CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL

Audited Financial Statements

December 31, 2022

ADKF, P.C.
Certified Public Accountants

CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Children's Association for Maximum Potential
San Antonio, Texas

Opinion
We have audited the accompanying financial statements of Children's Association for Maximum Potential (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Association for Maximum Potential as of December 31, 2022 and 2021, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits.

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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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, including omissions, 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.

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Auditor's Responsibilities for the Audit of the Financial Statements – continued

In performing an audit in accordance with generally accepted auditing standards, 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 Organization'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 Organization'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.

ADKF, PC

ADKF, P.C.
San Antonio, Texas
March 22, 2023

CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL
Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents:		
Operating	$ 480,974	$ 461,441
Savings, board designated	856,517	852,035
Donor restricted	355,899	205,981
Total cash, cash equivalents and restricted cash	1,693,390	1,519,457
Accounts receivable, net	27,387	63,571
Pledges receivable, net	5,000	20,000
Inventory	22,864	29,754
Prepaid expenses	79,164	82,115
Investments, at fair value:		
Board designated	323,313	587,821
Available for operations	364,476	177,615
Right-of-use operating lease assets	17,344	-
Property and equipment, net	7,594,584	7,847,869
Total Assets	$ 10,127,522	$ 10,328,202
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 17,557	$ 12,735
Accrued expenses	64,055	47,855
Lease liabilities, current portion	13,737	-
Deferred revenue	19,500	-
Total current liabilities	114,849	60,590
Lease liabilities, net of current portion	3,607	-
Total liabilities	118,456	60,590
Net Assets:		
Without donor restrictions:		
Board designated	1,179,830	1,439,856
Available for general operations	8,473,337	8,428,359
Total without donor restrictions	9,653,167	9,868,215
With donor restrictions	355,899	399,397
Total net assets	10,009,066	10,267,612
Total Liabilities and Net Assets	$ 10,127,522	$ 10,328,202

See notes to audited financial statements.

CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL
Statement of Activities
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Program service fees	$ 739,587	$ -	$ 739,587
Federal grants	92,148	-	92,148
United Way	44,391	-	44,391
Other grants and contributions	1,273,165	228,600	1,501,765
In-kind support	1,025,994	-	1,025,994
Special events, net of expenses of $68,563	211,532	-	211,532
Investment (loss), net of fees	(67,846)	-	(67,846)
Other revenue	1,140	-	1,140
Total support and revenues	3,320,111	228,600	3,548,711
Expenses			
Program services	3,095,228	-	3,095,228
Management and general	385,758	-	385,758
Fundraising	326,271	-	326,271
Total expenses	3,807,257	-	3,807,257
Change in Net Assets	(487,146)	228,600	(258,546)
Net assets released from restrictions	272,098	(272,098)	-
Net assets at beginning of year	9,868,215	399,397	10,267,612
Net Assets at Year End	$ 9,653,167	$ 355,899	$ 10,009,066

See notes to audited financial statements.

CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL
Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Program service fees	$ 504,623	$ -	$ 504,623
Federal grants	625,294	-	625,294
United Way	50,791	-	50,791
Other grants and contributions	842,729	264,514	1,107,243
In-kind support	644,078	-	644,078
Special events, net of expenses of $43,891	228,205	-	228,205
Dues	60	-	60
Investment earnings, net of fees	28,087	-	28,087
Other revenue	594,815	-	594,815
Total support and revenues	3,518,682	264,514	3,783,196
Expenses			
Program services	2,412,893	-	2,412,893
Management and general	356,917	-	356,917
Fundraising	339,503	-	339,503
Total expenses	3,109,313	-	3,109,313
Change in Net Assets	409,369	264,514	673,883
Net assets released from restrictions	136,962	(136,962)	-
Net assets at beginning of year	9,321,884	271,845	9,593,729
Net Assets at Year End	$ 9,868,215	$ 399,397	$ 10,267,612

See notes to audited financial statements.

CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL
Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services	Supporting Services	Fundraising	Totals
Salaries	$ 855,988	$ 126,485	$ 158,017	$ 1,140,490
Employee benefits	39,311	26,507	9,184	75,002
Payroll taxes	49,633	25,272	7,471	82,376
Bank charges	15,332	14,624	53	30,009
Conferences	1,991	1,765	200	3,956
Dues and memberships	335	1,833	95	2,263
Insurance	64,325	36,099	5,546	105,970
Miscellaneous	-	541	-	541
Occupancy	194,384	62	13,812	208,258
Postage/delivery	2,109	596	6,467	9,172
Printing	352	2,374	5,340	8,066
Professional fees	88,093	36,275	7,290	131,658
Rental and maintenance	14,031	6,074	1,435	21,540
Supplies	372,994	1,742	6,391	381,127
Telephone	26,218	5,554	11,296	43,068
Training	5,668	2,329	370	8,367
Travel/mileage	24,853	6,732	4,432	36,017
Volunteer expense	20,359	2,677	61	23,097
Depreciation	423,258	28,217	18,811	470,286
Total direct expenses	2,199,234	325,758	256,271	2,781,263
In-kind contributed services and materials:				
Facility usage	290,000	60,000	70,000	420,000
Professional services	525,190	-	-	525,190
Supplies	80,804	-	-	80,804
Total in-kind services and materials	895,994	60,000	70,000	1,025,994
Total Expenses	$ 3,095,228	$ 385,758	$ 326,271	$ 3,807,257
Special event costs not included above:			$ 68,563	

See notes to audited financial statements.

CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services	Supporting Services	Fundraising	Totals
Salaries	$ 817,150	$ 35,628	$ 195,411	$ 1,048,189
Employee benefits	50,265	14,357	13,839	78,461
Payroll taxes	63,183	2,274	13,102	78,559
Bank charges	12,073	8,995	332	21,400
Conferences	2,198	1,804	-	4,002
Dues and memberships	10,734	830	1,145	12,709
Insurance	77,736	19,584	-	97,320
Occupancy	157,858	151,400	5,988	315,246
Postage/delivery	1,512	116	8,326	9,954
Printing	1,288	4,866	4,212	10,366
Professional fees	83,078	23,388	900	107,366
Rental and maintenance	37,155	4,985	-	42,140
Supplies	135,652	5,463	1,826	142,941
Telephone	10,239	875	3,082	14,196
Training	2,604	60	688	3,352
Travel/mileage	12,441	3,393	1,906	17,740
Volunteer expense	13,838	(8,422)	532	5,948
Depreciation	409,811	27,321	18,214	455,346
Total direct expenses	1,898,815	296,917	269,503	2,465,235
In-kind contributed services and materials:				
Facility usage	270,000	60,000	70,000	400,000
Professional services	177,165	-	-	177,165
Supplies	66,913	-	-	66,913
Total in-kind services and materials	514,078	60,000	70,000	644,078
Total Expenses	$ 2,412,893	$ 356,917	$ 339,503	$ 3,109,313
Special event costs not included above:			$ 43,891	

See notes to audited financial statements.

CHILDREN'S ASSOCIATION FOR MAXIMUM POTENTIAL
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Operating Activities		
Change in net assets	$ (258,546)	$ 673,883
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	470,286	455,346
PPP Loan forgiveness	-	(277,700)
Change in operating assets and liabilities:		
Accounts receivable	36,184	(13,746)
Pledges receivable	15,000	20,000
Inventory	6,890	(24,999)
Prepaid expenses	2,951	327
Operating lease right of use asset	10,830	-
Accounts payable and accrued expenses	21,022	(4,741)
Operating lease liablity	(10,830)	-
Deferred revenue	19,500	-
Net cash provided by operating activities	313,287	828,370
Investing Activities		
Net investment activity	(186,861)	(108,124)
Acquisitions of property and equipment	(217,001)	(245,701)
Net cash (used) by investing activities	(403,862)	(353,825)
Financing Activities		
Proceeds from PPP loan	-	250,700
Net cash provided by financing activities	-	250,700
Change in cash	(90,575)	725,245
Cash, cash equivalents and restricted cash at beginning of year	1,519,457	794,212
Cash, Cash Equivalents and Restricted Cash at End of Year	$ 1,428,882	$ 1,519,457
Supplemental Disclosures		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	-	-

See notes to audited financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities: Children's Association for Maximum Potential (CAMP) is a non-profit organization, located in San Antonio, Texas that provides recreational, educational, and respite services for children with developmental disabilities and their families. CAMP provides week-long camping sessions each summer, as well as week-end camping sessions the other months of the year, at its campground on the Guadalupe River in Center Point. CAMP was founded in 1979 and has been accredited by the American Camp Association since 1994.

Basis of Presentation: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U. S. generally accepted accounting principles. Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

> *Without Donor Restrictions:* Net assets available for use in general operations and not subject to donor restrictions. Grants and contributions gifted for recurring programs are generally not considered "restricted" under GAAP, though for internal reporting the Organization tracks such grants and contributions to verify the disbursement matches the intent. Assets restricted solely through the actions of the Board are reported as net assets without donor restrictions, board-designated.
>
> *With Donor Restrictions:* Net assets subject to donor-imposed stipulations that are more restrictive than the Organization's mission and purpose. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events that will be specified by the donor. Donor imposed restrictions are released when the 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. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions received with donor restrictions whose restrictions are met in the same reporting period are generally reported as unrestricted support in the same reporting year.

Revenue Recognition: Contributions received and unconditional promises to give are recorded when earned rather than received and are reported as an increase in net assets.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restrictions are reclassified to without donor restrictions and reported in the statements of activity as net assets released from restrictions.

CAMP reports gifts of goods and equipment at estimated fair value and 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 stipulations about how long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Program Service Fees: Fees for program services are recorded at the time services are rendered.

United Way Support: CAMP typically receives an allocated grant on an annual basis from the United Way, the grant period is July 1 to the following June 30. The grant confirmation is generally received from the United Way near CAMP's year end or shortly thereafter and is recognized as revenue in the year to which the grant applies.

In-kind Support: In-kind support includes contributed supplies and materials, facility usage, and professional services. Such items are valued based on the estimated fair market value on the date of contribution. CAMP also receives substantial assistance from volunteers who contribute their personal time to assist in a number of areas. See Note D.

Functional Allocation of Expenses: The costs of providing services and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated based on time and effort (such as salaries and benefits) as well as on a square footage or other reasonable basis.

Special Events: Costs associated with special events are netted against the related revenue.

Cash, Cash Equivalents and Restricted Cash: Cash, cash equivalents and restricted cash consists of cash on hand and demand deposits held by financial institutions and any equivalent securities with a maturity of three months or less. Board designated cash represents amounts designated by the Board for specific purposes, but for which there is no legal restriction. Donor restricted cash represents cash restricted for the capital campaign infrastructure.

Accounts Receivable: Accounts receivable represent program service fees and are reported at outstanding principal net of an allowance for doubtful accounts of approximately $-0- at December 31, 2022 and December 31, 2021. An allowance is generally determined based on an account-by-account review and historical trends. Accounts are charged off when collection efforts have failed and the account is deemed uncollectible. Interest is generally not charged on the receivables.

Pledges Receivable: Legally enforceable pledges and contributions, less an allowance for uncollectible amounts, are recorded as receivables in the year made unless the pledge or contribution is dependent upon the occurrence of a specified future and uncertain event to bind the promisor. Conditional pledges and contributions are recognized when the conditions upon which they depend are substantially met or when the possibility that the condition will not be met is remote. An allowance of $-0- and $54,600 was provided at December 31, 2022 and 2021, respectively.

Inventory: Inventories are recorded at the lower of cost or net realizable value, using the first-in, first-out method.

Investments: Investments are reported at fair market value determined by quoted market prices. Gains and losses (realized and unrealized) are reported net of investment expense as investment earnings (loss) in the statement of activities. Interest earned on money market accounts and certificate of deposits is recorded monthly as earned.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property and Equipment: Property and equipment is stated at historical cost or estimated fair value at date of donation. Expenditures for betterments that materially extend the useful life of an asset are capitalized. Depreciation is recorded using the straight-line method over the estimated useful lives of the related asset (generally three to five years for furniture, equipment and vehicles, and 15 to 30 years for buildings and improvements) or the remaining term of the lease.

Deferred Revenue: Deferred revenue represents advanced sponsorships received for special events to be held in the subsequent period. The revenue is recognized when the event occurs.

Income Taxes: CAMP is a not-for-profit organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. In addition, it is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. Donors of money and/or property are entitled to the maximum charitable contribution deduction allowed by law. CAMP is not subject to the Texas margin tax. Management is not aware of any tax positions that would have a significant impact on its financial position. Its federal tax returns for the last four years remain subject to examination.

Employee Benefit Plan: CAMP has a 403(b) Plan that covers substantially all employees age 18 and over. Employees may contribute a percentage of their annual compensation as allowed by the federal tax code. CAMP, at its discretion, may elect to match a portion of the employees' contribution on an annual basis. CAMP contributed $16,617 in 2022 and $18,206 in 2021 to the Plan.

Concentrations of Credit Risk: Financial instruments that potentially subject CAMP to concentrations of credit risk consist principally of cash and investments. CAMP maintains cash deposits with major financial institutions which, from time-to-time, may exceed federally insured limits. CAMP periodically assesses the financial condition of the institutions, as well as the diverse nature of its investments, and believes that the risk of loss is minimal.

Use of Estimates: The preparation of financial statements in conformity with U. S. generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: Subsequent events have been evaluated by management through the date of the independent auditor's report. Material subsequent events, if any, are disclosed in a separate footnote to these financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Recently Adopted Accounting Pronouncements: In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)," for reporting periods beginning after December 15, 2021. A lessee is required to recognize on the balance sheet right-of-use assets, representing the right to use the underlying asset for the lease term, and a lease liability for all leases with terms greater than 12 months. The guidance also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases.

CAMP adopted the new standard effective January 1, 2022, the first day of the lease standard implementation date. Consistent with the optional transition method allowed as part of the modified retrospective transition approach provided in ASU No. 2018-11, the Organization did not adjust comparative periods. The new standard applied to leases that have commenced as of the effective date, January 1, 2022, with a cumulative effect adjustment recorded as of that date. CAMP also elected to apply the package of practical expedients allowed in ASC 842-10-65-1 whereby the Organization need not reassess whether any expired or existing contracts are or contain leases, the Organization need not reassess the lease classification for any expired or existing leases, and the Organization need not reassess initial direct costs for any existing leases. The Organization's adoption of the ASU resulted in the addition of operating lease right-of-use assets on the statement of financial position for the right to use the underlying assets of operating leases with a corresponding liability. The Organization elected to use hindsight for transition when considering judgments and estimates such as assessments of lessee options to extend or terminate a lease or purchase the underlying asset. For all asset classes, the Organization has elected to not recognize a right-of-use asset and lease liability for leases with a term of twelve months or less. The adoption of this ASU did not have a material adjustment to the statement of activities. At January 1, 2022, the Organization recognized right of use assets of $24,899 and a corresponding lease liability of $24,899.

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit (Topic 958): *Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets* to increase the transparency of contributed non-financial assets by enhancing the presentation and disclosures. The update includes the presentation of contributed non-financial assets as a separate line item in the statement of activities while disclosing disaggregated information about the types of contributed non-financial assets, how the contribution was used and various other disclosures. Management adopted this standard effective January 1, 2022 and increased disclosures for in-kind contribution.

NOTE B – PLEDGES RECEIVABLE

Pledges receivables are scheduled to be collected as follows at December 31:

	2022	2021
Pledges receivable in less than one year	$ 5,000	$ 74,600
Less allowance for doubtful accounts	-	(54,600)
Pledges receivable, net	$ 5,000	$ 20,000

Discounting of multi-year pledges has not been reported as the amount is not significant for recognition.

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2022	2021
Land	$ 191,735	$ 191,735
Buildings and improvements	9,110,096	9,110,096
Equipment	918,294	679,579
Leasehold improvements	1,954,140	1,663,694
Construction in progress	-	312,159
Total property and equipment	12,174,265	11,957,263
Less accumulated depreciation	(4,579,681)	(4,109,394)
Net property and equipment	$ 7,594,584	$ 7,847,869

NOTE D – IN-KIND SUPPORT

In-kind contributions of supplies, facility use, and professional services (noncash support) are recorded as both revenues and expenses on the statement of activities. In-kind contributions received by the Organization are used in the programs and are reported with no donor restrictions. A summary of noncash support is as follows for the year ended December 31:

	2022	2021
Professional services (1)	$ 525,190	$ 177,165
Supplies (2)	80,804	66,913
Facility usage (3)	420,000	400,000
Total in-kind support	$ 1,025,994	$ 644,078

(1) Contributed professional services represent the estimated fair value of professional time contributed to CAMP's Summer and Mini Camp programs, and Family Support Services at an amount determined to be appropriate if individuals were hired by the Organization to perform such services.

(2) Contributed supplies are estimated at fair value on the basis of estimates of wholesale values that would be received for selling similar products.

(3) CAMP is housed in the Boorda Building, at Lackland Air Force Base. The Department of Defense provided a grant to CAMP for construction of the building. The building was formally transferred to the Department of Defense on September 11, 2000, and leased back to CAMP. The lease for the use of the building is $1 per year for 25 years. Accordingly, the difference between the market value of the lease (estimated based on current rental rates for similar facilities at the time of use) and the amount paid by CAMP is recognized as in-kind support. Renegotiations of the lease are currently taking place as the agreement expired in September 2022.

NOTE D – IN-KIND SUPPORT- continued

Other In-Kind Support: Other donated services (non-professional in nature) totaling approximately $317,000 in 2022 and $117,000 in 2021 are not recognized in these financial statements as they do not meet the criteria for recognition under U.S. generally accepted accounting principles. The estimated fair value of the services was computed using the minimum wage times the number of volunteer hours.

NOTE E – LINE OF CREDIT

CAMP has a line of credit with Frost Bank which was renewed on March 1, 2023 with a limit of $300,000. The line of credit accrues interest at a rate of 1.25% over the prime rate and matures on February 8, 2024. No amounts were outstanding under the line of credit at December 31, 2022 and 2021.

NOTE F – NET ASSETS WITH DONOR RESTRICTIONS

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

	2022	2021
Capital campaign:		
Pledges receivable (time-restricted)	$ 5,000	$ 20,000
Restricted for capital infrastructure	84,285	92,883
2023 Camp funding	177,000	202,000
Giant Swing Project	-	20,000
Music Garden	5,514	5,514
KOA Family Retreat Grant	19,100	15,000
TADA Grant-Koehler Foundation	-	5,000
Anonymous Grant (PACE)	60,000	39,000
Kelleher Foundation	5,000	-
Total net assets with donor restrictions	$ 355,899	$ 399,397

NOTE G – FAIR VALUE MEASUREMENTS

In accordance with U.S. generally accepted accounting principles, CAMP utilizes a fair value hierarchy that prioritizes the inputs for the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in inactive markets
- inputs other than quoted prices that are observable for the asset or liability
- inputs that are derived principally from or corroborated by observable market data by correlation
- if a contractual term, the Level 2 input must be observable for substantially the full term

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the investments at fair value:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
December 31, 2022:				
Board Designated:				
Mutual funds	$ 687,789	$ -	$ -	$ 687,789
Total investments at fair value	$ 687,789	$ -	$ -	$ 687,789
December 31, 2021:				
Board Designated:				
Money market funds	$ 467,803	-	-	467,803
Mutual funds	297,633	-	-	297,633
Total investments at fair value	$ 765,436	$ -	$ -	$ 765,436

NOTE G – FAIR VALUE MEASUREMENTS – continued

There have been no changes in methodologies used to estimate fair value, nor transfers between levels. Following is a description of the valuation methodologies used for various types of assets measured at fair value:

Money Market Funds: Valued at cost plus accrued interest.

Mutual Funds: Valued at the net asset value (NAV).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although CAMP believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE H – PPP GRANT

On January 23, 2021, CAMP received a 2nd round of funding under the Paycheck Protection Program (PPP) as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), administered by the U.S. Small Business Administration (SBA). Under the terms of the grant, CAMP received funding of $205,700. All proceeds were used for payroll costs and the grant was subsequently fully forgiven by the SBA on November 17, 2021; accordingly, the forgiveness is included under federal grant revenue in the 2021 statement of activities.

NOTE I – EMPLOYEE RETENTION CREDIT (ERC)

In March 2021, the Internal Revenue Service ("IRS") released Notice 2021-20, which retroactively eliminated the restriction that prevented employers who received a PPP loan from qualifying for the Employee Retention Credit ("ERC"), which is a refundable tax credit against certain employment taxes. Upon determination that the employer has complied with all of the conditions required to receive the credit., a grant may be recognized. CAMP qualified and filed to claim the ERC in the total amount of $92,148 and $347,594 in 2022 and 2021, respectively. The amount claimed and subsequently received by the Organization is reported as federal grant revenue in the statement of activities.

NOTE J – CURRENT ECONOMIC CONDITIONS

The impact of current economic events, including increasing inflation and interest rates, supply chain constraints, availability of capital and labor, and geopolitical events, remains uncertain. Any related financial impact cannot be reasonably estimated at this time.

NOTE K – INSURANCE PROCEEDS

CAMP's Board of Directors has designated $425,545 of insurance proceeds received in 2021 for future repairs of its CAMP offices leased in the Lackland Airforce Base, or to secure new office space.

NOTE L – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

CAMP has approximately $2 million of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. This consists of non-restricted cash of $1,337,491, accounts receivable of $27,387 and board designated investments of $687,789. See Note K above for Board designated funds received from insurance proceeds. CAMP's goal is to maintain six months of operating reserves throughout the year. CAMP plans to contribute at a minimum 50% of the increase in net assets with donor restriction each year until the reserve portfolio goal is met.

NOTE M – LEASES

The Organization determines if an arrangement is an operating lease or financing lease at commencement. The Organization has determined that it has no finance lease arrangements at December 31, 2022 or 2021. Lease assets and obligations are recognized at the lease commencement date based on the present value of lease payments over the term of the lease. The Organization utilizes the risk-free discount rate, according to the Organization's elected policy for a class of assets.

The Organization has third-party operating leases for office equipment. Operating lease expense is recognized on a straight-line basis over the lease term. The lease terms for the office equipment extend through 2025. Lease expense associated with the non-cancellable operating lease agreements approximated $13,363 in 2022 and $12,240 in 2021.

In determining lease asset values, the Organization considers fixed and variable payment terms, prepayments, incentives, and options to extend, terminate or purchase. Renewal, termination, or purchase options affect the lease term used for determining lease asset value only if the option is reasonably certain to be exercised.

At December 31, 2022, the weighted-average remaining lease term was 2.19 years and the weighted-average discount rate was 1.32%. Future commitments relating to these lease agreements are as follows:

Year Ending December 31:	
2023	$ 13,737
2024	3,537
2025	374
Total minimum future payments	17,648
Less: imputed interest	(304)
Present value of lease liability	$ 17,344