 13,647,336	$ 13,844,834

NOTE 6 – UNRESTRICTED NET ASSETS

Unrestricted net assets consist of the following:

	2016	2015
Investment in property, net	$ 13,647,336	$ 13,844,834
Undesignated	102,728	(759,480)
Board-designated reserves:		
Capital maintenance	737,856	706,427
Operating	733,376	702,138
Strategic initiatives	499,460	
Total unrestricted net assets	$ 15,720,756	$ 14,493,919

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2016	2015
Accumulated endowment earnings for operations	$ 343,463	$ 259,924
Programs	58,966	38,803
Camp facility construction and enhancements	15,983	1,649,938
Total temporarily restricted net assets	$ 418,412	$ 1,948,665

NOTE 8 – 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, 2016 and 2015 are as follows:

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Endowment net assets, January 1, 2015	$ 0	$ 294,251	$ 1,551,581	$ 1,845,832
Investment return:				
Interest and dividends		122,424		122,424
Net depreciation of investments		(156,605)		(156,605)
Investment management fees		(146)		(146)
Total investment return		(34,327)		(34,327)
Endowment net assets, December 31, 2015	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

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 2016 or 2015.

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 9 – LINE OF CREDIT

The Foundation has a $200,000 line of credit with an interest rate of 1% plus the bank's prime rate (4.75% at December 31, 2016) and an expiration date of June 27, 2017. As of December 31, 2016, no amounts were outstanding on this line of credit.

NOTE 10 – 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, 2016 relating to the damage:

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

NOTE 11 – SUBSEQUENT EVENTS

Subsequent to December 31, 2016, the Foundation received approximately $245,000 as insurance proceeds for dam repairs. In addition, the Foundation entered into an agreement with a construction company to commence flood remediation repairs and improvements to the camp totaling $483,387.

Management has evaluated subsequent events through May 18, 2017, which is the date that the financial statements were available for issuance. As a result of this evaluation, no other events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.