

CHO-YEH CAMP AND  
CONFERENCE CENTER, INC.  
Livingston, Texas

FINANCIAL STATEMENTS

December 31, 2019 and 2018

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INDEPENDENT ACCOUNTANT'S COMPIATION REPORT

Board of Directors  
Cho-Yeh Camp and Conference  
Center, Inc.  
Livingston, Texas

Management is responsible for the accompanying financial statements of Cho-Yeh Camp and Conference Center (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The 2018 financial statements were audited by us and we expressed an unmodified opinion on them in our report dated May 17, 2019. We have not performed any auditing procedures on the financial statements since May 17, 2019.

  
CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas  
December 14, 2020

FINANCIAL STATEMENTS

CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2019 and 2018

	WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTIONS	
	2019	2018	2019	2018
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 696 298	\$ 1 185 280	\$ 230 809	\$ 230 809
Accounts receivable	42 763	83 106	-	-
Inventory	53 485	53 485	-	-
Prepaid expenses	-	9 724	-	-
Unconditional promises to give	-	-	-	-
Other receivables	40 033	13 062	-	-
TOTAL CURRENT ASSETS	832 579	1 344 657	230 809	230 809
Property, plant and equipment	14 036 647	13 604 638	-	-
Other Assets:				
Investments	-	-	26 858	26 858
Cash restricted for property, plant and equipment	-	-	728 026	728 026
TOTAL OTHER ASSETS	-	-	754 884	754 884
TOTAL ASSETS	\$ 14 868 926	\$ 14 949 295	\$ 985 693	\$ 985 693
 <b>LIABILITIES AND NET ASSETS</b>				
Current Liabilities:				
Accounts payable	\$ 122 321	\$ 219 361	\$ -	\$ -
Accrued expenses	138 156	123 678	-	-
Current portion of long-term debt	104 085	98 119	-	-
Advance deposits	504 062	440 252	-	-
TOTAL CURRENT LIABILITIES	868 624	881 410	-	-
Long-term debt	578 108	682 840	-	-
TOTAL LIABILITIES	1 446 732	1 564 250	-	-
Net Assets:				
Without donor restrictions	13 422 194	13 385 045	-	-
With Donor Restrictions:				
Scholarships	-	-	230 809	230 809
For purchase of property, plant and equipment	-	-	754 884	754 884
TOTAL NET ASSETS	13 422 194	13 385 045	985 693	985 693
TOTAL LIABILITIES AND NET ASSETS	\$ 14 868 926	\$ 14 949 295	\$ 985 693	\$ 985 693

See independent auditors' report and accompanying notes to financial statements.

TOTAL	
2019	2018
\$ 927 107	\$ 1 416 089
42 763	83 106
53 485	53 485
-	9 724
-	-
40 033	13 062
<u>1 063 388</u>	<u>1 575 466</u>
<u>14 036 347</u>	<u>13 604 638</u>
26 858	26 858
728 026	728 026
<u>754 884</u>	<u>754 884</u>
\$ <u><u>15 854 619</u></u>	\$ <u><u>15 934 988</u></u>

\$ 122 321	\$ 219 361
138 156	123 678
104 085	98 119
<u>504 062</u>	<u>440 252</u>
<u>868 624</u>	<u>881 410</u>
578 108	682 840
<u>1 446 732</u>	<u>1 564 250</u>
13 422 194	13 385 045
230 809	230 809
754 884	754 884
<u>14 407 887</u>	<u>14 370 738</u>
\$ <u><u>15 854 619</u></u>	\$ <u><u>15 934 988</u></u>

CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
STATEMENTS OF ACTIVITIES  
Years Ended December 31, 2019 and 2018

	WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTIONS	
	2019	2018	2019	2018
Operating Revenues:				
Retreats and Conferences	\$ 2 222 321	\$ 2 417 268	\$ -	\$ -
Summer Camp	3 446 471	3 225 519	-	-
Gap Year program	60 230	103 100		
Trading post	441 664	363 723	-	-
Other	63 437	112 930	-	-
TOTAL OPERATING REVENUES	6 234 123	6 222 540	-	-
Operating Expenses:				
Program	5 739 935	5 467 594	-	-
Management and general	743 362	493 245	-	-
Fundraising	201 772	133 233	-	-
TOTAL OPERATING EXPENSES	6 685 069	6 094 072	-	-
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	(450 946)	128 468	-	-
Other Revenues (Expenses):				
Contributions	-	15 501	510 841	977 135
Interest and dividends	15 205	10 801	-	-
Interest expense	(37 951)	(46 614)	-	-
Net assets released from restrictions	510 841	728 926	(510 841)	(728 926)
TOTAL OTHER REVENUES (EXPENSES)	488 095	708 614	-	248 209
CHANGE IN NET ASSETS	37 149	837 082	-	248 209
Net assets - Beginning of year	13 385 045	12 547 963	985 693	737 484
NET ASSETS - END OF YEAR	\$ 13 422 194	\$ 13 385 045	\$ 985 693	\$ 985 693

See independent auditors' report and accompanying notes to financial statements.

TOTAL	
2019	2018
\$ 2 222 321	\$ 2 417 268
3 446 471	3 225 519
60 230	103 100
441 664	363 723
63 437	112 930
<u>6 234 123</u>	<u>6 222 540</u>
5 739 935	5 467 594
743 362	493 245
201 772	133 233
<u>6 685 069</u>	<u>6 094 072</u>
<u>(450 946)</u>	<u>128 468</u>
510 841	992 636
15 205	10 801
(37 951)	(46 614)
<u>-</u>	<u>-</u>
<u>488 095</u>	<u>956 823</u>
37 149	1 085 291
<u>14 370 738</u>	<u>13 285 447</u>
\$ <u><u>14 407 887</u></u>	\$ <u><u>14 370 738</u></u>



CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
 STATEMENTS OF FUNCTIONAL EXPENSES  
 Years Ended December 31, 2019 and 2018

	2019			
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND- RAISING	TOTAL EXPENSES
Salaries	\$ 2 359 060	\$ 212 051	\$ 79 519	\$ 2 650 630
Taxes	179 322	16 119	6 045	201 486
Health insurance	140 031	12 587	4 720	157 338
Other benefits	144 026	12 946	4 855	161 827
TOTAL SALARY AND RELATED EXPENSES	2 822 439	253 703	95 139	3 171 281
Food	481 314	-	-	481 314
Kitchen - Non-food	35 055	-	-	35 055
Interest	-	-	-	-
Repairs and maintenance	247 203	-	-	247 203
Utilities	232 853	-	7 202	240 055
Trading post	250 726	-	24 797	275 523
Advertising	138 023	-	4 269	142 292
Bad debt	-	-	-	-
Scholarships	286 807	-	-	286 807
Staff development	38 700	-	-	38 700
Housekeeping	29 476	-	-	29 476
Program activities	215 125	-	2 173	217 298
Construction	-	-	-	-
Credit card fees	106 399	-	-	106 399
Miscellaneous	59 877	-	605	60 482
Insurance	-	173 717	3 545	177 262
Professional services	-	145 258	48 419	193 677
Postage	-	43 490	2 776	46 266
Supplies	-	127 194	11 060	138 254
Travel expenses	58 525	-	1 194	59 719
Technology	70 018	-	-	70 018
Uniforms	11 767	-	-	11 767
Licenses and Permits	3 230	-	-	3 230
Processing fees	29 048	-	593	29 641
TOTAL EXPENSES BEFORE DEPRECIATION AND BAD DEBT	2 294 146	489 659	106 633	2 890 438
Depreciation	623 350	-	-	623 350
TOTAL EXPENSES	\$ 5 739 935	\$ 743 362	\$ 201 772	\$ 6 685 069

See independent auditors' report and accompanying notes to financial statements.

2018

PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND-RAISING	TOTAL EXPENSES
\$ 2 082 423	\$ 178 573	\$ 81 972	\$ 2 342 968
168 248	10 042	3 558	181 848
140 644	14 276	3 729	158 649
122 487	3 334	4 699	130 520
<u>2 513 802</u>	<u>206 225</u>	<u>93 958</u>	<u>2 813 985</u>
488 235	-	-	488 235
39 432	-	-	39 432
-	-	-	-
215 279	-	-	215 279
233 654	-	63	233 717
238 804	-	199	239 003
212 360	-	6 294	218 654
-	-	-	-
352 561	-	-	352 561
108 049	-	-	108 049
29 683	-	-	29 683
248 193	-	1 937	250 130
20 092	-	-	20 092
74 429	-	-	74 429
78 521	-	731	79 252
-	153 131	18	153 149
-	74 161	24 685	98 846
-	1 862	118	1 980
-	57 866	4 786	62 652
18 676	-	444	19 120
<u>2 357 968</u>	<u>287 020</u>	<u>39 275</u>	<u>2 684 263</u>
<u>595 824</u>	<u>-</u>	<u>-</u>	<u>595 824</u>
<u>\$ 5 467 594</u>	<u>\$ 493 245</u>	<u>\$ 133 233</u>	<u>\$ 6 094 072</u>

CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities:		
Change in net assets	\$ 37 149	\$ 1 085 291
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	623 350	595 824
Unconditional promises to give - Net	-	33 176
(Increase) Decrease in Current Assets:		
Accounts receivable	(42 763)	(83 106)
Inventory	-	(9 755)
Prepaid expenses	9 724	(8 662)
Other receivables	56 135	17 739
Increase (Decrease) in Current Liabilities:		
Accounts payable	(97 040)	106 886
Accrued expenses	15 588	44 717
Advance deposits	62 700	81 631
NET CASH PROVIDED BY OPERATING ACTIVITIES	664 843	1 863 741
 Cash Flows from Investing Activities:		
Change in Cash Restricted for:		
Scholarships	-	-
Property, plant and equipment	-	(79 784)
Purchase of property, plant and equipment	(1 055 059)	(1 543 941)
NET CASH USED FOR INVESTING ACTIVITIES	(1 055 059)	(1 623 725)
 Cash Flows from Financing Activities:		
Payments on long-term debt	(98 766)	(281 314)
Proceeds from issuance of long-term debt	-	-
NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES	(98 766)	(281 314)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(488 982)	(41 298)
 Cash and cash equivalents - Beginning of year	1 416 089	1 457 387
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 927 107	\$ 1 416 089
 Supplemental Disclosures:		
Amount paid for interest	\$ 37 951	\$ 49 279

See independent auditors' report and accompanying notes to financial statements.

CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Cho-Yeh Camp and Conference Center, Inc. (the Organization) was established in 1947 by the Presbytery of New Covenant, Presbyterian Church U.S.A. as an integrated auxiliary. The Organization incorporated and received separate 501(c)(3) status in 2002. Currently, the mission of the Organization is to be "a place where Jesus Christ transforms lives through meaningful relationships and outdoor adventures". This is achieved through various programs and facilities the Organization makes available, such as summer camp, retreats and conferences, Elderhostel, and related facilities.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine the uncollectible portion of unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Accounts Receivable

Accounts receivable consist of those amounts that are due from various individuals or groups that utilize the Organization's services and facilities. Management believes that these amounts are fully collectible; therefore, no allowances for doubtful accounts have been provided. Management is not aware of any significant concentrations of credit or market risks related to receivables or other financial instruments reported in these financial statements.

Contributed Services

Unpaid volunteers have made contributions of their time to develop the Organization's programs. During the year ended December 31, 2019 and 2018, the value of contributed services meeting the requirements for recognition under Financial Accounting Standards Board Codification Section 958, was not material and has not been recorded.

Inventory

Inventory is carried at the lower of cost (determined by the use of the first in, first out method) or market and consists of books, clothing, gifts, etc. Food is expensed as purchased.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property, Plant and Equipment

Property, plant and equipment is carried at cost, if purchased, or fair market value at date of acquisition, if received as a donation, with depreciation being taken by the straight-line method over the following estimated useful lives:

Buildings and improvements	30 years
Furniture, fixtures and equipment	7 years
Vehicles	5 years

Interest costs related to building construction are capitalized as part of the building cost.

Maintenance and repairs, as well as minor betterments, are charged to expense as incurred. Major betterments are capitalized. The cost and related accumulated depreciation for property disposals are removed from the accounts and any gains or losses are included in income.

Donations of property, plant, and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property, plant, and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated or acquired assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization then reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Fair Values of Financial Instruments

Current professional standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value should be based on assumptions that market participants would use, including a consideration of non-performance risk. Management assesses the inputs used to measure fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. Level 1 inputs are quoted market prices for identical instruments in an active market that the entity has the ability to access and are the most observable. Level 2 inputs include quoted market prices for similar assets and observable inputs such as interest rates, currency exchange rates, commodity rates, and yield curves. Level 3 inputs are not observable in the market and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash and accounts receivable: The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments. (Level 1)

Investments: The fair values of investments are based on quoted market prices for those or similar investments. (Level 1)

Long-term unconditional promises to give: The fair value of promises to give that are due in more than one year is estimated by discounting the future cash flows using a current risk free rate of return based on the yield of a U.S. Treasury security with a maturity date similar to the expected collection period. (Level 2)

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Federal Income Tax

The Organization is classified as a nonprofit corporation and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Uncertain Tax Positions

Financial Accounting Standards Board Codification Section 740 requires recognition, measurement and disclosure of uncertain tax positions. The Organization currently accounts for uncertain tax positions based on the estimated likelihood of assessment and has not determined that any tax positions require an accrual based on current standards of accounting. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the date on which those returns are filed.

Statements of Cash Flows

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash restricted for purchase of property, plant and equipment and designated cash is not included in cash and cash equivalents.

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. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on a historical percentage determined by the organization.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. Such reclassifications had no effect on previously reported net assets.

NOTE 2 - UNINSURED CASH BALANCES

The Organization's cash is deposited with three institutions. The amount on deposit in each of these institutions may exceed the \$250,000 federally insured limit from time to time.

CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 2019 and 2018

**NOTE 3 - INVESTMENTS**

Investments as of December 31, 2019 and 2018 consist of deposits with The Texas Presbyterian Foundation and are categorized as follows:

	COST		FAIR VALUE		CARRYING VALUE	
	2019	2018	2019	2018	2019	2018
With Donor Restrictions	\$ -	\$ -	\$ 26 858	\$ 26 858	\$ 26 858	\$ 26 858

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2019 and 2018.

	WITH DONOR RESTRICTIONS	
	2019	2018
Interest and dividends	\$ 15 205	\$ 10 801
Realized and unrealized gains (losses)	\$ -	\$ -

**NOTE 4 - UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give at December 31, 2019 and 2018 are as follows:

	2019	2018
Receivable in less than one year	\$ -	\$ -
Receivable in one to five years	-	-
Receivable in more than five years	-	-
TOTAL UNCONDITIONAL PROMISES TO GIVE	-	-
Less discounts to net present value	-	-
Less allowance for uncollectable promises	-	-
NET UNCONDITIONAL PROMISES TO GIVE	\$ -	\$ -

**NOTE 5 - PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment, at cost, is summarized by major classification as follows:

	2019	2018
Land	\$ 1 667 913	\$ 1 667 913
Buildings and improvements	16 440 270	15 124 766
Furniture and equipment	1 558 349	1 440 180
Construction in progress	261 691	695 353
Vehicles	470 191	415 143
	20 398 414	19 343 355
Less accumulated depreciation	(6 362 067)	(5 738 717)
	\$ 14 036 347	\$ 13 604 638

Depreciation expense totaled \$623,350 and \$595,824 for the years ended December 31, 2019 and 2018, respectively.

**NOTE 6 - EMPLOYEE BENEFIT PLANS**

The Organization participates in a 401(k) salary reduction plan, which covers all regular full-time employees who have completed twelve consecutive months of service. Contributions to the plan were \$78,880 and \$58,974 for the years ended December 31, 2019 and 2018, respectively.

CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
 NOTES TO FINANCIAL STATEMENTS - CONTINUED  
 December 31, 2019 and 2018

**NOTE 7 - NOTES PAYABLE**

At December 31, 2019 and 2018, the Organization was liable for the following notes payable:

	2019	2018
Note payable - First National Bank of Livingston, due in 240 monthly installments of \$3,936 including interest at 5.25%, collateralized by deed of trust and real estate lien on a 345 acre tract of land in Polk County, Texas. Matures in August 2024.	\$ 184 985	\$ 219 840
Note payable - First National Bank of Livingston, due in 180 monthly installments of \$8,006, interest due at 5.25%, secured by buildings and equipment. Matures in May of 2026.	497 208	561 119
Note payable - First National Bank of Livingston, due in 240 monthly installments of \$2,696.50, including interest at 5.25%, secured by deed of trust and lien on 6 acres. Matures in March 2037.	-	-
	682 193	780 959
Less current maturities	104 085	98 119
	\$ 578 108	\$ 682 840

The annual requirements for the five subsequent years are as follows:

2020	\$	104 085
2021		110 591
2022		117 412
2023		124 654
2024		108 617
Thereafter		116 834
	\$	682 193

**NOTE 8 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated for potential recognition or disclosure through the date of this report which is also the date the report was available to be issued.

A novel strain of coronavirus (COVID-19) was spread to the United States of America in January and February 2020. The World Health Organization declared the outbreak to constitute a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our students, employees and vendors all of which are uncertain and cannot be predicted. As of the date these financial statements are issued, COVID-19 had not materially affected results of operations in 2019. However, the impact of response efforts on future operations cannot be predicted.

**NOTE 9 - RISK MANAGEMENT**

The Organization is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Organization purchases commercial insurance to cover general liabilities.

**NOTE 10 - RELATED PARTY TRANSACTIONS**

The Organization received contributions from related parties that approximated \$237,600 and \$300,000 for each year ending December 31, 2019 and 2018, respectively.



CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 2019 and 2018

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's primary liquidity resource is collection of payments for services rendered and is supplemented by contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors.

The following reflects the Organization's financial assets as of December 31, 2019, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations. There are no Board-approved appropriations and no internal designations for expenditure.

		<u>2019</u>
Current assets, excluding nonfinancial assets	\$	1 063 388
Less: Donor restrictions for specific purposes		<u>(230 809)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$	<u>832 579</u>