

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

FINANCIAL STATEMENTS

December 31, 2020

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

We have audited the accompanying financial statements of Cho-Yeh Camp and Conference Center, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 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 of 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 of 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 Cho-Yeh Camp and Conference Center, Inc. at December 31, 2020, and the statement of activities, functional expenditures, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Lufkin, Texas  
May 14, 2021

  
CERTIFIED PUBLIC ACCOUNTANTS

## FINANCIAL STATEMENTS

CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
STATEMENT OF FINANCIAL POSITION  
December 31, 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 1 619 585	\$ 24 999	\$ 1 644 584
Inventory	57 490	-	57 490
Unconditional promises to give	-	10 000	10 000
TOTAL CURRENT ASSETS	1 677 075	34 999	1 712 074
Property, plant and equipment	15 632 567	-	15 632 567
Other Assets:			
Investments	-	297 307	297 307
TOTAL OTHER ASSETS	-	297 307	297 307
TOTAL ASSETS	\$ 17 309 642	\$ 332 306	\$ 17 641 948
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities:			
Accounts payable	\$ 78 671	\$ -	\$ 78 671
Accrued expenses	3 579	-	3 579
Current portion of long-term debt	137 510	-	137 510
Advance deposits	518 607	-	518 607
TOTAL CURRENT LIABILITIES	738 367	-	738 367
Long-term debt	1 363 283	-	1 363 283
TOTAL LIABILITIES	2 101 650	-	2 101 650
Net Assets:			
Without donor restrictions	15 207 992	-	15 207 992
With Donor Restrictions:			
Scholarships	-	332 306	332 306
TOTAL NET ASSETS	15 207 992	332 306	15 540 298
TOTAL LIABILITIES AND NET ASSETS	\$ 17 309 642	\$ 332 306	\$ 17 641 948

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

CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
STATEMENT OF ACTIVITIES  
Years Ended December 31, 2020

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Operating Revenues:			
Retreats and conferences	\$ 849 736	\$ -	\$ 849 736
Summer Camp	970 196	-	970 196
Gap Year program	3 445	-	3 445
Trading post	131 454	-	131 454
Other	1 046	-	1 046
TOTAL OPERATING REVENUES	<u>1 955 877</u>	<u>-</u>	<u>1 955 877</u>
Operating Expenses:			
Program	3 292 752	-	3 292 752
Management and general	671 194	-	671 194
Fundraising	65 578	-	75 578
TOTAL OPERATING EXPENSES	<u>4 029 524</u>	<u>-</u>	<u>4 029 524</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	<u>(2 073 647)</u>	<u>-</u>	<u>(2 073 647)</u>
Other Revenues (Expenses):			
Contributions	-	2 463 729	2 463 729
Interest and dividends	90 986	-	90 986
Loan forgiveness	494 078	-	494 078
Interest expense	(61 866)	-	(61 866)
Net assets released from restrictions	3 117 116	(3 117 116)	-
TOTAL OTHER REVENUES (EXPENSES)	<u>3 640 314</u>	<u>(653 387)</u>	<u>2 986 927</u>
CHANGE IN NET ASSETS	1 566 667	(653 387)	913 280
Net assets - Beginning of year	<u>13 641 325</u>	<u>985 693</u>	<u>14 627 018</u>
NET ASSETS - END OF YEAR	<u>\$ 15 207 992</u>	<u>\$ 332 306</u>	<u>\$ 15 540 298</u>

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

CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Years Ended December 31, 2020

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND- RAISING	TOTAL EXPENSES
Salaries	\$ 1 434 410	\$ 176 330	\$ 50 474	\$ 1 661 214
Taxes	151 061	16 345	3 684	171 090
Health insurance	101 758	8 452	1 491	111 701
Other benefits	20 108	41 289	3 960	65 357
TOTAL SALARY AND RELATED EXPENSES	<u>1 707 337</u>	<u>242 416</u>	<u>59 609</u>	<u>2 009 362</u>
Food	200 414	-	-	200 414
Kitchen - Non-food	9 183	-	-	9 183
Repairs and maintenance	136 123	-	-	136 123
Utilities	173 439	-	-	173 439
Trading post	77 468	-	-	77 468
Advertising	48 266	-	-	48 266
Scholarships	10 828	-	-	10 828
Staff development	31 524	-	-	31 524
Program activities	87 269	-	-	87 269
Construction	458	-	-	458
Miscellaneous	97 203	-	-	97 203
Insurance	-	179 520	-	179 520
Professional services	-	74 689	-	74 689
Postage	-	8 365	-	8 365
Supplies	-	166 204	1 793	167 997
Travel expenses	5 198	-	3 986	9 184
TOTAL EXPENSES BEFORE DEPRECIATION	<u>877 373</u>	<u>428 778</u>	<u>5 969</u>	<u>1 312 120</u>
Depreciation	<u>708 042</u>	<u>-</u>	<u>-</u>	<u>708 042</u>
TOTAL EXPENSES	<u>\$ 3 292 752</u>	<u>\$ 671 194</u>	<u>\$ 65 578</u>	<u>\$ 4 029 524</u>

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

CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
STATEMENT OF CASH FLOWS  
Years Ended December 31, 2020

Cash Flows from Operating Activities:	
Change in net assets	\$ 913 280
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	708 042
Unconditional promises to give - Net	(10 000)
(Increase) Decrease in Current Assets:	
Accounts receivable	63 373
Inventory	(4 005)
Increase (Decrease) in Current Liabilities:	
Accounts payable	(42 228)
Accrued expenses	(120 136)
Advance deposits	27 356
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1 535 343</u>
Cash Flows from Investing Activities:	
Change in Cash Restricted for:	
Scholarships	(83 903)
Purchase of property, plant and equipment	<u>(2 205 389)</u>
NET CASH (USED) FOR INVESTING ACTIVITIES	<u>(2 289 292)</u>
Cash Flows from Financing Activities:	
Payments on long-term debt	(31 400)
Proceeds from issuance of long-term debt	1 344 078
Loan forgiveness	<u>(494 078)</u>
NET CASH PROVIDED IN FINANCING ACTIVITIES	<u>818 600</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	64 990
Cash and cash equivalents - Beginning of year	<u>1 579 594</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ <u>1 644 584</u>
Supplemental Disclosures:	
Amount paid for interest	\$ <u>61 866</u>

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



CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

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, 2020, 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.

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.

CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 2020

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

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)

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.

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, 2020

**NOTE 3 - INVESTMENTS**

Investments as of December 31, 2020 consist of deposits with The Texas Presbyterian Foundation and are categorized as follows:

	COST	FAIR VALUE	CARRYING VALUE
With donor restrictions	\$ -	\$ 297 307	\$ 297 307

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2020.

	WITHOUT DONOR RESTRICTIONS
Interest and dividends	\$ 90 986
Realized and unrealized gains (losses)	\$ -

**NOTE 4 - UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give at December 31, 2020 are as follows:

Receivable in less than one year	\$ 10 000
Receivable in one to five years	-
Receivable in more than five years	-
TOTAL UNCONDITIONAL PROMISES TO GIVE	10 000
Less discounts to net present value	-
Less allowance for uncollectable promises	-
NET UNCONDITIONAL PROMISES TO GIVE	\$ 10 000

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

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

Land	\$ 5 431 859
Buildings and improvements	14 886 868
Furniture and equipment	1 701 628
Construction in progress	85 410
Vehicles	509 837
	22 615 602
Less accumulated depreciation	(6 983 035)
	\$ 15 632 567

Depreciation expense totaled \$708,042 for the year ended December 31, 2020.

**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 \$37,635 for the year ended December 31, 2020.

**NOTE 7 - NOTES PAYABLE**

At December 31, 2020, the Organization was liable for the following notes payable:

	2020
Note payable - First National Bank of Livingston, due in 240 monthly installments of \$3,936, including interest at 4.25%, collateralized by deed of trust and real estate lien on a 345 acre tract of land in Polk County, Texas. Matures in August 2024.	\$ 176 159
Note payable - First National Bank of Livingston, due in 180 monthly installments of \$8,006, interest due at 4.25%, secured by buildings and equipment. Matures in May of 2026.	474 634
Note payable - First National Bank of Livingston, due in 180 monthly installments of \$6,395, interest due at 4.25%, secured by lien on 442-595 Lazy Ln	850 000
	1 500 793
Less current maturities	137 510
	\$ 1 363 283

CHO-YEH CAMP AND CONFERENCE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 2020

NOTE 7 - NOTES PAYABLE - CONTINUED

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

2021	\$	137 510	
2022		159 994	
2023		169 081	
2024		183 038	
2025		139 100	
Thereafter		<u>712 070</u>	
	\$	<u>1 500 793</u>	

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.

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 \$1,069,000 for the year ending December 31, 2020.

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, 2020, 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.

Current assets, excluding nonfinancial assets	\$	1 712 074
Less: Donor restrictions for specific purposes		<u>(332 306)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$	<u>1 379 768</u>

NOTE 12 - SIGNIFICANT EVENT

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 Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our employees and vendors all of which are uncertain and cannot be predicted. As of the date these financial statements are issued, COVID-19 had materially affected results of operations in 2020 due to limited operations during the year. The impact of response efforts on future operations cannot be predicted.