



SPAIN PRICE READER  
& THOMPSON, P.C.  
ACCOUNTANTS & BUSINESS CONSULTANTS

**The Woods Project**  
**Financial Statements**  
**For the Years Ended September 30, 2020 and 2019**

THE WOODS PROJECT  
(A TEXAS NONPROFIT ORGANIZATION)  
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

CONTENTS

	<u>PAGE</u>
Independent Accountants' Review Report	1
<u>Financial Statements</u>	
Statements of Financial Position	2
Statements of Activities	3
Statement of Functional Expenses – September 30, 2020	5
Statement of Functional Expenses – September 30, 2019	6
Statements of Cash Flows	7
Notes to Financial Statements	8



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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees of  
The Woods Project

We have reviewed the accompanying financial statements of The Woods Project (a nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***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.

### ***Accountants' Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of The Woods Project and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

### ***Accountants' Conclusion***

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Spain, Price, Reader & Thompson P.C.*

Houston, Texas  
February 19, 2021

THE WOODS PROJECT  
 STATEMENTS OF FINANCIAL POSITION  
 FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
<u>ASSETS</u>		
<u>Current assets</u>		
Cash and cash equivalents	\$ 480,726	\$ 172,901
Investments	161,674	147,413
Accounts receivable	9,523	13,107
Pledge receivable	50,000	50,000
Prepaid expenses	50,097	13,254
Total current assets	752,020	396,675
<u>Other assets</u>		
Pledge receivable	50,000	100,000
Total assets	\$ 802,020	\$ 496,675
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current liabilities</u>		
Accounts payable	\$ 4,083	\$ 24,405
Deferred revenue	66,381	33,393
Total current liabilities	70,464	57,798
<u>Long term liabilities</u>		
SBA paycheck protection program loan	72,609	-
<u>Net assets</u>		
Without donor restrictions	558,947	288,259
With donor restrictions	100,000	150,618
Total net assets	658,947	438,877
Total liabilities and net assets	\$ 802,020	\$ 496,675

See accompanying notes and independent accountants' review report.

THE WOODS PROJECT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support and revenues</u>			
Contributions	\$ 441,309	\$ 54,831	\$ 496,140
Direct cost reimbursement - non-forest service activities	6,994	-	6,994
Fundraising events	180,659	-	180,659
Less: direct benefit to donors	(11,617)	-	(11,617)
Investment income	2,125	-	2,125
Change in realized and unrealized gains and losses	7,885	-	7,885
In-kind support	30,740	-	30,740
Net assets released from restrictions	<u>105,449</u>	<u>(105,449)</u>	<u>-</u>
 Total support and revenues	 <u>763,544</u>	 <u>(50,618)</u>	 <u>712,926</u>
 <u>Expenses</u>			
Weekend	70,386	-	70,386
Summer	183,464	-	183,464
Fundraising costs	93,303	-	93,303
Management and general administrative	<u>145,703</u>	<u>-</u>	<u>145,703</u>
 Total expenses	 <u>492,856</u>	 <u>-</u>	 <u>492,856</u>
 Change in net assets	 270,688	 (50,618)	 220,070
 Net assets, beginning of year	 <u>288,259</u>	 <u>150,618</u>	 <u>438,877</u>
 Net assets, end of year	 <u>\$ 558,947</u>	 <u>\$ 100,000</u>	 <u>\$ 658,947</u>

See accompanying notes and independent accountants' review report.

THE WOODS PROJECT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Support and revenues</u>			
Contributions	\$ 329,490	\$ 90,969	\$ 420,459
Direct cost reimbursement - non-forest service activities	121,567	-	121,567
Fundraising events	188,971	-	188,971
Less: direct benefit to donors	(17,859)	-	(17,859)
Investment income	3,410	-	3,410
Change in unrealized gains and losses	3,466	-	3,466
In-kind support	167,501	-	167,501
Net assets released from restrictions	156,752	(156,752)	-
Total support and revenues	953,298	(65,783)	887,515
 <u>Expenses</u>			
Weekend	92,600	-	92,600
Summer	599,494	-	599,494
Fundraising costs	108,077	-	108,077
Management and general administrative	150,246	-	150,246
Total expenses	950,417	-	950,417
Change in net assets	2,881	(65,783)	(62,902)
Net assets, beginning of year	285,378	216,401	501,779
Net assets, end of year	\$ 288,259	\$ 150,618	\$ 438,877

See accompanying notes and independent accountants' review report.

THE WOODS PROJECT  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Program Services		Support Services		Total
	School Year	Summer	Fundraising	Management and General Administrative	
<u>Salaries and related expenses</u>					
Salaries and related expenses	\$ 28,519	\$ 155,163	\$ 89,467	\$ 94,449	\$ 367,598
<u>Operating expenses</u>					
Other transportation	59	92	-	-	151
Backpack costs	-	1,926	-	-	1,926
Miscellaneous camp costs	7,733	8,170	-	-	15,903
Equipment purchases	551	858	-	-	1,409
Equipment and supplies - donated	897	1,398	-	-	2,295
Gear transportation	1,939	-	-	-	1,939
Leader costs	-	4,882	-	-	4,882
Leader costs - donated	25,250	2,500	-	-	27,750
Leader training and recruiting	1,328	2,069	-	-	3,397
Special events	-	-	1,902	-	1,902
Promotional	-	-	-	1,119	1,119
Credit card fees	-	-	-	6,625	6,625
Legal and professional fees	-	-	-	5,559	5,559
Legal and professional fees - donated	-	-	-	695	695
Insurance	-	-	-	10,754	10,754
Technology	-	-	-	9,579	9,579
Office expenses	-	-	-	3,640	3,640
Meals, travel & entertainment	76	119	-	3,506	3,701
Rent	1,075	1,676	-	9,764	12,515
Other expenses	2,959	4,611	1,934	13	9,517
	<u>41,867</u>	<u>28,301</u>	<u>3,836</u>	<u>51,254</u>	<u>125,258</u>
Total operating expenses and salaries	<u>\$ 70,386</u>	<u>\$ 183,464</u>	<u>\$ 93,303</u>	<u>\$ 145,703</u>	<u>\$ 492,856</u>

See accompanying notes and independent accountants' review report.

THE WOODS PROJECT  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Program Services		Support Services		Total
	School Year	Summer	Fundraising	Management and General Administrative	
<u>Salaries and related expenses</u>					
Salaries and related expenses	\$ 42,755	\$ 147,677	\$ 93,089	\$ 98,135	\$ 381,656
<u>Operating expenses</u>					
Airfare	-	84,478	-	-	84,478
Bus transportation	-	14,705	-	-	14,705
Other transportation	57	10,715	-	-	10,772
Direct camp costs	-	122,863	-	-	122,863
Direct camp costs - donated	-	26,751	-	-	26,751
Backpack costs	-	25,646	-	-	25,646
Miscellaneous camp costs	8,994	14,187	-	-	23,181
Equipment purchases	576	13,627	-	-	14,203
Equipment and supplies - donated	324	7,680	-	-	8,004
Gear transportation	4,001	5,455	-	-	9,456
Leader costs	-	3,804	-	-	3,804
Leader costs - donated	34,625	91,875	-	-	126,500
Leader training and recruiting	563	13,334	-	-	13,897
Special events	-	-	3,799	-	3,799
Promotional	-	-	-	1,428	1,428
Credit card fees	-	-	-	6,377	6,377
Legal and professional fees	-	-	-	5,040	5,040
Legal and professional fees - donated	-	-	-	675	675
Insurance	-	-	-	12,537	12,537
Technology	-	-	-	7,811	7,811
Office expenses	-	-	-	4,488	4,488
Meals, travel and entertainment	139	3,281	-	4,346	7,766
Rent	117	2,780	-	8,343	11,240
Other expenses	217	5,134	5,618	1,066	12,035
Other expenses - donated	-	-	5,571	-	5,571
	<u>49,613</u>	<u>446,315</u>	<u>14,988</u>	<u>52,111</u>	<u>563,027</u>
Total operating expenses and salaries before depreciation	92,368	593,992	108,077	150,246	944,683
Depreciation and amortization	<u>232</u>	<u>5,502</u>	<u>-</u>	<u>-</u>	<u>5,734</u>
	<u>\$ 92,600</u>	<u>\$ 599,494</u>	<u>\$ 108,077</u>	<u>\$ 150,246</u>	<u>\$ 950,417</u>

See accompanying notes and independent accountants' review report.



THE WOODS PROJECT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 220,070	\$ (62,902)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	-	5,734
Change in realized and unrealized gains and losses	(7,885)	(2,015)
Contribution of donated security	(61,661)	-
Changes in operating assets and liabilities:		
Accounts receivable	3,584	9,347
Pledge receivable	50,000	50,000
Prepaid and other assets	(36,843)	(6,202)
Accounts payable	(20,322)	(6,956)
Deferred revenue	32,988	25,077
Net cash provided by operating activities	179,931	12,083
<u>Cash flows from investing activities</u>		
Proceeds from sale of investments	55,285	1,128
Purchase of investments	-	(953)
Net cash provided by investing activities	55,285	175
<u>Cash flows from financing activities</u>		
Proceeds from SBA paycheck protection program loan	72,609	-
Net cash provided by financing activities	72,609	-
Net change in cash and cash equivalents	307,825	12,258
Cash and cash equivalents, beginning of year	172,901	160,643
Cash and cash equivalents, end of year	\$ 480,726	\$ 172,901

See accompanying notes and independent accountants' review report.

THE WOODS PROJECT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020 AND 2019

NOTE 1: Organization and summary of accounting policies

Organization

The Woods Project (the "Organization") is a nonprofit organization incorporated on July 11, 2008 and began operations in October 2008. The Organization's mission is to develop leadership capacity and life skills for low income youth through a series of outdoor education/environmental awareness programs at wilderness sites in the United States. The Organization fulfills this mission by providing programs that start in September of each year with selected high school students and continue through the school year. These programs include weekly after school outdoor/environmental clubs, weekend backpacking, camping and service projects in outdoor settings around the Houston area and culminate in intensive summer sessions of backpacking, camping and service projects in wilderness areas designed to promote wilderness education and exploration experiences that develop critical behaviors needed for disadvantaged students to achieve success in school and life. The Organization receives contributions from various foundations, corporations and individual donors.

Basis of accounting

The financial statements have been prepared in accordance with the accounting guidance for not-for-profit organizations and in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, these financial statements are prepared on the accrual basis of accounting and present the financial position, results of activities, and cash flows for the Organization.

Financial statement preparation

The Organization's funding sources may include donors who have placed specific restrictions on the use of donated assets. Net assets, revenues, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net asset classification

Contributions and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* include those net assets whose use is not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation, including resources without donor restrictions obtained in connection with the Organization's educational projects and programs.
- *Net assets with donor restrictions* include contributions restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, net assets with donor restrictions are released to net assets without donor restrictions. Include contributions that donors have restricted in perpetuity. The related investment income is available to provide program support for the Organization.

THE WOODS PROJECT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020 AND 2019

NOTE 1: Organization and summary of accounting policies (continued)

Pledges and program receivables

Unconditional promises to give that are expected to be collected within one year are recorded at their realizable value. Unconditional promises to give that are expected to be collected after one year or more are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included as contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

The Organization records pledges and program receivables in the amount due to the Organization that have yet to be collected at year-end.

Revenue recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor for future periods or a specific purpose are reported as increases in net assets with donor restrictions depending on the nature of the restriction. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as net assets without donor restrictions and then reclassified to net assets without donor restrictions upon expiration of the restriction.

The Organization reports gifts of property and equipment as without restriction 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.

The Organization receives fees paid by various schools as reimbursements for the cost of their students' transportation to participate in summer trips. These fees are recorded as direct cost reimbursement- non- Forest Service activities in the statements of activities.

Deferred revenue

The Organization accounts for income collected in the current period but relating to future events as deferred revenue.

Cash equivalents

The Organization considers all highly liquid investments with maturities of three months or less to be cash equivalents, including money market funds and demand deposits.

Investments

All investments and invested cash are measured at fair value in the statements of financial position. Investment income or loss (including realized and change in unrealized gains and losses on investments, interest, and dividends) is included in the statements of activities as increases or decreases in net assets without restrictions unless the income or loss is restricted by donor or law.

THE WOODS PROJECT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020 AND 2019

NOTE 1: Organization and summary of accounting policies (continued)

Uninsured cash balances

The Organization maintains cash and cash equivalent balances at financial institutions located in Houston, Texas. At times, the Organization has balances in financial institutions that exceed the federally insured limit. Management periodically assesses the financial condition of the financial institutions and believes that any possible credit risk is minimal. At September 30, 2020, there were \$167,508 of uninsured deposits held in financial institutions.

The Organization received approximately 54% and 33% of their support and revenue from various foundation and corporate donations and approximately 30% and 21% from special events for the fiscal years ended September 30, 2020 and 2019, respectively.

Property, equipment and depreciation

The Organization capitalizes property and equipment at cost or at estimated value at the date of gift, of donated. Depreciation is computed on a straight-line basis over the estimated useful life of the assets, which is three years. The Organization's policy is to expense items under \$2,500 as incurred. All of the assets were fully depreciated in the year ending September 30, 2019.

Donated materials and services

The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. During the current year, there were no material services donated for various legal and financial matters. Such services, if received are reflected in the financial statements under FASB ASC 6005-10-15, "*Accounting for Contributions Received and Contributions Made*" based on the fair value of the services provided.

Functional allocation of expenses

For the purposes of these financial statements, expenses are allocated to various functional categories based upon management estimates.

Federal income tax

The Organization is exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code and classified as a public charity.

Concentration of credit and market risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited to any one institution. The Organization's investments do not represent significant concentrations of market risk in as much as the Organization's investment portfolio is adequately diversified among issuers and industries.

THE WOODS PROJECT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020 AND 2019

NOTE 1: Organization and summary of accounting policies (continued)

Recent Accounting Standards

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU No. 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled to those goods or services. ASU No. 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required under existing U.S. GAAP. The standard is effective for annual periods beginning after December 15, 2017, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU No. 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). The date of application of this standard was extended to be effective for annual periods beginning after December 15, 2021. Management does not anticipate that the standard will have a material impact on the financial statements as there are no contracts that would be affected, other than enhanced disclosures.

Basis of presentations and use of estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. 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. Actual results could vary from the estimates that were used.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

NOTE 2: Adoption of accounting standards

In August 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*, which changes presentation and disclosure requirements for not-for-profit entities in order to provide more relevant information about the resources (and changes in those resources) to donors, grantors, creditors, and other users. The changes include more qualitative and quantitative requirements about its liquidity, financial performance, and cash flows. ASU No. 2016-14 is effective for annual financial statements issued for fiscal years beginning after December 15, 2017 and should be applied on a retrospective basis. The adoption of ASU 2016-14 is reflected through the classification of net assets in two groups (i.e., net assets with donor restrictions and net assets without donor restrictions) based on the existence or absence of donor-imposed restrictions, as well as more qualitative and quantitative requirements about its liquidity, financial performance and cash flows.

THE WOODS PROJECT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020 AND 2019

NOTE 2: Adoption of accounting standards (continued)

In November 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-18, *Statement of Cash Flows (Topic 230) – Restricted Cash*, which addresses classification and presentation of changes in restricted cash on the statement of cash flows. ASU 2016-18 requires an entity’s reconciliation of the beginning-of-period and end-of-period total amounts shown on the statement of cash flows to include in cash and cash equivalents amounts generally described as restricted cash and restricted cash equivalents. ASU 2016-18 is effective fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. The Organization adopted ASU 2016-18 for the fiscal year ended September 30, 2020 using a retrospective transition method for each period presented. There is no restricted cash in fiscal years ended September 30, 2020 and 2019.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction and provides additional guidance on determining whether a contribution is conditional and unconditional. This ASU could impact the timing of revenue recognition and the financial statement disclosures related to such transactions. The Organization is required to apply the amendments in its fiscal year 2020 financial statements. The amendments should be applied on a modified prospective basis, but retrospective application also is permitted. Management has not determined the eventual method of adoption of the ASU or the impact on the financial statements.

NOTE 3: Fair value measurements

The Organization maintains investment accounts with financial services companies. Assets and liabilities that are measured at fair value use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization’s assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the transparency of inputs as follows:

Level 1 – Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Fair value is based on quoted prices in markets that are not active, quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability. Pricing models are utilized to estimate fair value for financial assets and liabilities categorized in Level 2.

Level 3 – Fair value is based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and are unobservable. These inputs reflect management’s judgment about the assumptions that a market participant would use in pricing the investment and are based on the best available information, some of which may be internally developed.

The level in the fair value hierarchy with which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

THE WOODS PROJECT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020 AND 2019

NOTE 3: Fair value measurements (continued)

The following table summarizes assets and liabilities measured at fair value on a recurring basis at September 30, 2020:

<u>Assets</u>	<u>Investments at Fair Value</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds (ETFs) – fixed income	\$ 140,726	\$ -	\$ -	\$ 140,726
Mutual funds – fixed income	20,948	-	-	20,948
Cash and cash equivalents	59,185	-	-	59,185
	<u>\$ 220,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,859</u>

The following table summarizes assets and liabilities measured at fair value on a recurring basis at September 30, 2019:

<u>Assets</u>	<u>Investments at Fair Value</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds (ETFs) – fixed income	\$ 126,225	\$ -	\$ -	\$ 126,225
Mutual funds – fixed income	21,188	-	-	21,188
Cash and cash equivalents	61,931	-	-	61,931
	<u>\$ 209,344</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,344</u>

Fair values for cash equivalents, equities-stocks, exchange traded funds (ETFs)-fixed income, mutual funds-fixed income, and fixed income bonds have Level 1 quoted prices in active markets.

Valuation methods used for assets measured at fair value are as follows:

- *Exchange traded funds and mutual funds* are valued daily at the net asset value of the underlying securities
- *Equities-stocks* are valued at the closing price reported on the active market in which the individual securities are traded.
- *Fixed Income-bonds* are valued at the closing price reported on the active market in which the individual bonds are traded.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

THE WOODS PROJECT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020 AND 2019

**NOTE 3:** Fair value measurements (continued)

Investment return consists of the following at September 30:

	2020	2019
Investment income	\$ 2,125	\$ 3,410
Net realized and unrealized gain (loss) on investments	7,885	3,466
Total investment return	\$ 10,010	\$ 6,876

Investments are exposed to various risks such as interest rate, market, and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

**NOTE 4:** Pledge receivable

Pledge receivable as of September 30, 2020 consist of the following:

	2020
Amounts due in less than one year	\$ 50,000
Amounts due in one to five years	50,000
Pledge receivable	\$ 100,000

Management believes that all receivables are collectible; therefore, no allowance for doubtful accounts has been recorded. If amounts become uncollectible, they will be charged to activities when that determination is made. Management has also not discounted the pledges because the amount was considered immaterial.

**NOTE 5:** Liquidity and availability of financial resources

The following reflects the Organization's financial assets as of September 30, 2020 and 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the financial position date. Amounts not available include amounts restricted for a donor specified purpose.

	2020	2019
Financial assets, at year-end	\$ 802,020	\$ 496,675
Less those unavailable for general expenditure within one year, due to contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	100,000	150,618
Financial assets available to meet cash needs for general expenditures within one year	\$ 702,020	\$ 346,057



THE WOODS PROJECT  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2020 AND 2019

NOTE 5: Liquidity and availability of financial resources (continued)

The Organization is substantially supported by individual contributors in the form of one-time donations and fundraising events held at various times throughout the year. Other revenue sources include in-kind contributions from sponsor companies and other restricted contributions from major donors.

NOTE 6: SBA paycheck protection program loan

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) a pandemic, resulting in economic uncertainties affecting the Organization's risks. The Organization has contributions and pledges receivables that might be impacted by this global pandemic. The effect on the Organization's financial results in the future cannot be reasonably estimated at this time.

On April 17, 2020, The Organization was granted a loan from a bank in the amount of \$72,609, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan, which was in the form of a note dated April 17, 2020 issued by the Organization, matures on October 17, 2020 and bears interest at a rate of 1.00% per annum, payable monthly commencing on June 16, 2020. The note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations. The Organization intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

On June 5, 2020, the Paycheck Protection Program Flexibility Act of 2020 (PPPPFA) was signed into law. The PPPFA amended the PPP loan and the Coronavirus Aid, Relief, and Economic Security Act, as originally made. Under the new law, the borrowers may choose to apply for forgiveness of qualifying expenses incurred during a 24-week "covered period" after their loan was disbursed. In addition, the deferral period, during which no payments of principal or interest are required, has been extended to the earlier of the bank receiving proceeds from forgiveness from the Small Business Administration or ten months after the end of the "covered period".

NOTE 7: Net assets with donor restrictions

At September 30, 2020 and 2019, net assets with donor restrictions are available for the following:

	2020	2019
Andrew Delaney Foundation	\$ 100,000	\$ 150,000
TPWD	-	618
	\$ 100,000	\$ 150,618

THE WOODS PROJECT  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2020 AND 2019

NOTE 7: Net assets with donor restrictions (continued).

For the year ended September 30, 2020 and 2019, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors as follows:

	2020	2019
HCDE	\$ 13,000	\$ 15,000
Samuels Foundation	-	13,901
Texas Parks and Wildlife	-	5,000
First Congregational Church	2,750	-
Andrew Delaney Foundation	50,000	50,000
Brown Foundation	-	20,000
Alice Kleberg Reynolds Foundation	-	2,500
Houston Foundation	-	2,500
Herzstein Foundation	-	15,000
Junior League of Houston	-	19,000
JCC Teen Philanthropy Initiative	-	3,550
TPWD	39,699	10,301
	\$ 105,449	\$ 156,752

NOTE 8: Project funding

The Organization receives the majority of their funding through pledges and grants solicited from various foundations, corporate entities and individuals.

NOTE 9: Permits

The Organization, at times, is required to obtain permits at certain locations in order to take their Program trips. Renewal of the permits is not guaranteed.

NOTE 10: Employee leasing

The organization leases its employees under an agreement with an employee leasing company. The employee leasing company manages the payroll, benefits, human resources issues and certain risk management for the Organization's employees. The Organization continues to have full and sole control of its operation, management and staff.

NOTE 11: Related party transactions

Contributions were made to the Organization by members of the Board of Directors during the current year. These contributions have been reflected as such in the statements of activities. At September 30, 2020 and 2019, contributions from these related parties amounted to \$113,700 and \$121,625, respectively.

THE WOODS PROJECT  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2020 AND 2019

NOTE 12: In-kind support

In-kind support is comprised of donated materials and services. Donated materials are recorded as contributions at fair value when an unconditional commitment is received from the donor. The related expense is recorded as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. At September 30, 2020 and 2019, in-kind support consisted of:

	2020	2019
Camp leaders	\$ 27,750	\$ 126,500
Professional services	695	675
Miscellaneous	-	5,571
Total services	28,445	132,746
Camp and equipment costs	2,295	34,755
Total donated costs	\$ 30,740	\$ 167,501

NOTE 13: Subsequent events

Due to the uncertainty of short-term continuing operations as a result of the COVID-19 pandemic, the abrupt closing of all non-essential commercial businesses and school systems, the various city, county, state, and federal declarations of emergency and stay at home orders, management anticipates decline operations in 2020. As of the date of these financial statements, the full scope of the impact of the pandemic on the Organization is not fully known. As of the date of the financial statements, no events or transactions have transpired that would have a material effect on the balances reported herein as of September 30, 2020 or that would significantly impact the Organization's ongoing operations.

The Organization has evaluated subsequent events through the issuance of the financial statements, which occurred on February 19, 2021.