

Dallas Ecological Foundation
d/b/a
Outdoors Tomorrow Foundation
Financial Statements and
Independent Auditors' Report
June 30, 2022 and 2021

Dallas Ecological Foundation
d/b/a
Outdoors Tomorrow Foundation

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Independent Auditors' Report

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

Opinion

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, 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 Dallas Ecological Foundation *d/b/a* Outdoors Tomorrow Foundation as of June 30, 2022 and 2021, 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.

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 Dallas Ecological *d/b/a* Outdoors Tomorrow Foundation 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 for Management 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, 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 Dallas

Ecological *d/b/a* Outdoors Tomorrow Foundation'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 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 Dallas Ecological *d/b/a* Outdoors Tomorrow Foundation'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt Dallas Ecological *d/b/a* Outdoors Tomorrow Foundation'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.



Dallas, Texas
November 14, 2022

Certified Public Accountants

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

	2022	2021
ASSETS		
Cash	\$ 1,020,725	\$ 1,070,527
Restricted cash	457,436	378,675
Contributions receivable	132,203	56,303
Promises to give receivable, net of discount	170,065	239,032
Investments	646,780	694,746
Prepays	5,000	8,219
Property and equipment, net	<u>-</u>	<u>622</u>
Total assets	<u>2,432,209</u>	<u>2,448,124</u>
LIABILITIES		
Accounts payable	3,411	18,464
Accrued expenses	<u>111,500</u>	<u>108,000</u>
Total liabilities	<u>114,911</u>	<u>126,464</u>
NET ASSETS		
Net assets without donor restrictions	1,278,433	1,262,454
Net assets with donor restrictions	<u>1,038,865</u>	<u>1,059,206</u>
Total net assets	<u>2,317,298</u>	<u>2,321,660</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,432,209</u></u>	<u><u>\$ 2,448,124</u></u>

Dallas Ecological Foundation *dba* Outdoors Tomorrow Foundation
 Statements of Activities and Changes in Net Assets
 For the Year Ended June 30, 2022

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Revenues and Support			
Contributions	\$ 817,726	\$ 230,960	\$ 1,048,686
Grants	216,100	-	216,100
Special events	267,525	-	267,525
Interest and dividend income	5,316	5,649	10,965
Unrealized gain (loss)	(17,121)	(30,137)	(47,258)
Net assets released from restriction	178,045	(178,045)	-
Total revenues and support	1,467,591	28,427	1,496,018
Expenses			
Program	843,363	-	843,363
Supporting	361,703	-	361,703
Fundraising	246,546	-	246,546
Decreases in net assets	1,451,612	-	1,451,612
Non-Operating Expenses			
Change in discount on pledges	-	48,768	48,768
Total non-operating expenses	-	48,768	48,768
Change in Net Assets	15,979	(20,341)	(4,362)
Net Assets at beginning of year	1,262,454	1,059,206	2,321,660
Net Assets at end of year	\$ 1,278,433	\$ 1,038,865	\$ 2,317,298

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)	-
Increases in net assets	<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 Functional Expenses
 For the Year Ended June 30, 2022

	<u>Program</u>	<u>Supporting</u>	<u>Fundraising</u>	<u>TOTAL</u>
Salaries and benefits	\$ 313,805	\$ 206,977	\$ -	\$ 520,782
Advertising	25,567	25,567	-	51,134
Awards	4,048	-	-	4,048
Bad debt expense	-	18,831	-	18,831
Bank fees	-	8,388	9,086	17,474
Dues and subscriptions	-	2,097	-	2,097
Events	157,175	-	214,782	371,957
Insurance	627	15,057	-	15,684
License & fees	-	-	20,525	20,525
Member activities	-	1,242	-	1,242
Office furniture/supplies	-	8,275	-	8,275
Phone	-	7,098	-	7,098
Postage	-	1,605	-	1,605
Printing	200	750	1,551	2,501
Professional fees	22,193	22,192	-	44,385
Rent/utilities	18,711	18,711	-	37,422
Scholarships	22,000	-	-	22,000
School equipment funding	226,858	-	-	226,858
Student enrichment	1,000	-	-	1,000
Training	4,425	-	-	4,425
Transportation	39,311	16,848	-	56,159
Other expenses	7,443	7,443	602	15,488
Total	<u>843,363</u>	<u>361,081</u>	<u>246,546</u>	<u>1,450,990</u>
Depreciation	<u>-</u>	<u>622</u>	<u>-</u>	<u>622</u>
Total functional expenses	<u>\$ 843,363</u>	<u>\$ 361,703</u>	<u>\$ 246,546</u>	<u>\$ 1,451,612</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 Cash Flows
 For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ (4,362)	\$ 293,806
Adjustments to reconcile change in net assets to cash provided (used) by operating activities		
Depreciation	622	1,218
Bad debt	-	50,000
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	(75,900)	(3,638)
(Increase) decrease in pledges receivable	68,967	21,816
(Increase) decrease in prepaid expenses	3,219	(2,066)
Increase (decrease) in accounts payable	(15,053)	16,005
Increase (decrease) in accrued expense	3,500	48,500
Net cash provided (used) by operating activities	(19,007)	375,607
Cash flows from investing activities		
Net proceeds (purchases) of investments	47,966	(311,765)
Net cash provided (used) by investing activities	47,966	(311,765)
Net increase (decrease) in cash	28,959	63,842
Cash and cash equivalents and restricted cash at beginning of year	1,449,202	1,385,360
Cash and cash equivalents and restricted cash at end of year	\$ 1,478,161	\$ 1,449,202

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2022

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, 2022, and 2021, there were net assets with donor restrictions of \$1,038,865 and \$1,059,206, respectively.

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

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2022

Note 2 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents (continued)

\$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, 2022 and 2021.

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 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.

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2022

Note 2 - Summary of Significant Accounting Policies (continued)

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, 2022 and 2021, discount to present values rates were 2.98% and 1.45%, 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, 2022, 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, 2022 and 2021, promises to give receivable deemed uncollectible and written off were \$0 and \$50,000, respectively.

As of June 30, 2022, and 2021, contribution receivable had outstanding balances of \$132,203 and \$56,303, respectively while promises to give receivable net of discount, had outstanding balances of \$170,065 and \$239,032, 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.

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

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2022

Note 2 - Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

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

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 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 2018, 2019, and 2020 are open to examination by the IRS for a period of three years from the date the returns are filed.

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2022

Note 2 - Summary of Significant Accounting Policies (continued)

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 \$1,393,345.

Note 4 – Cash and Cash Equivalents

Cash and cash equivalents are composed of the following at June 30, 2022 and 2021:

	2022	2021
Cash	\$ 1,020,725	\$ 1,070,527
Restricted cash	457,436	378,675
Total cash, cash equivalents and restricted cash	\$ 1,478,161	\$ 1,449,202

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 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.

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2022

Note 5 – Endowments (continued)

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 2021	\$	581,605
Additions, earnings, and losses		41,712
Releases		(46,000)
Endowment net assets, June 2022	\$	577,317
		With Donor Restrictions
Endowment net assets, June 2020	\$	503,305
Additions, earnings, and losses		78,300
Releases		-
Endowment net assets, June 2021	\$	581,605

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, 2022 or 2021.

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2022

Note 6 – Promises to Give Receivable

Unconditional promises to give, consisting primarily of pledges, are summarized as follows at June 30, 2022 and 2021:

	2022	2021
Less than one year	\$ 60,200	\$ 69,400
One to five years	40,100	96,700
More than five years	125,600	80,000
Subtotal	<u>225,900</u>	<u>246,100</u>
Allowance for doubtful accounts	-	-
Discount	(55,835)	(7,068)
	<u>\$ 170,065</u>	<u>\$ 239,032</u>

Note 7 – Restricted Investments

Investments at June 30, 2022 and 2021 consisted of mutual and exchange traded funds in the amount of \$411,363 and \$441,499, respectively. Investment return for the year ended June 30, 2022 included interest, dividends, and unrealized gain/(loss) of (\$24,488).

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, 2022 and 2021:

		<u>Fair Value Measurements at Reporting Date Using:</u>		
		Quoted Prices in Active markets for Identical Assets/Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
<u>Fair Value</u>		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
June 30, 2022				
Mutual and exchange traded funds	\$ 411,363	\$ 411,363	\$ -	\$ -
June 30, 2021				
Mutual and exchange traded funds	\$ 441,499	\$ 441,499	\$ -	\$ -

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2022

Note 9 – Prepaid Expense

Prepaid expenses are composed of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Prepaid expenses	\$ -	\$ 3,219
Deposits	5,000	5,000
	<u>\$ 5,000</u>	<u>\$ 8,219</u>

Note 10 – Fixed Assets

Fixed assets are composed of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Camping equipment	\$ 8,811	\$ 8,811
Computer equipment	6,233	6,233
Less accumulated depreciation	(15,044)	(14,422)
	<u>\$ -</u>	<u>\$ 622</u>

Depreciation expense for June 30, 2022 and 2021 was \$622 and \$1,218.

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 borrow 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.

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Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2022

Note 12 – Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2022 and 2021, consisted of the following:

	2022	2021
Purpose Restrictions		
GS	\$ 6,000	\$ 8,999
Collin County Youth	18,236	26,236
Houston grants	7,157	12,630
Kentucky	1,900	1,900
Texas Archery	80,357	68,898
Hunting fund	105	105
Lubbock DSC area	6,000	7,000
Warren Wildlife	2,000	2,000
RN LTD	56,611	80,111
New Mexico schools	1,950	1,950
Park Cities Quail OA Conservation Module	16,869	16,869
Sportsmen’s Club of Forth Worth	27,000	-
Youth shooting teams	865	865
IOSH-Eastern Priory	2,756	6,256
Lake Highlands HS	-	4,750
DSC Northeast Chapter	8,000	-
DSC Greater Lakes Chapter	2,781	-
DSC New Mexico Chapter	2,500	-
COVID Relief	33,500	-
Safety Events Schools	16,896	-
	291,483	238,569
Time Restrictions		
Pledges receivable, net of discount	170,065	239,032
Endowment	577,317	581,605
	\$ 1,038,865	\$ 1,059,206

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Notes to the Financial Statements
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Note 12 – Net Assets with Donor Restrictions (continued)

Release of net assets with donor restrictions during the fiscal years ended June 30, 2022 and 2021, consisted of the following:

	2022	2021
Purpose Restrictions		
GS	\$ 8,000	\$ 52,559
Collin County Youth	8,000	2,898
Houston grants	5,473	1,000
Texas Archery	1,750	24,534
Lubbock DSC area	1,000	1,000
Warren Wildlife	-	12,710
RN LTD	23,500	3,000
New Mexico Schools	-	2,650
Park Cities Quail OA Conservation Module	-	3,130
Scholarships	-	750
Sportsmen’s Club of Fort Worth	27,000	36,000
Nashville Schools	-	10,000
IOSH-Eastern Priory	3,500	14,000
Lake Highlands HS	4,750	-
Colin Michael Caruthers Scholarship	1,000	-
DSC Northeast Chapter	2,000	-
DSC Greater Lakes Chapter	1,000	-
COVID Relief	1,500	-
	88,473	164,231
Time Restrictions		
Pledges receivable	20,200	20,200
	\$ 108,673	\$ 184,431

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, 2022.

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.

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Note 15 – Subsequent Events

The Foundation has evaluated subsequent events through November 14, 2022, the date the financial statements were available to be issued.