

The Painted Turtle
Financial Statements
and Independent Auditor's Report
December 31, 2021

The Painted Turtle

Index

	<u>Page</u>
Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8

Independent Auditor's Report

To the Board of Directors
The Painted Turtle

Opinion

We have audited the accompanying financial statements of The Painted Turtle, which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Painted Turtle as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Painted Turtle and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Painted Turtle's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Painted Turtle's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Painted Turtle's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

CohnReznick LLP

Los Angeles, California
October 31, 2022

The Painted Turtle
Statement of Financial Position
December 31, 2021

Assets

Current assets		
Cash and cash equivalents	\$	1,084,359
Current portion of pledges receivable, net		212,778
Total current assets		1,297,137
Property and equipment, net of accumulated depreciation and amortization		26,837,691
Pledges receivable, net of current portion		297,978
Investments		13,094,929
Total assets	\$	41,527,735

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$	547,132
PPP loan		724,790
Bonds payable, current portion		173,201
Total current liabilities		1,445,123
Bonds payable, net of current portion		4,703,665
Total liabilities		6,148,788
Commitments		
Net assets		
Without donor restrictions		24,446,191
With donor restrictions		10,932,756
Total net assets		35,378,947
Total liabilities and net assets	\$	41,527,735

See Notes to Financial Statements.

The Painted Turtle

**Statement of Activities
Year Ended December 31, 2021**

	Without donor restrictions	With donor restrictions	Total
Revenues and support			
Contributions	\$ 4,340,025	\$ 3,105,635	\$ 7,445,660
In-kind donations	158,839	-	158,839
Special events	379,655	-	379,655
Realized and unrealized gain on investments	555,188	-	555,188
PPP loan forgiveness	704,727	-	704,727
Net assets released from restrictions Time restricted, pledges receivable	248,631	(248,631)	-
Total revenues and support	6,387,065	2,857,004	9,244,069
Expenses			
Program services			
Camp program	1,379,463	-	1,379,463
Medical	469,698	-	469,698
Facilities	3,240,735	-	3,240,735
Supporting services			
General and administrative	463,198	-	463,198
Fundraising and development	807,290	-	807,290
Special events	45,831	-	45,831
Total expenses	6,406,215	-	6,406,215
Change in net assets	(19,150)	2,857,004	2,837,854
Net assets, beginning	24,465,341	8,075,752	32,541,093
Net assets, end	\$ 24,446,191	\$ 10,932,756	\$ 35,378,947

See Notes to Financial Statements.

The Painted Turtle

Statement of Functional Expenses Year Ended December 31, 2021

	Program services			Supporting services			Total
	Camp program	Medical	Facilities	General and administrative	Fundraising and development	Special events	
Automobiles	\$ 33,267	\$ 1,223	\$ 33,065	\$ 9,411	\$ 6,575	\$ -	\$ 83,541
Camp services	207,088	13,765	157,446	-	-	-	378,299
Cost of direct benefits to donors	-	-	-	-	-	45,831	45,831
Depreciation and amortization	-	-	1,195,427	-	-	-	1,195,427
Dues and subscriptions	13,124	969	-	1,194	4,479	-	19,766
Employee costs	104,268	32,123	64,134	42,817	41,918	-	285,260
Insurance	54,368	75,072	462,230	61,016	51,788	-	704,474
Interest and bond related costs	-	-	132,562	-	-	-	132,562
Leasing fees	4,752	-	11,249	763	-	-	16,764
Maintenance	-	-	137,941	-	-	-	137,941
Miscellaneous	-	-	-	2,962	17,088	-	20,050
Office	72,278	5,446	147,745	18,717	20,006	-	264,192
Outside service	16,278	-	4,992	25,294	-	-	46,564
Payroll taxes	76,270	31,553	95,103	16,956	78,873	-	298,755
Professional fees	-	-	-	68,206	3,844	-	72,050
Promotions	-	-	-	1,852	44,538	-	46,390
Rent	-	-	8,778	103,200	-	-	111,978
Salaries	543,205	273,330	517,910	91,481	535,944	-	1,961,870
Supplies	226,122	24,330	107,895	6,714	-	-	365,061
Taxes and licenses	150	-	15,364	488	-	-	16,002
Travel and entertainment	11,519	1,621	-	1,261	503	-	14,904
Utilities	7,923	1,773	132,588	10,404	1,336	-	154,024
Workers' compensation	8,851	8,493	16,306	462	398	-	34,510
Total	\$ 1,379,463	\$ 469,698	\$ 3,240,735	\$ 463,198	\$ 807,290	\$ 45,831	\$ 6,406,215

See Notes to Financial Statements.

The Painted Turtle
Statement of Cash Flows
Year Ended December 31, 2021

Cash flows from operating activities	\$ 2,837,854
Change in net assets	
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Change in discount of pledges receivable	(13,435)
Depreciation and amortization	1,195,427
Contributions restricted for endowment	(3,002,200)
Net realized and unrealized gain on investments	(555,188)
PPP loan forgiveness	(704,727)
Changes in operating assets and liabilities	
Pledges receivable	158,631
Prepaid expenses and other	2,000
Accounts payable and accrued expenses	178,185
	96,547
Net cash provided by operating activities	96,547
Cash flows from investing activities	
Purchases of property and equipment	(477,072)
Purchases of investments	(5,246,592)
Proceeds from sales of investments	1,950,153
	(3,773,511)
Net cash used in investing activities	(3,773,511)
Cash flows from financing activities	
Contributions restricted for endowment	3,002,200
Proceeds from PPP loan	724,790
Principal payments on bonds payable	(123,134)
	3,603,856
Net cash provided by financing activities	3,603,856
Net decrease in cash and cash equivalents	(73,108)
Cash and cash equivalents, beginning	1,157,467
Cash and cash equivalents, end	\$ 1,084,359
Supplemental disclosure of cash flow data	
Interest paid	\$ 132,062

See Notes to Financial Statements.

The Painted Turtle

Notes to Financial Statements December 31, 2021

Note 1 - Business and summary of significant accounting policies

Business

The Painted Turtle (a California nonprofit corporation) (the "Organization") was incorporated in California on December 24, 1996 and designated as a 501(c)(3) nonprofit corporation. The purpose of the Organization is to own, operate and maintain a state of the art medical camping facility that provides services to chronically ill children without cost to their families. The affairs of the Organization are managed and controlled by the Board of Directors (the "Board") of the Organization.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Financial statement presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions, which are described as follows:

Net Assets Without Donor Restrictions - Net assets for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve through a board-designated endowment.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose, or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions

Unconditional promises to give are recorded as pledges receivable when the promise is received. Unconditional promises to give with payments due in future periods are reported as restricted support.

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. Contributions with a donor-imposed time restriction or purpose restriction which imposed restrictions which limit the use of the donated assets are reported as contributions with donor restrictions if the restrictions are not met in the same reporting period. When such donor-imposed restrictions are met in subsequent reporting periods, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions of assets which donors have stipulated must be maintained in perpetuity, with only the income earned thereon available for current use, are classified as contributions with donor restrictions perpetual. Contributions for which donors have not stipulated restrictions, as well as contributions for which donors have stipulated restrictions but which are met within the same reporting period, are reported as net assets without donor restrictions.

The Painted Turtle

Notes to Financial Statements December 31, 2021

Gifts of land, buildings, and equipment are reported 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 reported as restricted support. Absent explicit donor stipulation, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

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 substantially met. As of December 31, 2021, the Organization did not have any conditional contributions.

Contributed services

During the year ended December 31, 2021, there were no contributed services meeting the requirements for recognition in the financial statements.

In-kind donations

During the year ended December 31, 2021, the value of in-kind donations (including rent) or noncash assets received by the Organization was \$158,839. The donated assets were in relation to the operations of the Organization and are included in program and supporting services. The value of in-kind donations is based on either donor-stated value, face value or replacement value had the Organization needed to purchase from an outside source.

Functional allocation of expenses

Identifiable expenses are charged to program services, supporting services and special events. Other functional services have been allocated between such categories related to personnel time and space utilized for activities.

Cash and cash equivalents

The Organization considers all highly liquid investments with a maturity at date of purchase of three months or less to be cash equivalents.

Pledges receivable

Pledges receivable are stated at unpaid balances, less an allowance for doubtful accounts and a discount on those pledges receivable due in greater than one year. The Organization provides for losses on receivables using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of the donors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible receivables when management determines the receivable will not be collected.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position. The realized and unrealized gains and losses are included in the Organization's statement of activities.

The Painted Turtle

Notes to Financial Statements December 31, 2021

Fair value measurements

The Organization values its financial assets and liabilities based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method based on the estimated useful lives of the assets, generally ranging from three to five years. Camp facilities are depreciated over an estimated useful life of 40 years. Expenditures for major renewals and improvements that extend the useful lives of property and equipment are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful life of the asset or the lease term.

Long-lived assets

Long-lived assets to be held and used are periodically reviewed for events or changes in circumstances that indicate that their carrying value may not be recoverable, at which time the Organization will record an impairment. No impairments were recorded during the year ended December 31, 2021.

Income taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue Taxation Code of California. Accordingly, no provision for income taxes is included in the accompanying financial statements.

The Organization has no unrecognized tax benefits at December 31, 2021. The Organization's federal and state income tax returns prior to fiscal years 2018 and 2017, respectively, are closed. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If applicable, the Organization recognizes interest and penalties associated with tax matters as part of income tax expense and includes accrued interest and penalties with the related tax liability in the statement of financial position.

The Painted Turtle

Notes to Financial Statements December 31, 2021

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets, 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 estimates.

Note 2 - Liquidity and availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, receivables and investments.

At December 31, 2021, the Organization had the following financial assets and liquidity resources available over the next 12 months:

Cash and cash equivalents	\$ 1,084,359
Pledges receivable due in one year or less, net	212,778
Investments	<u>13,094,929</u>
	14,392,066
Endowment investments	<u>(10,816,556)</u>
	<u>\$ 3,575,510</u>

The board designated endowment funds of \$1,894,556 can be used by the Organization for operations, if needed (see Note 10).

Note 3 - Concentrations

Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents and pledges receivable. The Organization maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits.

The Organization's investments are subject to various risks, such as interest rate, credit and overall market volatility risks. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes.

At December 31, 2021, three donors accounted for approximately 74% of the Organization's total pledges receivable. For the year ended December 31, 2021, two donors accounted for approximately 51% of the Organization's total contributions.

The Painted Turtle

Notes to Financial Statements December 31, 2021

Note 4 - Pledges receivable

At December 31, 2021, unconditional pledges receivable consist of future amounts to be received for camp endowment and general purposes. Unconditional pledges receivable are reflected at the present value of estimated future cash flows using a discount rate of 4.5%. The receivables are recorded as follows:

Pledges receivable	\$ 542,778
Less discount to net present value	<u>32,022</u>
	510,756
Less current portion	<u>212,778</u>
	<u><u>\$ 297,978</u></u>

At December 31, 2021, gross undiscounted pledges receivable due in less than one year are \$212,778, pledges receivable due in one to five years are \$245,000 and pledges receivable due in greater than five years are \$85,000. At December 31, 2021, the Organization believes that all pledges receivable are collectible.

Note 5 - Property and equipment

At December 31, 2021, property and equipment consist of the following:

Automobiles	\$ 380,225
Computer equipment	631,334
Furniture and fixtures	2,136,296
Leasehold improvements	49,493
Camp facilities	41,493,444
Land	<u>1,140,574</u>
	45,926,177
Less accumulated depreciation and amortization	<u>19,088,486</u>
	<u><u>\$ 26,837,691</u></u>

Depreciation and amortization expense for the year ended December 31, 2021 was \$1,195,427.

The Painted Turtle

Notes to Financial Statements December 31, 2021

Note 6 - Investments

At December 31, 2021, investments consist of the following:

Exchange traded funds	\$	1,212,635
Common stock		2,557,803
Corporate bonds		255,747
Treasury securities		588,660
Preferred stock		106,760
Mutual funds		
Bank loan		372,782
Intermediate bond		1,058,058
International fund		957,832
High-yield bond		455,861
Multisector bond		862,172
Multialternative		4,235,675
Long-short bond		162,429
Mid-cap growth		268,515
		268,515
	\$	13,094,929

Note 7 - Fair value measurements

At December 31, 2021, financial assets are carried at fair value and are classified in the table below in one of the three categories as described in Note 1:

	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 1,212,635	\$ -	\$ -	\$ 1,212,635
Common stock	2,557,803	-	-	2,557,803
Corporate bonds	-	255,747	-	255,747
Treasury securities	-	588,660	-	588,660
Preferred stock	106,760	-	-	106,760
Mutual funds				
Bank loan	372,782	-	-	372,782
Intermediate bond	1,058,058	-	-	1,058,058
International fund	957,832	-	-	957,832
High-yield bond	455,861	-	-	455,861
Multisector bond	862,172	-	-	862,172
Multialternative	4,235,675	-	-	4,235,675
Long-short bond	162,429	-	-	162,429
Mid-cap growth	268,515	-	-	268,515
	268,515	-	-	268,515
Total	\$ 12,250,522	\$ 844,407	\$ -	\$ 13,094,929

Financial assets valued using Level 1 inputs are based on quoted market prices within active markets and are valued on a recurring basis. Financial assets valued using Level 2 inputs are valued based on investment yields.

The Painted Turtle

Notes to Financial Statements December 31, 2021

Note 8 - Debt

Bonds payable

On July 1, 2018, the Organization entered into a bond issuance through the California Infrastructure and Economic Development Bank in the amount of \$10,000,000. These funds were used to pay off the previous outstanding bonds. The bonds are variable rate bonds (2.03% at December 31, 2021) with interest payable monthly, and principal payments commencing August 1, 2021, through the maturity date of August 2046. The bonds are secured by substantially all of the Organization's assets.

For the year ended December 31, 2021, interest expense relating to the bonds totaled \$132,062.

The bonds contain covenants regarding certain financial amounts, ratios and activities of the Organization. For the year ended December 31, 2021, the Organization was in compliance with or received a waiver for all such financial covenants.

Principal payments for each of the next five years and thereafter at December 31, 2021 are as follows:

2022	\$	173,201
2023		139,097
2024		143,323
2025		147,969
2026		152,302
Thereafter		<u>4,120,974</u>
	\$	<u>4,876,866</u>

First round PPP loan

On April 14, 2020, the Organization entered into an unsecured promissory note with a commercial bank for an aggregate principal amount of \$704,727 pursuant to the Paycheck Protection Program (the "PPP loan"), which was established under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and is administered by the U.S. Small Business Administration (the "SBA"). The loan has a two-year maturity and includes a fixed interest rate of 1% per year until the maturity date. Loan recipients meeting certain criteria set by the SBA may be eligible for full or partial forgiveness of such loans. During the year ended December 31, 2021, the Organization submitted its application for loan forgiveness and received notice from the SBA in May 2021 that the SBA approved forgiveness of the full amount of the PPP loan and the related interest thereon. Accordingly, the Organization derecognized \$704,727 of the PPP loan and recognized a corresponding gain on loan forgiveness in the statement of activities.

Second round PPP loan

On April 6, 2021, the SBA approved a second draw PPP loan in the amount of \$724,790 for the Organization. The loan has a five-year maturity and includes a fixed interest rate of 1% per year until the maturity date. The PPP loan promissory note contains customary events of default relating to, among other things, payment defaults, breach of representations and warranties, or provisions of the promissory note. The occurrence of an event of default may result in the repayment of all amounts outstanding and/or filing suit and obtaining judgment against the Organization.

The Organization submitted its application for PPP loan forgiveness and received full loan forgiveness of \$724,790 subsequent to year end (See Note 13).

The Painted Turtle

Notes to Financial Statements December 31, 2021

Note 9 - Net assets

At December 31, 2021, net assets with donor restrictions consist of the following:

Time or purpose:	
Time restricted, pledges receivable	\$ 510,756
Special purpose	<u>1,500,000</u>
	2,010,756
Perpetual:	
Endowment investments	<u>8,922,000</u>
	<u>\$ 10,932,756</u>

Note 10 - Endowments

The Organization's endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the State of California Uniform Prudent Management of Institutional Funds Act ("UPMIFA") 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 Organization classifies as net assets with donor restrictions: (a) the original value of gifts donated to the perpetually restricted endowment, (b) the original value of subsequent gifts to the perpetually restricted endowment, and (c) accumulations to the perpetually restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the Organization and donor-restricted endowment funds, (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 policies.

The Organization's investment policy over endowment assets attempts to provide a predictable stream of funding while seeking to maintain the purchasing power of the assets. Under this policy, investments are invested in a well-diversified asset mix, which includes equity securities and mutual funds, that is intended to result in a consistent inflation-protected rate of return, while growing the funds if possible. All income earned on these accounts is expected to be appropriated and used in operations to support the Organization's programs.

The Painted Turtle

Notes to Financial Statements December 31, 2021

Endowment net asset composition by type of fund as of December 31, 2021, is as follows:

	Without donor restrictions	With donor restrictions		Total
		Time or purpose	Perpetual	
Donor-restricted endowment funds	\$ -	\$ -	\$ 8,922,000	\$ 8,922,000
Board-designated endowment funds	1,894,556	-	-	1,894,556
Endowment assets, end	<u>\$ 1,894,556</u>	<u>\$ -</u>	<u>\$ 8,922,000</u>	<u>\$ 10,816,556</u>

The following table summarizes the activity affecting endowment net assets for the year ended December 31, 2021:

	Without donor restrictions	With donor restrictions		Total
		Time or purpose	Perpetual	
Endowment assets, beginning	\$ 1,340,556	\$ -	\$ 5,919,800	\$ 7,260,356
Contributions	-	-	3,002,200	3,002,200
Investment income	102,291	451,709	-	554,000
Appropriated for expenditure	451,709	(451,709)	-	-
Endowment assets, end	<u>\$ 1,894,556</u>	<u>\$ -</u>	<u>\$ 8,922,000</u>	<u>\$ 10,816,556</u>

At December 31, 2021, there were no deficiencies of donor-restricted endowment funds. Board-designated endowment funds are designated for the support of camp operations.

Note 11 - 401(k) retirement plan

The Organization maintains a 401(k) plan which is available to substantially all full-time employees who have attained the age of 21 and have completed 90 days of service. Employees can elect to make contributions of up to 15% of compensation or the maximum allowed by law. The Organization has an option to match up to 4% of compensation. For the year ended December 31, 2021, the Organization contributed \$225,495.

Note 12 - Commitments and contingencies

The Organization leases its office facilities and certain office equipment under noncancelable operating leases expiring through February 2023. Total rent expense under these leases was \$39,978 for the year ended December 31, 2021.

The following is a schedule, by years, of future minimum lease payments required under the operating leases that have initial or remaining lease terms in excess of one year as of December 31, 2021:

2022	\$ 4,412
2023	<u>377</u>
	<u>\$ 4,789</u>

The Painted Turtle

Notes to Financial Statements December 31, 2021

Coronavirus

In December 2019, a novel strain of the coronavirus ("COVID-19") was reported. On March 11, 2020, the World Health Organization declared the COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption. Therefore, the extent of the financial impact and duration cannot be reasonably estimated at this time.

Note 13 - Subsequent events

The Organization has evaluated the impact of subsequent events through October 31, 2022, which is the date the financial statements were available to be issued.

Second round PPP loan forgiveness

The Organization submitted its application for PPP loan forgiveness during December 31, 2021 and received notice from the SBA in January 2022 that the SBA approved forgiveness of the full amount of the PPP loan and the related interest thereon. Accordingly, the Organization will derecognize \$724,790 of the PPP loan and recognize a corresponding gain on debt forgiveness, which will be included in other income for the year ending December 31, 2022.



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