

DALLAS ECOLOGICAL FOUNDATION
d/b/a
OUTDOORS TOMORROW FOUNDATION

Financial Statements and Independent Auditors' Report

As of and for the Years Ended June 30, 2023 and 2022



Malnory, McNeal
& COMPANY, PC

ACCOUNTING • ADVISORY • ASSURANCE

Dallas Ecological Foundation
d/b/a
Outdoors Tomorrow Foundation

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Malnory, McNeal & COMPANY, PC
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Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of Dallas Ecological *d/b/a* Outdoors Tomorrow Foundation (a Texas nonprofit Foundation) (the "Foundation"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dallas Ecological Foundation *d/b/a* Outdoors Tomorrow Foundation as of June 30, 2023 and 2022, and the changes in net assets, functional expenses, and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dallas Ecological *d/b/a* Outdoors Tomorrow Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities for Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dallas

Ecological *d/b/a* Outdoors Tomorrow Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dallas Ecological *d/b/a* Outdoors Tomorrow Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt Dallas Ecological *d/b/a* Outdoors Tomorrow Foundation's ability to continue as a going concern for a reasonable period of time.

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

A handwritten signature in blue ink, reading "Malnory, McNeal & Company PC".

Dallas, Texas
November 16, 2023

Certified Public Accountants

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

	2023	2022
ASSETS		
Cash	\$ 659,956	\$ 1,020,725
Restricted cash	341,908	457,436
Contributions receivable	58,668	132,203
Promises to give receivable, net of discount	146,611	170,065
Investments	1,250,669	646,780
Prepays	<u>6,002</u>	<u>5,000</u>
Total assets	<u>2,463,814</u>	<u>2,432,209</u>
LIABILITIES		
Accounts payable	24,412	3,411
Accrued expenses	<u>133,246</u>	<u>111,500</u>
Total liabilities	<u>157,658</u>	<u>114,911</u>
NET ASSETS		
Net assets without donor restrictions	1,264,855	1,278,433
Net assets with donor restrictions	<u>1,041,301</u>	<u>1,038,865</u>
Total net assets	<u>2,306,156</u>	<u>2,317,298</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,463,814</u></u>	<u><u>\$ 2,432,209</u></u>

Dallas Ecological Foundation *dba* Outdoors Tomorrow Foundation
Statements of Activities and Changes in Net Assets
For the Year Ended June 30, 2023

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Revenues and Support			
Contributions	\$ 973,579	\$ 177,997	\$ 1,151,576
Grants	332,929	-	332,929
Special events	185,066	-	185,066
Interest and dividend income	7,871	16,465	24,336
Unrealized gain (loss)	34,828	12,784	47,612
Net assets released from restriction	201,557	(201,557)	-
Total revenues and support	<u>1,735,830</u>	<u>5,689</u>	<u>1,741,519</u>
Expenses			
Program	973,518	-	973,518
Supporting	413,308	-	413,308
Fundraising	362,582	-	362,582
Decreases in net assets	<u>1,749,408</u>	<u>-</u>	<u>1,749,408</u>
Non-Operating Expenses			
Change in discount on pledges	<u>-</u>	<u>3,253</u>	<u>3,253</u>
Total non-operating expenses	<u>-</u>	<u>3,253</u>	<u>3,253</u>
Change in Net Assets	(13,578)	2,436	(11,142)
Net Assets at beginning of year	<u>1,278,433</u>	<u>1,038,865</u>	<u>2,317,298</u>
Net Assets at end of year	<u>\$ 1,264,855</u>	<u>\$ 1,041,301</u>	<u>\$ 2,306,156</u>

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

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

Dallas Ecological Foundation *dba* Outdoors Tomorrow Foundation
Statements of Functional Expenses
For the Year Ended June 30, 2023

	<u>Program</u>	<u>Supporting</u>	<u>Fundraising</u>	<u>TOTAL</u>
Salaries and benefits	\$ 408,977	\$ 247,371	\$ -	\$ 656,348
Advertising	39,835	39,835	-	79,670
Awards	5,299	-	-	5,299
Bad debt expense	-	2,113	-	2,113
Bank fees	-	10,775	11,672	22,447
Dues and subscriptions	-	2,579	-	2,579
Events	69,212	-	336,712	405,924
Insurance	507	12,160	-	12,667
Interest expense	-	383	-	383
License & fees	-	-	12,776	12,776
Office furniture/supplies	-	2,908	-	2,908
Phone	-	6,076	-	6,076
Postage	-	1,879	-	1,879
Printing	164	615	1,272	2,051
Professional fees	29,944	29,944	-	59,888
Rent/utilities	19,299	19,298	-	38,597
Scholarships	22,250	-	-	22,250
School equipment funding	228,451	-	-	228,451
Student enrichment	17,902	-	-	17,902
Travel	25,000	-	-	25,000
Training	30,732	-	-	30,732
Transportation	67,502	28,929	-	96,431
Other expenses	8,444	8,443	150	17,037
Total	<u>973,518</u>	<u>413,308</u>	<u>362,582</u>	<u>1,749,408</u>
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total functional expenses	<u>\$ 973,518</u>	<u>\$ 413,308</u>	<u>\$ 362,582</u>	<u>\$ 1,749,408</u>

Dallas Ecological Foundation *dba* Outdoors Tomorrow Foundation
Statements of Functional Expenses
For the Year Ended June 30, 2022

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

Dallas Ecological Foundation *dba* Outdoors Tomorrow Foundation
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ (11,142)	\$ (4,362)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities		
Depreciation	-	622
Change in operating assets and liabilities		
(Increase) decrease in contributions receivable	73,535	(75,900)
(Increase) decrease in pledges receivable	23,454	68,967
(Increase) decrease in prepaid expenses	(1,002)	3,219
Increase (decrease) in accounts payable	21,001	(15,053)
Increase (decrease) in accrued expense	21,746	3,500
Net cash provided (used) by operating activities	<u>127,592</u>	<u>(19,007)</u>
Cash flows from investing activities		
Net proceeds (purchases) of investments	<u>(603,889)</u>	<u>47,966</u>
Net cash provided (used) by investing activities	<u>(603,889)</u>	<u>47,966</u>
Net increase (decrease) in cash	(476,297)	28,959
Cash and cash equivalents and restricted cash at beginning of year	<u>1,478,161</u>	<u>1,449,202</u>
Cash and cash equivalents and restricted cash at end of year	<u>\$ 1,001,864</u>	<u>\$ 1,478,161</u>

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2023

Note 1 - Business Activity

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation (the “Foundation”) is a Texas nonprofit corporation incorporated on May 14, 1981. The Foundation’s primary purpose is expanding youth outdoor education and furthering wildlife conservation efforts worldwide.

Effective August 24, 2016, Dallas Ecological Foundation elected to promote their mission statement and its outdoor adventure program under doing a business as name (“DBA”). The DBA is the Outdoors Tomorrow Foundation (OTF). The reasoning for operating under the DBA was to better reflect and market the geographical expansion of the Foundation.

The Foundation is supported primarily through contributions.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

Basis of Financial Statements Presentation and Accounting Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

For reporting purposes, resources are classified into two net asset categories according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions - net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time or subject to donor-imposed stipulations that are to be maintained permanently. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of cash receipts and disbursements – cash basis, as net assets are released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets without donor restrictions. As of June 30, 2023, and 2022, there were net assets with donor restrictions of \$1,041,301 and \$1,038,865, respectively.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization’s cash and cash equivalents consist of cash on hand. The FDIC deposit insurance insures deposits and money markets up to

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents (continued)

\$250,000 per depositor, per insured bank for each ownership category. The Foundation has not incurred losses with respect to its cash.

Restricted Cash

The Foundation receives support from donors that is restricted as to withdrawal or use by the donors.

Investments

Investments consist of mutual funds, which are held for sale and are recorded at their current fair values. Securities that have been donated are recorded at the fair values as of the date of the gift.

Fair Value of Financial Instruments

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowers priority to unobservable inputs (Level 3 measurements). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at June 30, 2023 and 2022.

Mutual funds: Valued at the closing price reported in an active market in which the security is traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The provisions of Topic ASC 820 did not have an impact on the Foundation's nonfinancial assets and nonfinancial liabilities that are not permitted or required to be measured at fair value on a recurring basis.

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Contributions Receivable and Promise to Give

Contributions are recognized when a donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires or is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give that are expected to be collected in more than one year are discounted to a net present value using an estimated discount factor for risk-free borrowing. For the years ended June 30, 2023 and 2022, discount to present values rates were 3.81% and 2.98%, respectively.

Contributions receivable and promises to give receivable are considered past due when payments are not made under the terms of the contribution agreement. There were no past due contributions receivable or promises to give receivable at June 30, 2023, and no provision was made for uncollectible receivables as of that date. Contributions receivable and promises to give receivable are considered uncollectible and written off to uncollectible bad debt when the donor withdraws the contribution commitment or fails to provide a reasonable revised schedule of contributions. For the years ended June 30, 2023 and 2022, promises to give receivable deemed uncollectible and written off were \$2,113 and \$18,831, respectively.

As of June 30, 2023, and 2022, contribution receivable had outstanding balances of \$58,668 and \$132,203, respectively while promises to give receivable net of discount, had outstanding balances of \$146,611 and \$170,065, respectively.

Donated Goods and Services

The Foundation receives a substantial amount of services donated by its volunteers in carrying out the Foundation's mission. In accordance with the generally accepted accounting principles, donated services are not recorded in these financial statements. Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Property and Equipment

Property and equipment are stated at cost when purchased or fair value at the date the equipment is donated, less accumulated depreciation. Major expenditures and those that substantially increase useful lives are capitalized. All equipment purchases in excess of \$500 and having a useful life of one year or more are capitalized. Maintenance, repairs, and replacements, which do not improve or extend the lives of the respective assets, are included in the statement of activities and changes in net assets. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation is removed, and any gain or loss is included in

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Property and Equipment (continued)

the statement of activities and changes in net assets. Depreciation has been computed using the straight-line method over the useful lives of the assets as follows:

Computer equipment	5 years
Equipment	3–7 years

Functional Allocation of Expenses

The costs of providing the Foundation's various programs, fundraising, and management and general have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, fundraising, and management and general categories based on the specific identification of costs or approximate percentage of time and other methods.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Income Taxes

The Foundation is a not-for-profit Foundation that is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in Section 501(c)(3) of the IRC. The Foundation has been classified as an organization that is not a private foundation under IRC Section 509(a)(2), and as such, contributions to the Foundation qualify for deductions as charitable contributions. However, income generated from activities unrelated to the Foundation's exempt purpose is subject to tax under IRC Section 511, of which there is none. Accordingly, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

The Foundation is exempt from Texas state taxation for franchise tax and sales and use tax. The Foundation's Federal Return of Foundation Exempt from Income Tax (Form 990) for 2019, 2020, and 2021 are open to examination by the IRS for a period of three years from the date the returns are filed.

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax provisions that would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision of uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities and changes in net assets or accrued in the statement of financial position.

Note 3 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date are Cash and cash equivalents of \$1,414,171.

Note 4 – Cash and Cash Equivalents

Cash and cash equivalents are composed of the following at June 30, 2023 and 2022:

		2023		2022
Cash	\$	659,956	\$	1,020,725
Restricted cash		341,908		457,436
Total cash, cash equivalents and restricted cash	\$	<u>1,001,864</u>	\$	<u>1,478,161</u>

Note 5 – Endowments

The Foundation has endowments that were pledged by donors to support the mission of the Foundation. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Foundation Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation's endowment program consists of donor-restricted endowment funds and do not include any funds designated by the Board of Directors to functions as endowments. The endowment program is subject to the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA).

The Foundation Board of Directors has interpreted the TUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor restrictions to the contrary. The Foundation classifies the original value of gifts donated to the permanent endowment as well as accumulations to the permanent endowment made at the direction of the donor as net assets with donor restrictions. The remaining portion of the donor-restricted endowment fund that is not subject to permanent donor restrictions is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by TUPMIFA.

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2023

Note 5 – Endowments (Continued)

In accordance with TUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policy of the Foundation

	<u>With Donor Restrictions</u>
Endowment net assets, June 2022	\$ 577,317
Additions, earnings, and losses	64,179
Releases/reclasses	(14,731)
Endowment net assets, June 2023	\$ <u>626,765</u>
	<u>With Donor Restrictions</u>
Endowment net assets, June 2021	\$ 581,605
Additions, earnings, and losses	41,712
Releases/reclasses	(46,000)
Endowment net assets, June 2022	\$ <u>577,317</u>

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to protect the related assets and provide a reasonable return until authorized use. The Foundation's investment philosophy is to invest in secure vehicles, obtain adequate return on investment and invest in vehicles which are compatible with purposes of the Foundation.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Foundation relies on a strategy of asset diversification. On longer-term investments, the funds are normally placed with the Foundation in the investment pool except when the donor instrument defines another custodian.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or TUPMIFA requires the Foundation to retain as a fund perpetual duration. An aggregate deficiency did not exist at June 30, 2023 or 2022.

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2023

Note 6 – Promises to Give Receivable

Unconditional promises to give, consisting primarily of pledges, are summarized as follows at June 30, 2023 and 2022:

	2023	2022
Less than one year	\$ 70,100	\$ 60,200
One to five years	10,000	40,100
More than five years	125,600	125,600
Subtotal	205,700	225,900
Allowance for doubtful accounts	-	-
Discount	(59,089)	(55,835)
	\$ 146,611	\$ 170,065

Note 7 – Restricted Investments

Investments at June 30, 2023 and 2022 consisted of mutual and exchange traded funds in the amount of \$560,122 and \$411,363, respectively. Investment return for the year ended June 30, 2023 included interest, dividends, and unrealized gain/(loss) of \$30,098.

Note 8 – Fair Value of Financial Instruments

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2023 and 2022:

		Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active markets for Identical Assets/Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
June 30, 2023				
Mutual and exchange traded funds	\$ 560,122	\$ 560,122	\$ -	\$ -
June 30, 2022				
Mutual and exchange traded funds	\$ 411,363	\$ 411,363	\$ -	\$ -

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2023

Note 9 – Prepaid Expense

Prepaid expenses are composed of the following at June 30, 2023 and 2022:

	2023	2022
Prepaid expenses	\$ 1,002	\$ -
Deposits	5,000	5,000
	<u>\$ 6,002</u>	<u>\$ 5,000</u>

Note 10 – Fixed Assets

Fixed assets are composed of the following at June 30, 2023 and 2022:

	2023	2022
Camping equipment	\$ 8,811	\$ 8,811
Computer equipment	6,233	6,233
Less accumulated depreciation	(15,044)	(15,044)
	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense for June 30, 2023 and 2022 was \$0 and \$622.

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Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2023

Note 11 – Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2023 and 2022, consisted of the following:

	2023	2022
Purpose Restrictions		
GS	\$ 6,000	\$ 6,000
Collin County Youth	9,236	18,236
Houston grants	6,887	7,157
Kentucky	1,900	1,900
Texas Archery	99,051	80,357
Hunting fund	105	105
Lubbock DSC area	1,000	6,000
Warren Wildlife	2,000	2,000
RN LTD	52,111	56,611
New Mexico schools	-	1,950
Park Cities Quail OA Conservation Module	28,683	16,869
Sportsmen's Club of Forth Worth	7,150	27,000
Youth shooting teams	865	865
Nashville Schools	4,000	-
IOSH-Eastern Priory	1,756	2,756
DSC Northeast Chapter	5,000	8,000
DSC Greater Lakes Chapter	1,781	2,781
DSC New Mexico Chapter	9,504	2,500
COVID Relief	4,000	33,500
Safety Events Schools	16,896	16,896
Georgia Chapter Safari Club International	10,000	-
	<u>267,923</u>	<u>291,483</u>
Time Restrictions		
Pledges receivable, net of discount	146,611	170,065
Endowment	626,765	577,317
	<u>\$ 1,041,299</u>	<u>\$ 1,038,865</u>

Dallas Ecological Foundation d/b/a Outdoors Tomorrow Foundation
Notes to the Financial Statements
June 30, 2023

Note 11 – Net Assets with Donor Restrictions (continued)

Release of net assets with donor restrictions during the fiscal years ended June 30, 2023 and 2022, consisted of the following:

	2023	2022
Purpose Restrictions		
GS	\$ -	\$ 8,000
Collin County Youth	9,000	8,000
Houston grants	270	5,473
Texas Archery	115,751	1,750
Lubbock DSC area	5,000	1,000
RN LTD	4,500	23,500
Park Cities Quail OA Conservation Module	3,185	-
Sportsmen’s Club of Fort Worth	19,850	27,000
Nashville Schools	6,000	-
IOSH-Eastern Priory	4,500	3,500
Lake Highlands HS	-	4,750
Colin Michael Caruthers Scholarship	-	1,000
DSC Northeast Chapter	3,000	2,000
DSC Greater Lakes Chapter	1,000	1,000
COVID Relief	29,500	1,500
	<u>201,556</u>	<u>88,473</u>
Time Restrictions		
Pledges receivable	20,200	20,200
	\$ <u>221,756</u>	\$ <u>108,673</u>

Note 12– Concentrations

Significant concentrations are those that exceed more than 10% of revenues received for the year. There were no donors that met the reporting threshold for significant donors requiring disclosure as a concentration for the year ending June 30, 2023.

Note 13 – Subsequent Events

The Foundation has evaluated subsequent events through November 16, 2023, the date the financial statements were available to be issued.