

Dallas Ecological Foundation
d/b/a
Outdoors Tomorrow Foundation
Financial Statements and
Independent Auditors' Report
June 30, 2021 and 2020

Dallas Ecological Foundation
d/b/a
Outdoors Tomorrow Foundation

Contents

	Page
Independent Auditors' Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to the Financial Statements	9-19

Malnory, McNeal & Company, PC

Certified Public Accountants

Mark W. Malnory, CPA
Johnna W. McNeal, CPA
Les S. Malnory, CPA
E.J. Musharbash, CPA
Beverly Smith, CPA
James R. Smith, CPA

Members of
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
AICPA Governmental Audit Quality Center

Elizabeth Hamm, CPA
Matthew Doyle, CPA
Yvonne Yu, CPA
Imran Zamani, CPA

Independent Auditors' Report

To the Board of Directors of
Dallas Ecological Foundation *d/b/a* Outdoors Tomorrow Foundation

We have audited the accompanying financial statements of Dallas Ecological *d/b/a* Outdoors Tomorrow Foundation (a Texas nonprofit Foundation) (the "Foundation"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation on the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Dallas Ecological Foundation *d/b/a* Outdoors Tomorrow Foundation as of June 30, 2021 and 2020, and the changes in net assets, functional expenses, and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink, appearing to read "Kathy M. P. C. C. C. PC".

Dallas, Texas
September 20, 2021

Certified Public Accountants

Dallas Ecological Foundation *dba* Outdoors Tomorrow Foundation
 Statements of Financial Position
 June 30,

	2021	2020
ASSETS		
Cash	\$ 1,070,527	\$ 1,016,253
Restricted cash	378,675	369,107
Certificate of deposit	-	-
Contributions receivable	56,303	52,665
Promises to give receivable, net of discount	239,032	310,848
Investments	694,746	382,981
Inventory	-	2,048
Prepays	8,219	6,153
Property and equipment, net	<u>622</u>	<u>1,840</u>
Total assets	<u>2,448,124</u>	<u>2,141,895</u>
LIABILITIES		
Accounts payable	18,464	2,459
Notes payable	-	52,082
Accrued expenses	<u>108,000</u>	<u>59,500</u>
Total liabilities	<u>126,464</u>	<u>114,041</u>
NET ASSETS		
Net assets without donor restrictions	1,262,454	964,919
Net assets with donor restrictions	<u>1,059,206</u>	<u>1,062,935</u>
Total net assets	<u>2,321,660</u>	<u>2,027,854</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,448,124</u></u>	<u><u>\$ 2,141,895</u></u>

Dallas Ecological Foundation *dba* Outdoors Tomorrow Foundation
 Statements of Activities and Changes in Net Assets
 For the Year Ended June 30, 2021

	<u>Net Assets without Donor Restrictions</u>	<u>Net Assets with Donor Restrictions</u>	<u>Total</u>
Revenues and Support			
Contributions	\$ 666,547	\$ 152,048	\$ 818,595
Grants	231,500	-	231,500
Special events	121,363	-	121,363
Paycheck Protection Program proceeds	52,082	-	52,082
Interest and dividend income	5,885	6,572	12,457
Unrealized gain (loss)	25,150	53,497	78,647
Net assets released from restriction	164,231	(164,231)	-
Total revenues and support	<u>1,266,758</u>	<u>47,886</u>	<u>1,314,644</u>
Expenses			
Program	528,607	-	528,607
Supporting	258,031	50,000	308,031
Fundraising	182,585	-	182,585
Decreases in net assets	<u>969,223</u>	<u>50,000</u>	<u>1,019,223</u>
Non-Operating Expenses			
Change in discount on pledges	-	1,615	1,615
Total non-operating expenses	<u>-</u>	<u>1,615</u>	<u>1,615</u>
Change in Net Assets	297,535	(3,729)	293,806
Net Assets at beginning of year	<u>964,919</u>	<u>1,062,935</u>	<u>2,027,854</u>
Net Assets at end of year	<u>\$ 1,262,454</u>	<u>\$ 1,059,206</u>	<u>\$ 2,321,660</u>

Dallas Ecological Foundation *dba* Outdoors Tomorrow Foundation
 Statements of Activities and Changes in Net Assets
 For the Year Ended June 30, 2020

	<u>Net Assets without Donor Restrictions</u>	<u>Net Assets with Donor Restrictions</u>	<u>Total</u>
Revenues and Support			
Contributions	\$ 226,092	\$ 421,306	\$ 647,398
Grants	156,000	-	156,000
Special events	116,320	-	116,320
Interest and dividend income	28,538	-	28,538
Unrealized gain (loss)	(10,121)	-	(10,121)
Net assets released from restriction	398,406	(398,406)	-
Increases in net assets	<u>915,235</u>	<u>22,900</u>	<u>938,135</u>
Expenses			
Program	399,449	-	399,449
Supporting	237,789	76,924	314,713
Fundraising	173,499	-	173,499
Decreases in net assets	<u>810,737</u>	<u>76,924</u>	<u>887,661</u>
Non-Operating Expenses			
Change in discount on pledges	<u>-</u>	<u>(29,288)</u>	<u>(29,288)</u>
Total non-operating expenses	<u>-</u>	<u>(29,288)</u>	<u>(29,288)</u>
Change in Net Assets	104,498	(24,736)	79,762
Net Assets at beginning of year	824,171	1,123,921	1,948,092
Reclass Scholarships	<u>36,250</u>	<u>(36,250)</u>	<u>-</u>
Net Assets at end of year	<u>\$ 964,919</u>	<u>\$ 1,062,935</u>	<u>\$ 2,027,854</u>

Dallas Ecological Foundation *dba* Outdoors Tomorrow Foundation
 Statements of Functional Expenses
 For the Year Ended June 30, 2021

	<u>Program</u>	<u>Supporting</u>	<u>Fundraising</u>	<u>TOTAL</u>
Salaries and benefits	\$ 276,092	\$ 166,096	\$ -	\$ 442,188
Advertising	16,485	16,485	-	32,970
Awards	11,916	-	-	11,916
Bad debt expense	-	50,000	-	50,000
Bank fees	-	2,749	2,978	5,727
Dues and subscriptions	-	1,853	-	1,853
Events	7,582	-	177,238	184,820
Insurance	501	12,014	-	12,515
License & fees	-	-	304	304
Office furniture/supplies	-	9,752	-	9,752
Phone	-	3,240	-	3,240
Postage	-	1,333	-	1,333
Printing	189	709	1,464	2,362
Professional fees	23,709	23,708	-	47,417
Rent/utilities	10,789	10,788	-	21,577
Scholarships	17,000	-	-	17,000
School equipment funding	150,308	-	-	150,308
Student enrichment	1,500	-	-	1,500
Training	868	-	-	868
Transportation	6,269	2,687	-	8,956
Other expenses	5,399	5,399	601	11,399
Total	<u>528,607</u>	<u>306,813</u>	<u>182,585</u>	<u>1,018,005</u>
Depreciation	<u>-</u>	<u>1,218</u>	<u>-</u>	<u>1,218</u>
Total functional expenses	<u>\$ 528,607</u>	<u>\$ 308,031</u>	<u>\$ 182,585</u>	<u>\$ 1,019,223</u>

Dallas Ecological Foundation *dba* Outdoors Tomorrow Foundation
 Statements of Functional Expenses
 For the Year Ended June 30, 2020

	<u>Program</u>	<u>Supporting</u>	<u>Fundraising</u>	<u>TOTAL</u>
Salaries and benefits	\$ 218,930	\$ 148,580	\$ -	\$ 367,510
Advertising	16,515	16,515	-	33,030
Awards	31,657	-	-	31,657
Bad debt expense	-	76,924	11,520	88,444
Bank fees	-	2,808	3,043	5,851
Dues and subscriptions	-	1,460	-	1,460
Events	5,700	-	153,735	159,435
Insurance	699	16,769	-	17,468
Interest expense	-	262	-	262
License & fees	-	-	2,595	2,595
Office supplies	-	2,497	-	2,497
Phone	-	2,204	-	2,204
Postage	-	1,545	-	1,545
Printing	336	1,261	2,606	4,203
Professional fees	21,884	21,884	-	43,768
Rent/utilities	10,176	10,175	-	20,351
Scholarships	9,187	-	-	9,187
School equipment funding	51,851	-	-	51,851
Student enrichment	5,296	-	-	5,296
Travel	7,696	-	-	7,696
Training	1,916	-	-	1,916
Transportation	12,242	5,247	-	17,489
Other expenses	5,364	5,364	-	10,728
Total	<u>399,449</u>	<u>313,495</u>	<u>173,499</u>	<u>886,443</u>
Depreciation	<u>-</u>	<u>1,218</u>	<u>-</u>	<u>1,218</u>
Total functional expenses	<u>\$ 399,449</u>	<u>\$ 314,713</u>	<u>\$ 173,499</u>	<u>\$ 887,661</u>

Dallas Ecological Foundation *dba* Outdoors Tomorrow Foundation
 Statements of Cash Flows
 For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 293,806	\$ 79,762
Adjustments to reconcile change in net assets to cash provided (used) by operating activities		
Depreciation	1,218	1,218
Bad debt	50,000	88,444
Forgiveness of Paycheck Protection Program proceeds	(52,082)	-
Change in operating assets and liabilities		
(Increase) decrease in inventory	2,048	-
(Increase) decrease in contributions receivable	(3,638)	3,545
(Increase) decrease in pledges receivable	21,816	7,762
(Increase) decrease in prepaid expenses	(2,066)	19,829
Increase (decrease) in accounts payable	16,005	(84,287)
Increase (decrease) in accrued expense	48,500	16,898
Net cash provided (used) by operating activities	375,607	133,171
Cash flows from investing activities		
Net purchases of investments	(311,765)	(357,107)
Net cash provided (used) by investing activities	(311,765)	(357,107)
Cash flows from financing activities		
Proceeds from notes payable	-	52,082
Net cash provided (used) by financing activities	-	52,082
Net increase (decrease) in cash	63,842	(171,854)
Cash and cash equivalents and restricted cash at beginning of year	1,385,360	1,557,214
Cash and cash equivalents and restricted cash at end of year	\$ 1,449,202	\$ 1,385,360

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2021

Note 1 - Business Activity

Dallas Ecological Foundation *d/b/a* Outdoors Tomorrow Foundation (the “Foundation”) is a Texas nonprofit corporation incorporated on May 14, 1981. The Foundation’s primary purpose is expanding youth outdoor education and furthering wildlife conservation efforts worldwide.

Effective August 24, 2016, Dallas Ecological Foundation elected to promote their mission statement and its outdoor adventure program under doing a business as name (“DBA”). The DBA is the Outdoors Tomorrow Foundation (OTF). The reasoning for operating under the DBA was to better reflect and market the geographical expansion of the Foundation.

The Foundation is supported primarily through contributions.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

Basis of Financial Statements Presentation and Accounting Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

For reporting purposes, resources are classified into two net asset categories according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions - net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time or subject to donor-imposed stipulations that are to be maintained permanently. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of cash receipts and disbursements – cash basis, as net assets are released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets without donor restrictions. As of June 30, 2021, and 2020, there were net assets with donor restrictions of \$1,059,206 and \$1,062,935, respectively.

Newly Adopted Accounting Pronouncement

In May 2014, the FASB issued ASU No. 2014-19, Revenue Recognition (Topic 606): Revenue from Contracts with Customers. This ASU introduces a new five step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Newly Adopted Accounting Pronouncement (continued)

customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of this accounting standard effective January 1, 2020 did not have a material impact on the Foundation's financial position or changes in its net assets. Contributions received are outside the scope of this standard.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization's cash and cash equivalents consist of cash on hand. The FDIC deposit insurance insures deposits and money markets up to \$250,000 per depositor, per insured bank for each ownership category. The Foundation has not incurred losses with respect to its cash.

Restricted Cash

The Foundation receives support from donors that is restricted as to withdrawal or use by the donors.

Investments

Investments consist of mutual funds, which are held for sale and are recorded at their current fair values. Securities that have been donated are recorded at the fair values as of the date of the gift.

Fair Value of Financial Instruments

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides the fair value hierarchy that prioritizes the inputs to 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 measurements) and the lowers priority to unobservable inputs (Level 3 measurements). 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.

Following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at June 30, 2021 and 2020.

Mutual funds: Valued at the closing price reported in an active market in which the security is traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

believes its valuation method is 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.

The provisions of Topic ASC 820 did not have an impact on the Foundation's nonfinancial assets and nonfinancial liabilities that are not permitted or required to be measured at fair value on a recurring basis.

Contributions Receivable and Promise to Give

Contributions are recognized when a donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires or is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give that are expected to be collected in more than one year are discounted to a net present value using an estimated discount factor for risk-free borrowing. For the years ended June 30, 2021 and 2020, discount to present values rates were 1.45% and 0.66%, respectively.

Contributions receivable and promises to give receivable are considered past due when payments are not made under the terms of the contribution agreement. There were no past due contributions receivable or promises to give receivable at June 30, 2020, and no provision was made for uncollectible receivables as of that date. Contributions receivable and promises to give receivable are considered uncollectible and written off to uncollectible bad debt when the donor withdraws the contribution commitment or fails to provide a reasonable revised schedule of contributions. For the years ended June 30, 2021 and 2020, promises to give receivable deemed uncollectible and written off were \$50,000 and \$88,444, respectively.

As of June 30, 2021, and 2020, contribution receivable had outstanding balances of \$56,303 and \$52,665, respectively while promises to give receivable net of discount, had outstanding balances of \$239,032 and \$310,848, respectively.

Donated Goods and Services

The Foundation receives a substantial amount of services donated by its volunteers in carrying out the Foundation's mission. In accordance with the generally accepted accounting principles, donated services are not recorded in these financial statements. Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost when purchased or fair value at the date the equipment is donated, less accumulated depreciation. Major expenditures and those that substantially increase useful lives are capitalized. All equipment purchases in excess of \$500 and having a useful life of one year or more are capitalized. Maintenance, repairs, and replacements, which do not improve or extend the lives of the respective assets, are included in the statement of activities and changes in net assets. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation is removed, and any gain or loss is included in the statement of activities and changes in net assets. Depreciation has been computed using the straight-line method over the useful lives of the assets as follows:

Computer equipment	5 years
Equipment	3–7 years

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Functional Allocation of Expenses

The costs of providing the Foundation's various programs, fundraising, and management and general have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, fundraising, and management and general categories based on the specific identification of costs or approximate percentage of time and other methods.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Income Taxes

The Foundation is a not-for-profit Foundation that is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in Section 501(c)(3) of the IRC. The Foundation has been classified as an organization

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

that is not a private foundation under IRC Section 509(a)(2), and as such, contributions to the Foundation qualify for deductions as charitable contributions. However, income generated from activities unrelated to the Foundation's exempt purpose is subject to tax under IRC Section 511, of which there is none. Accordingly, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

The Foundation is exempt from Texas state taxation for franchise tax and sales and use tax.

The Foundation's Federal Return of Foundation Exempt from Income Tax (Form 990) for 2017, 2018, and 2019 are open to examination by the IRS for a period of three years from the date the returns are filed.

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax provisions that would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision of uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities and changes in net assets or accrued in the statement of financial position.

Note 3 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date are Cash and cash equivalents of \$1,385,077.

Note 4 – Cash and Cash Equivalents

Cash and cash equivalents are composed of the following at June 30, 2021 and 2020:

	2021	2020
Cash	\$ 1,070,527	\$ 1,016,253
Restricted cash	378,675	369,107
Total cash, cash equivalents and restricted cash	\$ <u>1,449,202</u>	\$ <u>1,385,360</u>

Note 5 – Endowments

The Foundation has endowments that were pledged by donors to support the mission of the Foundation. As required by U.S. GAAP, net assets associated with endowment funds, including

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2021

Note 5 – Endowments (continued)

funds designated by the Foundation Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation’s endowment program consists of donor-restricted endowment funds and do not include any funds designated by the Board of Directors to functions as endowments. The endowment program is subject to the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA).

The Foundation Board of Directors has interpreted the TUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor restrictions to the contrary. The Foundation classifies the original value of gifts donated to the permanent endowment as well as accumulations to the permanent endowment made at the direction of the donor as net assets with donor restrictions. The remaining portion of the donor-restricted endowment fund that is not subject to permanent donor restrictions is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by TUPMIFA.

In accordance with TUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund:

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

		With Donor Restrictions
Endowment net assets, June 2020	\$	503,305
Contributions and earnings		78,300
Releases		-
Endowment net assets, June 2021	\$	581,605

		With Donor Restrictions
Endowment net assets, June 2019	\$	454,475
Contributions and earnings		48,830
Releases		-
Endowment net assets, June 2020	\$	503,305

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2021

Note 5 – Endowments (continued)

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to protect the related assets and provide a reasonable return until authorized use. The Foundation’s investment philosophy is to invest in secure vehicles, obtain adequate return on investment and invest in vehicles which are compatible with purposes of the Foundation.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Foundation relies on a strategy of asset diversification. On longer-term investments, the funds are normally placed with the Foundation in the investment pool except when the donor instrument defines another custodian.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or TUPMIFA requires the Foundation to retain as a fund perpetual duration. An aggregate deficiency did not exist at June 30, 2021 or 2020.

Note 6 – Promises to Give Receivable

Unconditional promises to give, consisting primarily of pledges, are summarized as follows at June 30, 2021 and 2020:

	2021	2020
Less than one year	\$ 69,400	\$ 69,800
One to five years	96,700	166,500
More than five years	80,000	80,000
Subtotal	246,100	316,300
Allowance for doubtful accounts	-	-
Discount	(7,068)	(5,452)
	\$ 239,032	\$ 310,848

Note 7 – Restricted Investments

Investments at June 30, 2021 and 2020 consisted of mutual and exchange traded funds in the amount of \$441,499 and \$382,981, respectively. Investment return for the year ended June 30, 2021 included interest, dividends, and unrealized gain/(loss) of \$60,069.

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2021

Note 8 – Fair Value of Financial Instruments

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2021 and 2020:

	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using:</u>		
		<u>Quoted Prices in Active markets for Identical Assets/Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
June 30, 2021				
Mutual and exchange traded funds	\$ 441,499	\$ 441,499	\$ -	\$ -
June 30, 2020				
Mutual and exchange traded funds	\$ 382,981	\$ 382,981	\$ -	\$ -

Note 9 – Prepaid Expense

Prepaid expenses are composed of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Prepaid expenses	\$ 3,219	\$ 6,153
Deposits	5,000	-
	<u>\$ 8,219</u>	<u>\$ 6,153</u>

Note 10 – Fixed Assets

Fixed assets are composed of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Camping equipment	\$ 8,811	\$ 8,811
Computer equipment	6,233	6,233
Less accumulated depreciation	(14,422)	(13,204)
	<u>\$ 622</u>	<u>\$ 1,840</u>

Depreciation expense for June 30, 2021 and 2020 was \$1,218 and \$1,218.

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2021

Note 11 – Notes Payable

On April 12, 2020, the Foundation received loan proceeds in the amount of \$52,082 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying entities for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying entity. The loan and accrued interest are forgivable after eight weeks or alternative covered period of twenty-four weeks as long as the borrower uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period.

The Foundation used the proceeds for purposes consistent with the PPP. The Foundation applied for and met the conditions for forgiveness of the loan which was granted on January 7, 2021.

Note 12 – Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2021 and 2020, consisted of the following:

	2021	2020
Purpose Restrictions		
GS	\$ 8,999	\$ 54,558
Collin County Youth	26,236	29,134
Houston grants	12,630	13,630
Kentucky	1,900	1,900
Texas Archery	68,897	22,567
Hunting fund	105	105
Lubbock DSC area	7,000	4,000
Warren Wildlife	2,000	14,312
RN LTD	80,111	83,111
New Mexico schools	1,950	4,600
Park Cities Quail OA Conservation Module	16,869	20,000
Youth shooting teams	865	865
IOSH-Eastern Priory	6,256	-
Lake Highlands HS	4,750	-
	238,568	248,782
Time Restrictions		
Pledges receivable, net of discount	239,033	310,848
Endowment	581,605	503,305
	\$ 1,059,206	\$ 1,062,935

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2021

Note 12 – Net Assets with Donor Restrictions (continued)

Release of net assets with donor restrictions during the fiscal years ended June 30, 2021 and 2020, consisted of the following:

	2021	2020
Purpose Restrictions		
GS	\$ 52,559	\$ 31,837
Collin County Youth	2,898	-
Houston grants	1,000	2,500
Ft. Worth Trap & Skeet Club Project	-	178,375
NASP Tournament	-	87,608
Texas Archery	24,534	500
Lubbock DSC area	1,000	-
Warren Wildlife	12,710	24,750
RN LTD	3,000	20,960
New Mexico Schools	2,650	-
Park Cities Quail OA Conservation Module	3,130	-
Scholarships	750	27,000
Sportsmen’s Club of Fort Worth	36,000	24,876
Nashville Schools	10,000	-
IOSH-Eastern Priory	14,000	-
	164,231	398,406
Time Restrictions		
Pledges receivable	20,200	37,050
	\$ 184,431	\$ 435,456

Note 13– Concentrations

Significant concentrations are those that exceed more than 10% of revenues received for the year. There were no donors that met the reporting threshold for significant donors requiring disclosure as a concentration for the year ending June 30, 2021.

Note 14 – COVID-19

The COVID-19 pandemic sweeping across the country has resulted in mandatory closure of many businesses resulting in layoffs of much of the workforce. The economic effects of those closures are not yet known but could potentially affect the Foundation.

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2021

Note 15 – Subsequent Events

The Foundation has evaluated subsequent events through September 20, 2021, the date the financial statements were available to be issued.