

**Consolidated Financial Statements and
Other Financial Information**

**THE BOGGY CREEK GANG, INC.
AND AFFILIATE**

December 31, 2022

THE BOGGY CREEK GANG, INC. AND AFFILIATE
Consolidated Financial Statements and Other Financial Information
December 31, 2022
(With Independent Auditor's Report Thereon)

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Table of Contents

Independent Auditor's Report	1
Consolidated Financial Statements:	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements.....	8
Supplementary Information	
Consolidating Statement of Financial Position.....	21
Consolidating Statement of Activities	22

SCHAFFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

Certified Public Accountants

Michael R. Schafer, CPA
Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 312
Maitland, Florida 32751
(407) 875-2760

Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, CPA

Independent Auditor's Report

To the Board of Trustees
The Boggy Creek Gang, Inc. and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of The Boggy Creek Gang, Inc. and Affiliate (a nonprofit corporation), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Boggy Creek Gang, Inc. and Affiliate as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of The Boggy Creek Gang, Inc. and Affiliate 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 of Management for Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Boggy Creek Gang, Inc. and Affiliate's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Boggy Creek Gang, Inc. and Affiliate'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 about The Boggy Creek Gang, Inc. and Affiliate's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit of the consolidated financial statements was conducted for the purpose of forming an opinion on the statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and to other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Schaefer, Tschoy, Whitcomb, Mitchell & Shuilen, LLP

July 18, 2023
Maitland, Florida

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Consolidated Statement of Financial Position

December 31, 2022

Assets:

Cash and cash equivalents	\$ 4,406,704
Investments (note 3)	8,041,865
Endowed investments (note 3)	21,934,831
Contributions receivables, net	122,827
Prepaid expenses	267,993
Right of use - operating leases (note 5)	67,420
Property and equipment (note 6)	6,382,104
	<hr/>
Total assets	<u>\$ 41,223,744</u>

Liabilities:

Accounts payable and accrued expenses	\$ 583
Accrued payroll	392,732
Operating leases	67,420
	<hr/>
Total liabilities	<u>460,735</u>

Net Assets:

Without donor restrictions	27,329,208
With donor restrictions	13,433,801
	<hr/>
Total net assets	<u>40,763,009</u>
	<hr/>
Total liabilities and net assets	<u>\$ 41,223,744</u>

See accompanying notes to financial statements.

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Consolidated Statement of Activities

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support:			
Contributions, net	\$ 1,691,505	1,198,977	2,890,482
Special events	514,534	-	514,534
In-kind contributions	157,897	-	157,897
Investment income	(5,142,708)	-	(5,142,708)
Merchandise sales, net	(1,371)	-	(1,371)
Net assets released from restriction:	1,219,072	(1,219,072)	-
Total revenues and support	<u>(1,561,071)</u>	<u>(20,095)</u>	<u>(1,581,166)</u>
Expenses:			
Program services:			
Camp programs	1,318,966	-	1,318,966
Medical	753,239	-	753,239
Food services	265,376	-	265,376
Facilities	1,085,024	-	1,085,024
Total program services	3,422,605	-	3,422,605
Supporting services:			
Management and general	1,111,449	-	1,111,449
Fundraising	1,108,961	-	1,108,961
Total supporting services	<u>2,220,410</u>	<u>-</u>	<u>2,220,410</u>
Total expenses	<u>5,643,015</u>	<u>-</u>	<u>5,643,015</u>
Change in net assets	(7,204,086)	(20,095)	(7,224,181)
Net assets at beginning of year	<u>34,533,294</u>	<u>13,453,896</u>	<u>47,987,190</u>
Net assets at end of year	<u>\$ 27,329,208</u>	<u>13,433,801</u>	<u>40,763,009</u>

See accompanying notes to financial statements.

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses

Year ended December 31, 2022

	Camp Programs	Medical	Food Services	Facilities	Management and General	Fundraising	Total
Wages & benefits	\$ 762,128	565,575	109,257	328,917	884,458	648,077	3,298,412
Employee relations	12,369	98	-	764	58,691	3,605	75,527
Travel	662	3,418	-	-	5,944	3,525	13,549
Office operations	21,623	10,171	-	1,776	13,404	24,433	71,407
Computer operations	19,378	8,831	-	1,547	15,689	67,205	112,650
Occupancy	27,455	7,343	-	399,930	6,970	9,485	451,183
Professional services	17,967	6,405	20,793	6,169	55,331	14,714	121,379
Insurance	167,072	15,017	-	2,705	31,178	10,951	226,923
Miscellaneous	6	-	-	-	2,537	231	2,774
Department related	45,741	16,445	117,245	252,686	777	229,514	662,408
Depreciation	229,821	75,193	-	45,293	35,534	63,064	448,905
In-kind	14,744	44,743	18,081	45,237	936	34,157	157,898
Total expenses	<u>\$ 1,318,966</u>	<u>753,239</u>	<u>265,376</u>	<u>1,085,024</u>	<u>1,111,449</u>	<u>1,108,961</u>	<u>5,643,015</u>

See accompanying notes to financial statements.

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Consolidated Statement of Cash Flows

Year Ended December 31, 2022

Cash flows from operating activities:	
Change in net assets	\$ (7,224,181)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	448,905
(Gains) losses on investments	4,896,925
Cash provided by (used for) changes in, net of assets and liabilities acquired in business combination:	
Contributions and other receivables	(42,112)
Prepaid expenses	11,683
Accounts payable and accrued expenses	(68,740)
Accrued payroll	169,128
Net cash used in operating activities	<u>(1,808,392)</u>
Cash flows from investing activities:	
Acquisition of land, buildings and equipment	(293,705)
(Purchase) sale of investments, net	<u>(3,806,027)</u>
Net cash used in investing activities	<u>(4,099,732)</u>
Net change in cash	(5,908,124)
Cash at beginning of year	<u>10,314,828</u>
Cash at end of year	<u>\$ 4,406,704</u>

See accompanying notes to financial statements.

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2022

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

The Boggy Creek Gang, Inc. is a nonprofit organization that was established to provide residential camping experiences for children with serious illnesses and their families. Its mission is to foster a spirit of joy by creating a free, safe, and medically sound camp environment that enriches the lives of children with serious illnesses and their families. Its services include six summer camp sessions and 9 family retreat weekends. The Boggy Creek Gang, Inc. is a member of the SeriousFun Children's Network.

Mitchell Central Property, LLC was organized on October 22, 2009 to acquire, maintain, and manage real property. The sole member is the Boggy Creek Gang, Inc.

(b) Principles of Consolidation

The consolidated financial statements include the Boggy Creek Gang, Inc. and Mitchell Central Property, LLC, (collectively, the "Organization"). All significant intercompany accounts and transactions have been eliminated in consolidation.

(c) Basis of Presentation

The consolidated financial statements of the Organization are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The Organization prepares its financial statements on an entity wide basis, focusing on the organization as a whole and presents balances and transactions according to the existence or absence of donor-imposed restrictions. Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization 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---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donor-imposed restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

(1) **Organization and Summary of Significant Accounting Policies - Continued**

(d) **Cash and Cash Equivalents**

For purposes of cash flows, the Organization considers all short-term investments with a maturity of three months or less at the time of purchase to be cash equivalents.

(e) **Revenue and Revenue Recognition**

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and right of return - are not recognized until the conditions on which they depend have been met.

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

For the year ended December 31, 2022, the Organization did not have any conditional promises to give.

(f) **Contributions Receivable**

Contributions receivable represent monies due or pledged to the Organization that were not collected as of December 31, 2022. Contributions receivable are stated at the amounts management expects to collect from outstanding balances. As of December 31, 2022, no allowance for doubtful accounts has been provided since management considers all accounts to be collectible.

(g) **Investments**

Investments are recorded at fair value based upon quoted market prices, except for two investments, which are valued at net asset value (NAV). Investment income or loss (including realized and unrealized gains and losses on investments and interest and dividends) is included in the consolidated statements of activities. Investment expenses are netted against investment income in the net investment income line in the accompanying consolidated financial statements.

The Organization's Investment Committee employs professional advisors and applies fund objectives that combine both capital growth and income return. Goldman Sachs manages assets in investment categories consistent with Investment Committee approval.

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

(1) Organization and Summary of Significant Accounting Policies - Continued

(g) Investments - Continued

The Organization's endowment portfolio consists of multiple independent investment funds established with a variety of investment objectives. Risk is mitigated through diversification of investments, balance of fixed income/ equity mix, and disciplined review of fund manager performance. The investment portfolio is benchmarked against a blend of indices that is comparable to its asset mix. Portfolio performance, as measured by investment results, must meet or exceed the relevant benchmarks over the course of the investment cycle. Diversification by security and asset class should enhance portfolio returns on a risk-adjusted basis while reducing portfolio volatility.

The long-term goal of the Organization is to maintain the value of the portfolio, in real terms, net of spending. Investments in the account will be benchmarked against indices of a comparable asset mix. The portfolio performance, as measured by investment results, is expected to meet or exceed these benchmarks over the course of the investment cycle.

(h) Property and Equipment

Land, buildings, and equipment acquisitions are recorded at cost when purchased, or at fair market value at date of gift when donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets which range from 3 - 20 years. Expenditures of \$1,000 or more with an estimated useful life in excess of one year are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

(i) Recently Adopted Accounting Standard

Effective January 1, 2022, the Organization adopted FASB Accounting Standards Codification (ASC) Topic 842, Leases, using the practical expedient method and, accordingly, did not record a cumulative effect adjustment to beginning fund balance and did not restate prior periods. The Organization elected the package of practical expedients which allowed them to carry forward their historical lease classification. The new standard established a right of use (ROU) model that requires a lessee to record an ROU asset and corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the operating statement. Leases with a term of less than 12 months or are immaterial in nature will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term. (Also see note 5)

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

(1) **Organization and Summary of Significant Accounting Policies - Continued**

(j) **Contributions**

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted support.

The Organization reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

(k) **In-Kind Contributions**

Significant non-cash asset contributions are recorded at fair market value when received. No amounts have been recorded in the financial statements for contributed services. There is no objective basis for measuring the fair market value of services provided by volunteers to program or fund-raising activities, and such services did not require specialized skills.

Historically, there have been approximately 2,000 people participating in the Organization's volunteer program annually. With the exception of specialty medical physicians, which are recognized as in-kind contributions, these volunteer services are not valued or recognized in the accompanying consolidated financial statements, as these services do not meet the criteria for recognition. However, 18,000 volunteer hours were provided to the Organization during the years ended December 31, 2022.

(l) **Income Taxes**

The Organization is exempt from federal income tax under provision of Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

(1) Organization and Summary of Significant Accounting Policies - Continued

(l) Income Taxes - Continued

Under Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification 740, an entity's income tax returns are subject to examination by the applicable taxing authorities. The time period during which a return may be selected by a taxing authority for examination generally ends at the later of three years after the initial due date of the return or three years after the return is filed. At December 31, 2022, the Organization's tax years that remain subject to examination are 2019 through 2021.

The Organization follows the provisions of FASB ASC (Accounting Codification) No. 740, Accounting for Uncertainty in Income Taxes. The Organization has not recognized any respective liability for unrecognized tax benefits as it has no known tax positions that would subject the Organization to any material income tax exposure. A reconciliation of the beginning and ending amount of unrecognized tax benefits is not included, nor is there any interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses as there are no unrecognized tax benefits.

(m) Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the combined statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on an analysis of personnel time, space utilized, and utilities consumed for the related activities

(n) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

(o) Fair Value Measurement

ASC 820, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a 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 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described as follows:

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

(1) Organization and Summary of Significant Accounting Policies - Continued

(o) Fair Value Measurement - Continued

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Quoted prices for similar assets in active markets or inputs that are observable.

Level 3 – Inputs that are unobservable and significant to the fair value measurement (i.e., cash flow modeling).

An asset or liability's fair value measurement level within the 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.

The preceding methods described may produce a fair value calculation that may not be indicative of the realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are 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 Organization owns two investments that are fair valued using NAV, which are not required to be evaluated using the Level 1 through Level 3 fair value hierarchy and are summarized as follows:

- BCP VI Private Investors Offshore, LP (the Fund) is a limited partnership organized as an offshore conduit with a sole purpose to invest in Blackstone VI, a Delaware limited partnership, and interests in any alternative investment vehicles established under the Blackstone VI agreement. The fund is expected to have the same 11-year term as Blackstone VI provided that (i) the term of the Fund may be extended for up to two additional one-year periods, and (ii) the Fund may earlier dissolve in accordance with the provisions of its agreement or by operation of law and is scheduled to expire on January 7, 2024. Withdrawal of contributed capital is not permitted.

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

(1) **Organization and Summary of Significant Accounting Policies - Continued**

(o) **Fair Value Measurement - Continued**

- Private Equity 8: Credit Opportunities Select Fund, LP (the Select Fund) is a limited partnership formed for the purpose of investing substantially all of its available assets in a diversified portfolio of funds sponsored by The Blackstone Group, which include investments in secured debt, subordinated debt, mezzanine securities, distressed debt, preferred stock, and private equity. The Select Fund includes closed investment vehicles with no redemption options. The Select Fund will dissolve or terminate no later than one year following the later of the liquidation of the last investment fund to liquidate or termination of the fund, which is expected to be approximately ten years from the date of its last new commitment to an investment fund. Withdrawal of contributed capital is not permitted.

The Organization did not change its valuation techniques during the year.

(p) **Concentrations of Credit and Market Risk**

The Organization maintains its cash and cash equivalents in deposit and money market accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

(q) **Subsequent Events**

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through July 18, 2023, which is the date the financial statements were available to be issued.

(2) **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, comprise the following:

Cash and cash equivalents	\$ 4,406,704
Contributions and other receivables	122,827
Operating investments	<u>8,041,865</u>
	12,571,396
Less: contributions over 1 year	<u>(60,853)</u>
	<u>\$ 12,510,543</u>

Our endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

(3) Investments

The fair value of investments consists of the following at December 31, 2022:

Cash and cash equivalents	\$ 768,497
Level 1 investments:	
Investment-grade fixed income	2,349,201
Other fixed income	324,568
U.S. equity	3,111,389
Non-U.S. equity, emerging markets	1,488,210
Total Level 1 investments	<u>7,273,368</u>
	<u>\$ 8,041,865</u>

The fair value of endowed investments consists of the following at December 31, 2022:

Cash and cash equivalents	\$ 2,088,533
Level 1 investments:	
Investment-grade fixed income	3,970,802
Other fixed income	1,112,827
U.S. equity	8,601,207
Non-U.S. equity, emerging markets	5,334,994
Total Level 1 investments	<u>21,108,363</u>
Investments at net asset value	
BCP VI Private Investors Offshore, LP	219,863
Private Equity & Credit Opportunities Select Fund, LP	606,605
Total investments at net asset value	<u>826,468</u>
	<u>\$ 21,934,831</u>

Net investment income is stated net of fees of \$113,007 for the year ended December 31, 2022.

(4) Contributions Receivable

Contributions receivable consist of unconditional promises to give and are due as follows as of December 31, 2022:

Less than one year	\$ 61,974
One to five years	80,000
	<u>141,974</u>
Discount to present value (1.08% - 1.17%)	(19,147)
	<u>\$ 122,827</u>

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

(5) **Adoption of FASB ASC 842**

Effective January 1, 2022, the Organization adopted FASB ASC 842, Leases. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Company also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

The following table shows ROU assets and lease liabilities, and the associated financial statement line items as of December 31, 2022:

Lease-Related Assets and Liabilities

Right-of-use assets:	
Operating leases	<u>\$ 67,420</u>
Lease liabilities:	
Operating lease	<u>\$ 67,420</u>

Lease liability maturities as of December 31, 2022, are as follows:

	<u>Operating Leases</u>
2023	\$ 20,391
2024	23,046
2025	<u>23,983</u>
	<u>\$ 67,420</u>

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

(6) Land, Buildings and Equipment

At December 31, 2022, land, buildings and equipment consist of the following:

Land	\$ 2,456,398
Buildings and improvements	22,540,686
Furniture, fixtures and equipment	3,844,670
Vehicles	304,504
Construction in progress	133,557
	29,279,815
Less accumulated depreciation	(22,897,711)
	\$ 6,382,104

(7) Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following at December 31, 2022:

Available for operations	\$ 4,052,111
Investment in property and equipment	6,382,104
Board-designated for operating reserve	4,563,705
Board-designated for capital reserve	2,350,999
Board-designated for endowment (note 9)	9,980,289
	\$ 27,329,208

(8) Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods, as follows at December 31, 2022:

Restricted for:	
Equestrian, sports and theater programs	\$ 149,043
Summer and Family Camps	104,000
Trail of Joy	157,601
Specified time	110,615
Building construction	958,000
	1,479,259
Total subject to expenditure for specified purpose or period	1,479,259
Endowment funds restricted in perpetuity (note 9)	11,954,542
	\$ 13,433,801

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

(8) Net Assets With Donor Restrictions - Continued

Net assets were released from donor-imposed restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors for the year ended December 31, 2022, as follows:

Summer and Family Camps	\$ 1,063,424
Equipment	35,901
Specified time	119,747
	\$ 1,219,072

(9) Permanent and Board-Designated Endowment Funds

The Organization holds donor-restricted endowment funds for which the earnings are unrestricted or restricted for programs. The principal of the donor-restricted endowment funds is recorded as net assets with donor restrictions and must be maintained permanently and not used up, expended, or otherwise exhausted. The Organization also maintains a Board-designated endowment fund to further its mission, which includes unrestricted investment income earned on the donor-restricted and Board-designated endowment funds and is classified as without donor restrictions on the consolidated statements of financial position (see Note 6).

The Organization's Board of Directors has established an investment sub-committee to oversee the funds' management with the primary objective to provide long-term growth and capital preservation of all endowment funds. Each year, a portion of the return on the endowment funds may be used to fund general operating expenditures. The amount of that spending portion will be reviewed annually, and the distribution recommended by the Finance Committee will be approved by the Board of Directors. The amount shall be equal to a sum no greater than 5% of the average market value of the endowment fund at fiscal year-end for the quarter-ending balances for the preceding 12 quarters.

The Organization's endowment net assets consist of the following at December 31, 2022:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	11,954,542	11,954,542
Board-designated endowment funds	9,980,289	-	9,980,289
	\$ 9,980,289	11,954,542	21,934,831

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

(9) **Permanent and Board-Designated Endowment Funds - Continued**

The Organization's changes in endowment net assets are as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
December 31, 2021	\$ 13,322,457	12,115,765	25,438,222
Contributions	-	1,850,000	1,850,000
Interest and dividends	744,282	-	744,282
Net realized gain on investments	(1,061,448)	-	(1,061,448)
Net unrealized loss on investments	(3,945,218)	-	(3,945,218)
Investment fees	(113,007)	-	(113,007)
Amounts appropriated for expenditure	(978,000)	-	(978,000)
Earnings released from restrictions	2,011,223	(2,011,223)	-
December 31, 2022	<u>\$ 9,980,289</u>	<u>11,954,542</u>	<u>21,934,831</u>

The Board of Directors of the Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) 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 stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions: (a) the original value of the gift donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Organization and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investment.
- Other resources of the Organization.
- The investment policies of the Organization.

(10) **Related Party Transactions**

The Organization obtains its general liability, automobile, director and officer, and property insurance through a company whose owner is also a member of the Board of Directors. Amounts paid to this company were \$154,619 for the year ended December 31, 2022.

Supplementary Information

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Consolidating Statement of Financial Position

December 31, 2022

	<u>The Boggy Creek Gang, Inc.</u>	<u>Mitchell Central Property, LLC</u>	<u>Eliminations</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 4,406,704	-	-	4,406,704
Investments (note 3)	8,041,865	-	-	8,041,865
Endowed investments (note 3)	21,934,831	-	-	21,934,831
Contributions receivables, net	122,827	-	-	122,827
Prepaid expenses and other current assets	267,993	-	-	267,993
Due from affiliate	46,430	1,031,465	(1,077,895)	-
Right of use - operating leases (note 5)	67,420	-	-	67,420
Property and equipment (note 6)	6,382,104	-	-	6,382,104
Total assets	<u>\$ 41,270,174</u>	<u>1,031,465</u>	<u>(1,077,895)</u>	<u>41,223,744</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 583	-	-	583
Accrued payroll	392,732	-	-	392,732
Operating leases	67,420	-	-	67,420
Due to affiliate	1,031,465	46,430	(1,077,895)	-
Total liabilities	<u>1,492,200</u>	<u>46,430</u>	<u>(1,077,895)</u>	<u>460,735</u>
Net Assets:				
Without donor restrictions:	26,344,173	985,035	-	27,329,208
With donor restrictions:	13,433,801	-	-	13,433,801
Total net assets	<u>39,777,974</u>	<u>985,035</u>	<u>-</u>	<u>40,763,009</u>
Total liabilities and net assets	<u>\$ 41,270,174</u>	<u>1,031,465</u>	<u>(1,077,895)</u>	<u>41,223,744</u>

See accompanying notes to financial statements.

THE BOGGY CREEK GANG, INC. AND AFFILIATE

Consolidating Statement of Activities

Year Ended December 31, 2022

	The Bogy Creek Gang, Inc.			Mitchell Central Property, LLC	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Total
Support, Revenues, and gains					
Contributions, net	\$ 1,691,505	1,198,977	2,890,482	-	2,890,482
Special events	514,534	-	514,534	-	514,534
In-kind contributions	157,897	-	157,897	-	157,897
Investment income	(5,142,708)	-	(5,142,708)	-	(5,142,708)
Merchandise sales, net	(1,371)	-	(1,371)	-	(1,371)
Net assets released from restrictions	1,219,072	(1,219,072)	-	-	-
Total revenues and support	(1,561,071)	(20,095)	(1,581,166)	-	(1,581,166)
Expenses:					
Program services:					
Camp programs	1,318,966	-	1,318,966	-	1,318,966
Medical	753,239	-	753,239	-	753,239
Food services	265,376	-	265,376	-	265,376
Facilities	1,085,024	-	1,085,024	-	1,085,024
Total program services	3,422,605	-	3,422,605	-	3,422,605
Supporting services:					
Administrative and general	1,111,449	-	1,111,449	-	1,111,449
Fundraising	1,108,961	-	1,108,961	-	1,108,961
Total supporting services	2,220,410	-	2,220,410	-	2,220,410
Total expenses	5,643,015	-	5,643,015	-	5,643,015
Change in net assets	(7,204,086)	(20,095)	(7,224,181)	-	(7,224,181)
Net assets at beginning of year	33,548,259	13,453,896	47,002,155	985,035	47,987,190
Net assets at end of year	<u>\$ 26,344,173</u>	<u>13,433,801</u>	<u>39,777,974</u>	<u>985,035</u>	<u>40,763,009</u>

See accompanying notes to financial statements.