

FINANCIAL STATEMENTS

**CITY KIDS TO WILDERNESS
PROJECT, INC.**

**FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2021**

CITY KIDS TO WILDERNESS PROJECT, INC.

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
City Kids to Wilderness Project, Inc.
Washington, D.C.

Opinion

We have audited the accompanying financial statements of City Kids to Wilderness Project, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and change in net assets, functional expenses and cash flows for the year 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 the Organization as of December 31, 2022, and the change 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. 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 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 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.

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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.

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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 17, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



July 11, 2023

CITY KIDS TO WILDERNESS PROJECT, INC.

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 205,465	\$ 425,440
Investments	2,292,670	2,375,065
Contributions and grants receivable	31,000	361,457
Prepaid expenses and deposits	<u>21,905</u>	<u>15,630</u>
Total current assets	<u>2,551,040</u>	<u>3,177,592</u>
FIXED ASSETS		
Equipment	51,226	57,223
Computer equipment	23,842	23,842
Vehicles	114,173	102,881
Leasehold improvements	117,159	109,339
Other	<u>45,865</u>	<u>23,204</u>
	352,265	316,489
Less: Accumulated depreciation and amortization	<u>(197,078)</u>	<u>(181,996)</u>
Net fixed assets	<u>155,187</u>	<u>134,493</u>
TOTAL ASSETS	<u>\$ 2,706,227</u>	<u>\$ 3,312,085</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 66,168	\$ 76,116
Accrued vacation	35,101	25,372
Other current liabilities	<u>9,365</u>	<u>6,000</u>
Total liabilities	<u>110,634</u>	<u>107,488</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	1,363,352	1,503,386
Board designated - general reserve	<u>1,102,654</u>	<u>1,479,247</u>
Total without donor restrictions	2,466,006	2,982,633
With donor restrictions	<u>129,587</u>	<u>221,964</u>
Total net assets	<u>2,595,593</u>	<u>3,204,597</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,706,227</u>	<u>\$ 3,312,085</u>

CITY KIDS TO WILDERNESS PROJECT, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions and grants	\$ 1,296,442	\$ 332,134	\$ 1,628,576	\$ 1,570,021
Investment (loss) income, net	(377,520)	-	(377,520)	310,549
Donated goods, facilities and services	774,238	-	774,238	723,835
Rental income	51,385	-	51,385	61,050
Other revenue	-	-	-	3,468
Net assets released from donor restrictions	<u>424,511</u>	<u>(424,511)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>2,169,056</u>	<u>(92,377)</u>	<u>2,076,679</u>	<u>2,668,923</u>
EXPENSES				
Program Services	<u>2,030,688</u>	<u>-</u>	<u>2,030,688</u>	<u>1,880,654</u>
Supporting Services:				
Management and General	491,072	-	491,072	344,929
Fundraising	<u>163,923</u>	<u>-</u>	<u>163,923</u>	<u>228,958</u>
Total supporting services	<u>654,995</u>	<u>-</u>	<u>654,995</u>	<u>573,887</u>
Total expenses	<u>2,685,683</u>	<u>-</u>	<u>2,685,683</u>	<u>2,454,541</u>
Total change in net assets	(516,627)	(92,377)	(609,004)	214,382
Net assets at beginning of year	<u>2,982,633</u>	<u>221,964</u>	<u>3,204,597</u>	<u>2,990,215</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,466,006</u>	<u>\$ 129,587</u>	<u>\$ 2,595,593</u>	<u>\$ 3,204,597</u>

CITY KIDS TO WILDERNESS PROJECT, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022				2021	
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	Management and General	Fundraising			
Salaries and related expenses	\$ 710,810	\$ 317,220	\$ 122,891	\$ 440,111	\$ 1,150,921	\$ 1,055,962
Donated facilities and services	683,240	-	-	-	683,240	723,835
Supplies, activity fees and program fees	287,955	337	1,135	1,472	289,427	277,085
Ranch facilities and maintenance	103,193	2,129	-	2,129	105,322	138,089
Occupancy	51,519	10,425	4,169	14,594	66,113	-
Office expenses	12,676	14,622	7,947	22,569	35,245	26,695
Legal	-	11,963	-	11,963	11,963	-
Consultants and professional fees	100,329	110,326	10,852	121,178	221,507	116,884
Insurance	31,247	12,971	5,045	18,016	49,263	51,587
Special event expenses	165	-	7,225	7,225	7,390	5,979
Telecommunications	6,027	2,803	1,166	3,969	9,996	-
Other expenses	43,527	8,276	3,493	11,769	55,296	58,425
TOTAL	\$ 2,030,688	\$ 491,072	\$ 163,923	\$ 654,995	\$ 2,685,683	\$ 2,454,541

See accompanying notes to financial statements.

CITY KIDS TO WILDERNESS PROJECT, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (609,004)	\$ 214,382
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	21,079	21,140
Net realized and unrealized loss (gain) on investments	432,529	(242,520)
Decrease (increase) in:		
Contributions and grants receivable	330,457	135,477
Prepaid expenses and deposits	(6,275)	42,367
(Decrease) increase in:		
Accounts payable and accrued liabilities	(9,948)	50,259
Accrued vacation	9,729	5,796
Other liabilities	<u>3,365</u>	<u>875</u>
Net cash provided by operating activities	<u>171,932</u>	<u>227,776</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(41,773)	(25,969)
Purchase of investments	(2,931,004)	(2,326,017)
Proceeds from sale of investments	<u>2,580,870</u>	<u>2,491,766</u>
Net cash (used) provided by investing activities	<u>(391,907)</u>	<u>139,780</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payments on) notes payable	<u>-</u>	<u>(150,000)</u>
Net cash used by financing activities	<u>-</u>	<u>(150,000)</u>
Net (decrease) increase in cash and cash equivalents	(219,975)	217,556
Cash and cash equivalents at beginning of year	<u>425,440</u>	<u>207,884</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 205,465</u>	<u>\$ 425,440</u>

CITY KIDS TO WILDERNESS PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

City Kids to Wilderness Project, Inc. (the Organization) is a non-profit organization, incorporated in the District of Columbia (DC). The Organization was founded on the belief that providing enriching life experiences for DC youth can enhance their lives, the lives of their families, and the greater community. The program is based around three core principles: long-term youth engagement, outdoor adventure and experiential education programming, and goal setting with a focus on future planning. Youth develop a positive self-identity by overcoming challenges, building strong relationships with peers and adult mentors, and exploring personal possibilities. The City Kids journey begins when youth enter the program in the sixth grade, and continues through middle school, high school, and beyond. Programming is based on the positive youth development framework, and the program is carefully structured to provide age and stage appropriate support as youth mature. Each year brings new challenges, and excitement as youth gain new skills, and explore Washington, D.C. and the wilderness areas of the Mid-Atlantic, and participate in summer programming at Broken Arrow Ranch in Jackson, Wyoming. The Organization funds its program and supporting services primarily through contributions from individuals, foundations, governments, and corporations.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

New accounting pronouncement adopted -

During the year ended December 31, 2022, the Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves generally accepted accounting principles in the United States (U.S. GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU was adopted retrospectively and did not change the recognition and measurement requirements for those contributed nonfinancial assets.

CITY KIDS TO WILDERNESS PROJECT, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less, excluding money market funds held by investment managers in the amount of \$68,000 for the year ended December 31, 2022, to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment (loss) income, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets. Investments acquired by gift are recorded at their fair value at the date of the gift. The Organization's policy is to liquidate all gifts of investments as soon as possible after the gift.

Contributions and grants receivable -

Contributions and grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2022 totaled \$21,079.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to the Statement of Activities and Change in Net Assets, to its current fair value.

Income taxes -

The Organization is exempt from Federal income taxes under Section 501(c)3 of the Internal Revenue Code and is only subject to tax on unrelated business income. The Organization is not a private foundation.

Uncertain tax positions -

For the year ended December 31, 2022, the Organization has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

CITY KIDS TO WILDERNESS PROJECT, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Revenue -

Contributions and grants -

The Organization receives contributions, including unconditional promises to give, from various sources, including organizations and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received.

The Organization performs an analysis of the individual contribution and grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Contributions and grants qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Certain grants and awards are for direct and indirect program costs. These transactions are nonreciprocal and recognized as contributions when the revenue becomes unconditional.

Funds received in advance of the incurrence of qualifying expenditures are recorded as deferred revenue. For contributions and grants treated as contributions, the Organization had approximately \$250,000 in unrecognized conditional awards as of December 31, 2022.

Rental income -

Rental income is classified as an exchange transaction following ASU 2014-09, *Revenue from Contracts With Customers*, and revenue is recorded at the point in time when the performance obligations are met. The Organization has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on the rental price as agreed in the agreement. Rent received in advance of satisfying performance obligations are recorded as deferred revenue.

Donated goods, facilities and services -

Donated goods, facilities and services consist of rent, pro bono services and supplies. Goods donated for distribution for the Organization's programs are recorded at their fair market value as of the date of the gift. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In addition, volunteers have donated significant amounts of their time to the Organization; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

CITY KIDS TO WILDERNESS PROJECT, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on the distribution of labor. Expenses allocated include salaries and related expenses, occupancy, consultants and professional fees, telecommunications, facilities and services, insurance, office expenses and other expenses.

Risks and uncertainties -

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Fair value measurement -

The Organization adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Organization accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassification was made to reclassify cash balances out of investments.

New accounting pronouncement not yet adopted -

Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates.

CITY KIDS TO WILDERNESS PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncement not yet adopted (continued) -

The ASU is effective for the Organization for the year ending December 31, 2023. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

The Organization plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

2. INVESTMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2022. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Organization are deemed to be actively traded.

CITY KIDS TO WILDERNESS PROJECT, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. INVESTMENTS (Continued)

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2022.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market funds	\$ 68,000	\$ -	\$ -	\$ 68,000
Equities	1,674,385	-	-	1,674,385
Mutual funds	<u>550,285</u>	<u>-</u>	<u>-</u>	<u>550,285</u>
TOTAL INVESTMENTS	<u>\$ 2,292,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,292,670</u>

Included in investment loss are the following:

Interest and dividends	\$ 63,642
Net realized and unrealized loss on investments	(432,529)
Investment expenses	<u>(8,633)</u>
TOTAL INVESTMENT LOSS, NET OF INVESTMENT EXPENSES	<u>\$ (377,520)</u>

3. DONATED GOODS, FACILITIES AND SERVICES

During the year ended December 31, 2022, the Organization was the beneficiary of donated goods and services which allowed the Organization to provide greater resources toward various programs. There were no donor-imposed restrictions associated with the in-kind contributions during the year ended December 31, 2022. Donated goods and services are based on values provided by the donors. To properly reflect total program expenses, the following donations have been included in revenue and expense for the year ended December 31, 2022.

Donated Ranch Rent	\$ 683,240
Pro Bono Consulting	74,073
Pro Bono Legal	11,963
Camping Supplies	<u>4,962</u>
TOTAL	<u>\$ 774,238</u>

The following programs have benefited from these donated services:

General Program	\$ 762,275
Management and General	<u>11,963</u>
TOTAL	<u>\$ 774,238</u>

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2022:

Subject to expenditure for specified purpose:	
General Program	\$ 124,587
Subject to passage of time	<u>5,000</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 129,587</u>

CITY KIDS TO WILDERNESS PROJECT, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

4. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose restrictions accomplished:	
General Program	\$ 232,261
Alumni	37,500
Clean/Ranch	7,000
Capacity Building	47,750
Timing restrictions accomplished	<u>100,000</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 424,511</u>

5. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 205,465
Investments	2,292,670
Contributions and grants receivable	<u>31,000</u>
Subtotal financial assets available within one year	2,529,135
Less: Donor restricted funds	(129,587)
Less: Board designated funds	<u>(1,102,654)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 1,296,894</u>

The Organization has a goal to maintain financial assets to meet three months of normal operating expenses. The Organization structures its financial assets to be available and liquid as its obligations become due, operating within a prudent range of financial soundness and stability while maintaining and monitoring reserves to provide reasonable assurance that long-term program goals and donor restrictions will continue to be met. Occasionally, the Board designates a portion of net assets without donor restrictions as a general long-term reserve. The reserve was \$1,102,654 at December 31, 2022, as shown on the accompanying Statement of Financial Position. Should the need arise, the Board may approve releases from the reserve.

6. LEASE COMMITMENTS

The Organization entered into lease agreements for its office space on a month-to-month basis. Rent expense from these leases for the year ended December 31, 2021 was \$66,112 and is included in occupancy on the accompanying Statement of Functional Expenses.

7. RETIREMENT PLAN

The Organization provides noncontributory retirement benefits to its employees. Full time employees with six months of service or more are eligible for the Organization's retirement plan. Employees are permitted to contribute up to the allowable maximum.

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8. RELATED PARTY TRANSACTIONS

In 2017, the Organization entered into a lease agreement for a ranch used for the Organization's program activities with its founder and chairman emeritus of the Board. The lease provides discounted rent at \$100 annually for ten years. The lease is automatically extended for up to two subsequent ten-year extension terms unless the Organization terminates at least one year prior to the initial or extended termination date.

If the term of the lease is extended, either the landlord or the Organization may terminate the lease with a five-year notice during the first extended term, or three-year notice during the second extended term. The intent is that prior to the expiration of the final extended term, the parties will negotiate a new lease. The fair value market value of the annual rent for the ranch is approximately \$683,340. The difference between the fair value of the rent and the actual rent paid during the year ended December 31, 2022 was recognized as donated rent income and expenses, and included in donated goods, facilities and services on the accompanying Statement of Activities and Change in Net Assets.

9. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 11, 2023, the date the financial statements were issued.