



Camp Summit, Inc.

**Financial Statements
December 31, 2020 and 2019**

Camp Summit, Inc.

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Independent Auditors' Report

To the Board of Directors of
Camp Summit, Inc.

We have audited the accompanying financial statements of Camp Summit, Inc., a nonprofit organization, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows 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 U.S. generally accepted accounting principles; 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 U.S. generally accepted auditing standards. Those standards require that we plan and perform the 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 auditor's 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 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 Summit, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Sutton Frost Cary

A Limited Liability Partnership

Arlington, Texas
March 26, 2021

Camp Summit, Inc.
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,554,078	\$ 1,507,779
Accounts receivable	1,434	70,059
Current portion of unconditional pledges receivable	187,694	118,176
Prepaid expenses	5,912	7,644
Deposits	3,549	3,549
Total current assets	1,752,667	1,707,207
Noncurrent assets:		
Unconditional pledges receivable, net of current portion	-	10,000
Property and equipment, net	12,198,020	12,405,690
Assets restricted for endowment:		
Cash	21,280	-
Beneficial interest in assets held by others	39,634	33,992
Total noncurrent assets	12,258,934	12,449,682
Total assets	\$ 14,011,601	\$ 14,156,889
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 87,074	\$ 79,259
Deferred program income	115,078	28,528
Deferred rent	11,515	15,464
Other deferred income	546	12,567
Total current liabilities	214,213	135,818
Net assets:		
Without donor restrictions	13,440,784	13,850,689
With donor restrictions	356,604	170,382
Total net assets	13,797,388	14,021,071
Total liabilities and net assets	\$ 14,011,601	\$ 14,156,889

See notes to financial statements.

Camp Summit, Inc.
Statement of Activities
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenue and gains:			
Contributions	\$ 719,189	\$ 318,145	\$ 1,037,334
Special events revenue (net of direct expenses of \$53,307)	387,229	-	387,229
Program fees	114,755	-	114,755
Government grant	206,400	-	206,400
Other income	18,903	-	18,903
United Way	8,194	-	8,194
Investment income	1,538	4,467	6,005
Net assets released from restrictions	136,390	(136,390)	-
Total support, revenue and gains	1,592,598	186,222	1,778,820
Operating expenses:			
Program services	1,488,178	-	1,488,178
General and administrative	292,674	-	292,674
Fundraising	221,651	-	221,651
Total operating expenses	2,002,503	-	2,002,503
Change in net assets	(409,905)	186,222	(223,683)
Net assets, beginning of year	13,850,689	170,382	14,021,071
Net assets, end of year	\$ 13,440,784	\$ 356,604	\$ 13,797,388

See notes to financial statements.

Camp Summit, Inc.
Statement of Activities
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenue and gains:			
Contributions	\$ 1,687,674	\$ 146,531	\$ 1,834,205
Special events revenue (net of direct expenses of \$67,315)	261,513	-	261,513
Program fees	1,485,248	-	1,485,248
Other income	58,002	-	58,002
United Way	12,881	-	12,881
Investment income	15,316	2,307	17,623
Net assets released from restrictions	134,973	(134,973)	-
Total support, revenue and gains	3,655,607	13,865	3,669,472
Operating expenses:			
Program services	2,397,782	-	2,397,782
General and administrative	324,030	-	324,030
Fundraising	244,303	-	244,303
Total operating expenses	2,966,115	-	2,966,115
Change in net assets	689,492	13,865	703,357
Net assets, beginning of year	13,161,197	156,517	13,317,714
Net assets, end of year	\$ 13,850,689	\$ 170,382	\$ 14,021,071

See notes to financial statements.

Camp Summit, Inc.
Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services	General and Administrative	Fund- raising	Total
Compensation and related expenses:				
Salaries and wages	\$ 607,854	\$ 174,334	\$ 152,542	\$ 934,730
Health and retirement benefits	71,089	23,207	18,865	113,161
Payroll taxes and workers' compensation insurance	50,312	14,430	12,626	77,368
Total compensation and related expenses	729,255	211,971	184,033	1,125,259
Professional fees	19,946	2,249	1,688	23,883
Supplies and maintenance	80,055	11,716	189	91,960
Telephone	7,661	4,266	841	12,768
Postage and shipping	1,112	951	1,433	3,496
Occupancy	101,658	20,465	13,644	135,767
Local transportation	4,776	2,734	567	8,077
Staff development	3,866	696	372	4,934
Publications	10,688	6,417	4,797	21,902
Marketing	499	392	297	1,188
Dues	5,246	1,177	-	6,423
Equipment	1,523	12,895	-	14,418
Insurance	84,475	15,103	-	99,578
Recruitment	5,051	-	-	5,051
Miscellaneous	2,014	70	-	2,084
Depreciation	424,587	-	-	424,587
Credit card fees	-	1,572	13,790	15,362
Direct costs of special events	-	-	53,307	53,307
In-kind expense	5,050	-	-	5,050
Bad debt	716	-	-	716
Total expenses	1,488,178	292,674	274,958	2,055,810
Less expenses included with revenue on the statement of activities				
Direct costs of special events	-	-	53,307	53,307
Total expenses to be included in the expense section on the statement of activities	\$ 1,488,178	\$ 292,674	\$ 221,651	\$ 2,002,503

See notes to financial statements.

Camp Summit, Inc.
Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services	General and Administrative	Fund- raising	Total
Compensation and related expenses:				
Salaries and wages	\$ 1,067,155	\$ 183,381	\$ 160,458	\$ 1,410,994
Health and retirement benefits	89,228	23,668	19,278	132,174
Payroll taxes and workers' compensation insurance	94,986	16,323	14,282	125,591
Total compensation and related expenses	1,251,369	223,371	194,018	1,668,758
Professional fees	37,128	2,814	2,074	42,016
Supplies and maintenance	273,350	13,309	281	286,940
Telephone	12,721	6,989	1,491	21,201
Postage and shipping	2,247	826	1,239	4,311
Occupancy	175,806	22,343	14,896	213,045
Local transportation	70,801	10,616	2,245	83,662
Staff development	11,423	2,709	821	14,953
Publications	10,020	7,812	6,401	24,233
Dues	4,844	1,904	-	6,748
Equipment	867	13,645	-	14,512
Insurance	83,611	12,952	-	96,563
Recruitment	2,584	-	-	2,584
Miscellaneous	2,964	153	-	3,117
Depreciation	400,531	-	-	400,531
Interest	43,168	-	-	43,168
Credit card fees	-	4,587	20,838	25,425
Direct costs of special events	-	-	67,315	67,315
In-kind expense	11,236	-	-	11,236
Bad debt	3,113	-	-	3,113
Total expenses	2,397,783	324,030	311,618	3,033,430
Less expenses included with revenue on the statement of activities				
Direct costs of special events	-	-	67,315	67,315
Total expenses to be included in the expense section on the statement of activities	\$ 2,397,782	\$ 324,030	\$ 244,303	\$ 2,966,115

See notes to financial statements.

Camp Summit, Inc.
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ (223,683)	\$ 703,357
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	424,587	400,531
Net realized and unrealized gains on investments	-	(505)
Change in beneficial interest in assets held by others	(4,467)	(2,307)
Contributions restricted for long-term purposes	(22,700)	(645,470)
Loss on involuntary conversion	712	-
Changes in operating assets and liabilities:		
Accounts receivable	68,625	(34,480)
Unconditional pledges receivable	(101,362)	(8,866)
Prepaid expenses	1,732	137,167
Accounts payable and accrued expenses	7,815	12,356
Deferred program income	86,550	6,054
Deferred rent	(3,949)	(2,257)
Other deferred income	(12,021)	12,567
Net cash provided by operating activities	221,839	578,147
Cash flows from investing activities:		
Purchases of property and equipment	(231,431)	(427,079)
Proceeds from involuntary conversion	13,802	-
Additions to beneficial interest in assets held by others	(1,175)	(31,685)
Proceeds from sale of investments	-	50,000
Net cash used by investing activities	(218,804)	(408,764)
Cash flows from financing activities:		
Collections of contributions restricted for long-term purposes	64,544	645,470
Payments on note payable	-	(1,277,772)
Net cash provided (used) by financing activities	64,544	(632,302)
Net change in cash and cash equivalents	67,579	(462,919)
Cash and cash equivalents, beginning of year	1,507,779	1,970,698
Cash and cash equivalents, end of year	\$ 1,575,358	\$ 1,507,779
Supplemental cash flow information -		
Cash paid during the year for interest	\$ -	\$ 43,168
Reconciliation of cash and restricted cash reported within the statements of financial position to the statements of cash flows:		
Cash and cash equivalents	\$ 1,554,078	\$ 1,507,779
Restricted Cash	21,280	-
Total cash and restricted cash shown in the statements of cash flows	\$ 1,575,358	\$ 1,507,779

See notes to financial statements.

Camp Summit, Inc.

Notes to Financial Statements

1. Organization

Camp Summit, Inc. (Organization) was organized and chartered in March 1993 in the state of Texas as a not-for-profit entity for the purpose of providing a therapeutic and recreational camp experience to disabled individuals ages six and over. The camp is located in Paradise, Texas and its corporate office is located in Dallas, Texas. The Organization is funded primarily through program fees and contributions from individuals and other organizations.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

Financial Statement Presentation

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

Net assets without donor restrictions - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net assets with donor restrictions - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Contributions whose restrictions are met in the same year the contributions are received are reported as net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Camp Summit, Inc.
Notes to Financial Statements

Financial Instruments and Credit and Market Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable, unconditional pledges receivable and a beneficial interest in assets held by others. Cash and cash equivalents are placed with high credit quality financial institutions to minimize risk. Accounts receivable are unsecured, are due from various government agencies, third party payors and individuals. Unconditional pledges receivable are unsecured, are due from various donors and are generally to be used for capital purposes. The Organization continually evaluates the collectability of accounts receivable and unconditional pledges receivable and maintains allowances for potential losses, if considered necessary. The value of the beneficial interest in assets held by others is subject to various risks, such as interest rate, credit and overall market volatility risks.

In the normal course of business, the Organization maintains balances in financial institutions in excess of federally insured amounts. Balances at financial institutions exceeded federally insured amounts by \$1,081,777 as of December 31, 2020. The Organization has not experienced losses on such assets.

At December 31, 2020 and 2019, unconditional pledges receivable due from four donors totaled approximately 69% and from two donors totaled approximately 59% of total unconditional pledges receivable, respectively.

For the years ended December 31, 2020 and 2019, contributions from one donor totaled approximately 14% and from two donors totaled approximately 23% of total contributions received, respectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with a maturity of three months or less when purchased.

Unconditional Pledges Receivable

Unconditional promises to give (pledges) are recorded at the estimated fair value when the promise is given. The collectability of the Organization's unconditional pledges receivable is reviewed on an ongoing basis, using an assessment of the current status of individual accounts and current economic conditions. The Organization maintains allowances for potential losses, if considered necessary.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected and reduced by an allowance for uncollectable accounts.

Camp Summit, Inc.

Notes to Financial Statements

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost or if acquired by gift, fair market value at the date of the gift. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$5,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is calculated using the straight-line method based upon the estimated useful lives of the assets.

Long-Lived Assets

The Organization's long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on expected undiscounted cash flows attributable to that asset. This review requires significant judgments both in assessing events and circumstances as well as estimating future cash flows. Should events indicate that any of the assets are impaired, the amount of such impairment will be measured as the difference between the carrying value and the fair value of the impaired asset and the impairment will be recorded in earnings during the period of such impairment.

Management believes no impairment has occurred with respect to the long-lived assets as of December 31, 2020 and 2019.

Deferred Rent

The Organization records rent expense on a straight-line basis over the life of the lease. Deferred rent represents rent expense recognized in excess of rental payments made.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Program fee revenue relates to camp fees and is generally collectable from individuals, third-party payors or other agencies. The Organization recognizes camp fee income when the various camps are held. Until such time, advance payments are recorded as deferred revenue.

Donated property is reflected as a contribution at the estimated fair value at date of receipt. The Organization recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Numerous individuals donate significant

Camp Summit, Inc.

Notes to Financial Statements

amounts of time to the Organization, but no donated services received during the years December 31, 2020 or 2019 met the requirements to be recognized under GAAP.

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Federal Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (IRC) and has not been classified as a private foundation as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization had no unrelated business income for the years ended December 31, 2020 and 2019. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax returns and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2020 and 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Allocation of Functional Expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the various functions benefitted. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office supplies and rent, telephone, postage and shipping, transportation, staff development, publications, and insurance, which are allocated on a square footage basis, as well as salaries and wages, health and retirement benefits, payroll taxes and workers' compensation insurance, and professional fees, which are allocated on the basis of estimates of time and effort.

Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

Camp Summit, Inc.
Notes to Financial Statements

New Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASU's) to the FASB's Accounting Standards Codification.

The Organization considers the applicability and impact of all ASU's. ASU's not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Organization's financial position and changes in net assets.

In 2016, the FASB issued its leasing standard in ASU 2016-02, *Leases (ASC Topic 842)* for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use (ROU) assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. The pattern of expense recognition in the statement of activities will depend on a lease's classification. For not-for-profit organizations, the standard takes effect for fiscal years beginning after December 15, 2021.

The Organization is currently assessing the impact that adopting this new guidance will have on the financial statements.

3. Unconditional Pledges Receivable

Unconditional pledges receivable consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Amounts due in:		
Less than one year	\$ 187,694	\$ 118,176
One to five years	-	<u>10,000</u>
	<u>\$ 187,694</u>	<u>\$ 128,176</u>

Management has determined that any discount associated with unconditional pledges receivable due in more than one year would be insignificant as of December 31, 2019.

Camp Summit, Inc.
Notes to Financial Statements

4. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,287,320	\$ 1,287,320
Buildings and improvements	12,004,116	11,824,740
Equipment	327,208	293,112
Vehicles	156,975	158,368
Furniture and fixtures	244,979	244,979
Livestock	<u>3,000</u>	<u>3,000</u>
	14,023,598	13,811,519
Accumulated depreciation	<u>(1,825,578)</u>	<u>(1,405,829)</u>
	<u>\$ 12,198,020</u>	<u>\$ 12,405,690</u>

5. Program Fee Revenue

The following table provides information about significant changes in camp fees paid in advance as of December 31:

	<u>2020</u>	<u>2019</u>
Camp fees paid in advance, beginning of year	\$ 28,528	\$ 22,474
Revenue recognized that was included in camp fees at the beginning of year	(941)	(14,536)
Increase in camp fees due to cash received during the period	<u>87,491</u>	<u>20,590</u>
Camp fees paid in advance, end of year	<u>\$ 115,078</u>	<u>\$ 28,528</u>

Camp Summit, Inc.
Notes to Financial Statements

6. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Time and purpose	\$ 134,782	\$ 17,417
Financial aid/camperships	39,525	75,000
Equipment	5,000	-
Medical	59,621	-
Time	52,912	39,584
Other	3,850	4,389
Restricted in perpetuity	54,140	31,685
Endowment earnings	<u>6,774</u>	<u>2,307</u>
Total	<u>\$ 356,604</u>	<u>\$ 170,382</u>

Net assets subject to restriction in perpetuity consist of the endowment to be held in perpetuity, the income from which is expendable to support program services.

7. Beneficial Interest in Assets Held by Others

The Organization has a beneficial interest in assets held by Communities Foundation of Texas (CFT) valued at \$39,634 and \$33,992 as of December 31, 2020 and 2019, respectively. This consists of funds (Funds) contributed by donors and includes earnings thereon, net of distributions received.

Fair value of the Organization's beneficial interest in assets held by CFT is based on the value of the Organization's portion of the underlying investments in the Funds using valuation methods that are appropriate for those investments as determined by third-party trustees. These values are based on unobservable inputs and are considered Level 3 assets in the fair value hierarchy.

Withdrawals are permitted from the Funds as requested by the Organization. Any funds unspent in one year may remain in the portfolio and may be appropriated in the following fiscal year. The board of directors may also make special appropriations in addition to the annual provision.

Camp Summit, Inc.
Notes to Financial Statements

The following table presents a rollforward of activity for assets held by CFT at fair value for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 33,992	\$ -
Contributions	1,175	31,685
Total net investment income included in change in net assets	<u>4,467</u>	<u>2,307</u>
Ending balance	<u>\$ 39,634</u>	<u>\$ 33,992</u>
The amount of total gains or losses for the period included in change in net assets attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	<u>\$ 4,806</u>	<u>\$ 2,495</u>

Total net income from beneficial interest in assets held by others consisted of the following for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Unrealized gain	\$ 4,806	\$ 2,495
Less: investment fees	<u>(339)</u>	<u>(188)</u>
	<u>\$ 4,467</u>	<u>\$ 2,307</u>

8. Related Party Transactions

Board members contributed \$69,464 and \$80,333 during the years ended December 31, 2020 and 2019, respectively.

9. In-kind Contributions

The Organization received in-kind contributions during the years ended December 31, 2020 and 2019. The estimated fair market value of these donations is reflected in the accompanying financial statements as follows:

	<u>2020</u>	<u>2019</u>
Program supplies	\$ 5,050	\$ 11,236
Capitalized property	<u>14,413</u>	<u>-</u>
	<u>\$ 19,463</u>	<u>\$ 11,236</u>

Camp Summit, Inc.
Notes to Financial Statements

10. Commitments

The Organization leases facilities and equipment under non-cancelable operating lease agreements expiring at various times through 2024. Future minimum lease payments under these lease agreements are as follows for the years ending December 31:

2021	\$	71,694
2022		62,390
2023		7,536
2024		5,329

Lease expense pursuant to these leases totaled \$75,486 and \$75,710 for the years ended December 31, 2020 and 2019, respectively.

During the year ended December 31, 2019, the Organization received a copier lease buy-out totaling \$15,464. The amount is recognized as income over the life of the original lease. At December 31, 2020 and 2019 the deferred income from this buy-out totaled \$546 and \$12,567, respectively.

11. Employee Benefits

The Organization adopted a tax-deferred annuity plan that qualifies under IRC 403(b). The plan is available to eligible employees who choose to participate. Each year, participants may contribute a percentage of their pre-tax compensation up to the maximum permitted by law. The plan allows for discretionary matching of up to 2% of participants' salaries after 24 months of employment. The Organization's contributions totaled \$15,570 and \$12,048 for the years ended December 31, 2020 and 2019, respectively.

12. Coronavirus Aid, Relief, and Economic Security Act

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act was signed into law. On April 17, 2020, the Organization received a forgivable loan in the amount of \$206,400 pursuant to the Paycheck Protection Program. The Organization used all of the proceeds to make eligible payments by December 31, 2020. The Organization has elected to account for the Paycheck Protection Program forgivable loan as a conditional grant in accordance with Topic 958 and the loan was forgiven in full by December 31, 2020. Accordingly, Camp Summit has recognized \$206,400 as government grant revenue in the accompanying statement of activities for the year ended December 31, 2020.

Camp Summit, Inc.
Notes to Financial Statements

13. Endowment Net Assets

As required by GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the Texas State 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 donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies the original value of gifts donated to the permanent endowment as net assets with donor restrictions. The earnings from the original gift are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by TUPMIFA. In accordance with TUPMIFA, the Organization, in making a determination to appropriate or accumulate donor-restricted endowment funds acts in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and considers if relevant, the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration of preservation of the funds;
2. The purposes of the Organization and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Organization; and
7. The Organization's investment policy.

Return Objectives and Risk Parameters –

The Organization has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the principal of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the board of directors, the primary objective is to maximize current income, net of fees and expenses, and achieve a total return in excess of the broad index indicated for each investment asset class.

Strategies Employed for Achieving Objectives –

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation, realized and unrealized, and current yield, such as interest and dividends.

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The Organization has adopted an investment policy that attempts to maximize total return while keeping risk levels in a moderate range. The Organization targets a diversified asset allocation among stocks, mutual funds, bonds and cash or cash equivalents.

Spending Policy and How the Investment Objectives Relate to the Spending Policy –

The Organization set up this endowment at CFT during the year end December 31, 2019. As the endowment is in its formative stage, the Organization has not established a spending policy. As of December 31, 2020, the Organization’s goal is to grow the endowment up to such a point that sustainable and meaningful distributions can be utilized by the Organization.

All endowment funds are categorized as net assets with donor restrictions as of December 31, 2020 and 2019.

Changes in donor-restricted endowment funds by net asset classifications for the year ended December 31, 2020 are summarized as follows:

	2020		
	Accumulated gains (losses)	Restricted in perpetuity	Total
Endowment net assets, beginning of year	\$ 2,307	\$ 31,685	\$ 33,992
Investment return, net	4,467	-	4,467
Contributions	-	22,455	22,455
	\$ 6,774	\$ 54,140	\$ 60,914

Changes in donor-restricted endowment funds by net asset classifications for the year ended December 31, 2019 are summarized as follows:

	2019		
	Accumulated gains (losses)	Restricted in perpetuity	Total
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Investment return, net	2,307	-	2,307
Contributions	-	31,685	31,685
	\$ 2,307	\$ 31,685	\$ 33,992

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14. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,575,358	\$ 1,507,779
Accounts receivable	1,434	70,059
Pledges receivable	187,694	128,176
Beneficial interest in assets held by others	<u>39,634</u>	<u>33,992</u>
Total financial assets at year end	1,804,120	1,740,006
Less amounts not available for general expenditure within one year, due to:		
Donor restricted for a specific purpose	(134,782)	(17,417)
Net assets restricted in perpetuity	<u>(54,140)</u>	<u>(31,685)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,615,198</u>	<u>\$ 1,690,904</u>

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures within one year.

The Organization keeps financial assets available for general expenditures, liabilities and other obligations, as they become due. The Organization has a goal to maintain financial assets in a cash liquidity state on hand to meet three months of normal operating expenses, which are, on average, approximately \$200,000 per month. During the years ended December 31, 2020 and 2019, the level of liquidity was managed within the Organization's expectations.

15. Uncertainty

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. As a result of the spread of COVID-19, the state of Texas issued shelter-in-place orders and other measures around public gatherings and business operations to slow the spread of the virus. Given the uncertainty in the epidemiological and economic outlook, there may be short and long-term implications for the Organization. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

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16. Subsequent Events

On March 22, 2021, the Organization received an additional PPP loan in the amount of \$366,800. The Organization evaluated subsequent events through the date the financial statements were available to be issued and concluded that no additional disclosures are required.