

TEXAS LIONS CAMP, INC.

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
SEPTEMBER 30, 2015 AND 2014
AND SUPPLEMENTAL SCHEDULE

INDEPENDENT AUDITORS' REPORT

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**DAVIDSON • FREEDLE
ESPENHOVER & OVERBY, P.C.**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Texas Lions Camp, Inc.
Kerrville, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Texas Lions Camp, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, statements of net assets, and statements of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

Gary A. Davidson, CPA • Patrick L. Freedle, CPA • Greg Espenhover, CPA • Kerwin L. Overby, CPA • Richard B. Cox Jr., CPA
Sherrie E. Gold, CPA • Mandy Langbein, CPA • Kenneth B. Cox, CPA • Keith A. Theis, CPA

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Texas Lions Camp, Inc. as of September 30, 2015 and 2014, and the changes in its activities, its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for purpose of forming an opinion on the financial statements as a whole. The accompanying Supplemental Schedule of Budgeted and Budgetary Actual Sources and Uses of Funds for the year ended September 30, 2015 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for that portion marked "budget" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and 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 financial statements as a whole.

Davidson, Frosdick, Espenhouwer & Overby, P. C.

Kerrville, Texas
January 21, 2016

TEXAS LIONS CAMP, INC.STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2015 AND 2014

| | <u>2015</u> | <u>2014</u> | <u>Change</u> |
|---|----------------------|----------------------|---------------------|
| ASSETS | | | |
| CASH | \$ 1,081,055 | \$ 1,348,332 | \$ (267,277) |
| CASH - temporarily restricted | 314,593 | 443,387 | (128,794) |
| ACCOUNTS RECEIVABLE - Dues and other | 54,138 | 85,416 | (31,278) |
| UNCONDITIONAL PROMISES TO GIVE, NET - temporarily restricted | 32,401 | 99,657 | (67,256) |
| UNCONDITIONAL PROMISES TO GIVE, NET - permanently restricted | 468,185 | 673,918 | (205,733) |
| INVESTMENTS | 12,328,663 | 12,254,680 | 73,983 |
| INVESTMENTS - temporarily restricted | 1,319,445 | 1,624,485 | (305,040) |
| OTHER ASSETS | 25,691 | 17,558 | 8,133 |
| PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$8,774,924 and \$8,318,754 | 5,716,164 | 5,721,414 | (5,250) |
| LONG-TERM ENDOWMENT INVESTMENTS - permanently restricted | <u>7,727,864</u> | <u>7,010,076</u> | <u>717,788</u> |
| TOTAL | <u>\$ 29,068,199</u> | <u>\$ 29,278,923</u> | <u>\$ (210,724)</u> |
| LIABILITIES AND NET ASSETS | | | |
| LIABILITIES: | | | |
| Accounts payable | \$ 25,580 | \$ 17,572 | \$ 8,008 |
| Annuity payable | <u>99,463</u> | <u>107,106</u> | <u>(7,643)</u> |
| Total Liabilities | <u>125,043</u> | <u>124,678</u> | <u>365</u> |
| NET ASSETS: | | | |
| Permanently restricted: | | | |
| Endowment fund | 8,196,049 | 7,683,994 | 512,055 |
| Temporarily restricted: | | | |
| Operations and capital expenditures | 326,193 | 449,118 | (122,925) |
| Unappropriated endowment fund appreciation | 1,340,246 | 1,718,411 | (378,165) |
| Unrestricted: | | | |
| Designated as Trust funds | 12,328,663 | 12,254,680 | 73,983 |
| Designated for land and buildings | 5,269,550 | 5,345,553 | (76,003) |
| Undesignated | <u>1,482,455</u> | <u>1,702,489</u> | <u>(220,034)</u> |
| Total Net Assets | <u>28,943,156</u> | <u>29,154,245</u> | <u>(211,089)</u> |
| TOTAL | <u>\$ 29,068,199</u> | <u>\$ 29,278,923</u> | <u>\$ (210,724)</u> |

TEXAS LIONS CAMP, INC.STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

| | 2015 | 2014 | Change |
|---|---------------------|---------------------|-----------------------|
| UNRESTRICTED NET ASSETS | | | |
| Support: | | | |
| Lions membership dues | \$ 518,968 | \$ 527,007 | \$ (8,039) |
| Lions Century Club | 218,783 | 228,473 | (9,690) |
| Lions 100% participation | 236,338 | 245,783 | (9,445) |
| Contributions | 539,209 | 65,517 | 473,692 |
| Other support | 452,217 | 456,376 | (4,159) |
| Non-Lion donations | 98,435 | 85,609 | 12,826 |
| Total unrestricted support | <u>2,063,950</u> | <u>1,608,765</u> | <u>455,185</u> |
| Revenue: | | | |
| Other program fees | 302,584 | 856,978 | (554,394) |
| Sale of promotional items | 82,622 | 54,543 | 28,079 |
| Investment income including net unrealized gains and losses | (297,860) | 558,465 | (856,325) |
| Total unrestricted revenue | <u>87,346</u> | <u>1,469,986</u> | <u>(1,382,640)</u> |
| Net assets released from donor restrictions | <u>513,190</u> | <u>307,730</u> | <u>205,460</u> |
| TOTAL UNRESTRICTED SUPPORT AND REVENUE | <u>2,664,486</u> | <u>3,386,481</u> | <u>(721,995)</u> |
| PROGRAM SERVICE EXPENSES | <u>2,233,246</u> | <u>2,216,197</u> | <u>17,049</u> |
| SUPPORTING SERVICES EXPENSES | | | |
| General administration | 581,636 | 611,284 | (29,648) |
| Fund raising | 71,658 | 92,328 | (20,670) |
| Total supporting services expenses | <u>653,294</u> | <u>703,612</u> | <u>(50,318)</u> |
| TOTAL EXPENSES | <u>2,886,540</u> | <u>2,919,809</u> | <u>(33,269)</u> |
| CHANGE IN UNRESTRICTED NET ASSETS | <u>(222,054)</u> | <u>466,672</u> | <u>(688,726)</u> |
| TEMPORARILY RESTRICTED NET ASSETS | | | |
| Contributions | 257,211 | 307,197 | (49,986) |
| Net endowment investment income (loss) | (245,110) | 450,690 | (695,800) |
| Net assets released from donor restrictions | (513,190) | (307,730) | (205,460) |
| CHANGE IN TEMPORARILY RESTRICTED NET ASSETS | <u>(501,089)</u> | <u>450,157</u> | <u>(951,246)</u> |
| PERMANENTLY RESTRICTED NET ASSETS | | | |
| Endowment fund contributions | <u>512,055</u> | <u>430,452</u> | <u>81,603</u> |
| CHANGE IN PERMANENTLY RESTRICTED NET ASSETS | <u>512,055</u> | <u>430,452</u> | <u>81,603</u> |
| CHANGE IN TOTAL NET ASSETS | <u>\$ (211,088)</u> | <u>\$ 1,347,281</u> | <u>\$ (1,558,369)</u> |

TEXAS LIONS CAMP, INC.

STATEMENTS OF NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

| | TOTAL | UNRESTRICTED - UNDESIGNATED | UNRESTRICTED - DESIGNATED FOR CERTAIN LAND AND BUILDINGS | UNRESTRICTED - DESIGNATED AS TRUST FUNDS | TEMPORARILY RESTRICTED - OPERATIONS AND CAPITAL EXPENDITURES | TEMPORARILY RESTRICTED - ENDOWMENT FUND EARNINGS AND NET APPRECIATION | PERMANENTLY RESTRICTED - ENDOWMENT FUND |
|---------------------------------|---------------|--------------------------------|---|---|--|--|--|
| NET ASSETS - SEPTEMBER 30, 2013 | \$ 27,806,964 | \$ 1,450,867 | \$ 5,497,618 | 11,887,565 | \$ 336,207 | \$ 1,381,165 | \$ 7,253,542 |
| CHANGE IN NET ASSETS | 1,347,281 | 251,622 | (152,065) | 367,115 | 112,911 | 337,246 | 430,452 |
| NET ASSETS - SEPTEMBER 30, 2014 | 29,154,245 | 1,702,489 | 5,345,553 | 12,254,680 | 449,118 | 1,718,411 | 7,683,994 |
| CHANGE IN NET ASSETS | (211,088) | (220,034) | (76,003) | 73,983 | (122,925) | (378,164) | 512,055 |
| NET ASSETS - SEPTEMBER 30, 2015 | \$ 28,943,157 | \$ 1,482,455 | \$ 5,269,550 | \$ 12,328,663 | \$ 326,193 | \$ 1,340,247 | \$ 8,196,049 |

TEXAS LIONS CAMP, INC.**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

| | <u>2015</u> | <u>2014</u> |
|---|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ (211,088) | \$ 1,347,281 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Depreciation | 480,440 | 445,628 |
| (Recovery) Provision for uncollectible promises to give | (10,300) | (11,500) |
| Discount on promises to give | (10,091) | (13,022) |
| Amortization of annuity | 4,857 | 4,500 |
| Donated materials and services | (28,499) | (14,609) |
| Gain on disposal of assets | (4,097) | (13,789) |
| Realized and unrealized investment (gains) losses | 956,158 | (634,934) |
| Decrease (Increase) in other accounts receivable | 31,278 | (1,474) |
| Decrease (Increase) in unconditional promises to give | 293,380 | 192,621 |
| Decrease (Increase) in other assets | 11,548 | 17,464 |
| (Decrease) Increase in accounts payable | 8,008 | (16,368) |
| Contributions restricted for long-term investment | (512,055) | (430,452) |
| Contributions restricted for investment in property, equipment, and other | <u>(228,712)</u> | <u>(292,588)</u> |
| Net cash provided by operating activities | <u>780,827</u> | <u>578,758</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Net (increase) decrease in investments | (1,302,175) | (1,701,899) |
| Purchase of property and equipment | <u>(462,275)</u> | <u>(336,529)</u> |
| Net cash used by investing activities | <u>(1,764,450)</u> | <u>(2,038,428)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Contributions received restricted to investment in endowment | 512,055 | 430,452 |
| Contributions received restricted to investment in property, equipment, and other | 228,712 | 292,588 |
| Payments on annuity payable | <u>(12,501)</u> | <u>(12,501)</u> |
| Net cash provided by financing activities | <u>728,266</u> | <u>710,539</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (255,357) | (749,131) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR | <u>2,294,523</u> | <u>3,043,654</u> |
| CASH AND CASH EQUIVALENTS, END OF THE YEAR | <u>\$ 2,039,166</u> | <u>\$ 2,294,523</u> |

TEXAS LIONS CAMP, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business description – The Texas Lions Camp, Inc. (the “Camp”) was incorporated on April 4, 1949. The Camp was formed to support, maintain, and conduct without charge a children's camp as authorized by the Texas Non-Profit Corporation Act.

Fund accounting – The accounts of the Camp are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting purposes into various funds established according to their nature and purpose. The financial statements of the Camp have been prepared utilizing the accrual basis of accounting.

Contributions – Contributions received, including unconditional promises to give, are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor imposed restrictions. Amounts received that are designated for future periods are reported as temporarily restricted support that increases temporarily restricted net assets. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Charitable Gift Annuities –The Camp is the beneficiary of a split interest agreement categorized as a charitable gift annuity. Assets received are recorded at their fair value and the related liability is recorded as an annuity payable which is recorded at the present value of expected future payments based on the life expectancy of the donor and the prevailing interest rate. The difference between the fair value of the assets received and the annuity payable is classified as unrestricted contributions on the statement of activities. A discount rate of 6% was utilized to determine the present value of the charitable gift annuity. Amortization of the discount and any changes in the life expectancy of the donor is recorded in the statement of activities - unrestricted supporting services.

Donated property and labor – Donated property, marketable securities and other non-cash donations are recorded as contributions at their estimated market value at the date of donation. Volunteers contribute time to the activities of the Camp without compensation. Unless the criteria for recognition of such volunteer effort under ASC 958-605-25-16 has been satisfied, the financial statements do not reflect the value of those contributed services because, although clearly beneficial, no reliable basis exists for determining an appropriate amount to be associated with certain volunteer services rendered. Contributed services are recognized according to ASC 958-605-25-16 when the services received create or enhance nonfinancial assets or require specialized skills that would need to be purchased if not provided by donation.

Investments – Investments are carried at fair market value. Investment income gains and losses are reported as increases or decreases in unrestricted net assets or temporarily restricted net assets based on the nature of the original investment.

Property and equipment – are stated at cost except for donated equipment that is stated at fair market value at date of receipt. The cost of major renewal and betterments are capitalized. Expenditures for maintenance and repairs and for minor renewals and betterments are charged to expenses.

Income taxes – The Camp is a 501(c)(3) organization exempt from federal income tax as provided under the Internal Revenue Code and therefore has no provision for federal income taxes. The Camp has no material unrecognized tax positions due to uncertainties in income tax positions as of September 30, 2015 and 2014. If the Camp incurs any interest or penalties related to taxes, they are included in tax expense in the period incurred. For federal income tax purposes the returns essentially remain open for possible examination for a period of three years after the respective filing deadlines for those returns.

Cash and cash equivalents – For purposes of reporting cash flows, cash equivalents include time deposits, and all highly liquid debt instruments with original maturities of 3 months or less which are not restricted for long-term purposes (see note 2). Cash and cash equivalents as of September 30, 2015 and 2014 are as follows:

| | <u>2015</u> | <u>2014</u> |
|----------------------------------|---------------------|---------------------|
| Cash | \$ 1,395,648 | \$ 1,791,719 |
| Money market investment accounts | 643,518 | 502,804 |
| Cash and cash equivalents | <u>\$ 2,039,166</u> | <u>\$ 2,294,523</u> |

Promises to give – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

The Camp uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. Changes in the allowance for uncollectible promises to give are recorded against contribution revenue in the year of the change.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses – The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activity. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Date of Management’s Review - Management has evaluated subsequent events through January 21, 2016, which is the date the financial statements were available to be issued.

2. INVESTMENTS

The Camp carries investments at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

The Camp’s investments at September 30, 2015 and 2014, consist of securities held at J. P. Morgan and U.S. Trust and certain other investments and are categorized as follows:

| | 2015 | | 2014 | |
|-------------------|---------------------|---------------------|---------------------|---------------------|
| | Cost | Value | Cost | Value |
| Money Market | \$ 1,541,990 | \$ 1,541,990 | \$ 835,955 | \$ 835,956 |
| Debt Securities | 5,052,487 | 4,973,019 | 6,025,319 | 6,447,643 |
| Equity Securities | 10,726,716 | 11,225,346 | 7,632,264 | 8,779,959 |
| Other | 3,780,145 | 3,635,617 | 4,815,743 | 4,825,683 |
| Total | <u>\$21,101,338</u> | <u>\$21,375,972</u> | <u>\$19,309,281</u> | <u>\$20,889,241</u> |

Of the investments listed above, \$7,727,864 and \$7,010,076 are permanently restricted net assets (endowment fund) and \$1,319,445 and \$1,624,485 are temporarily restricted as of September 30, 2015 and 2014, respectively.

The following schedule summarizes the investment returns and classification in the Statement of Activities for the year ended September 30, 2015.

| | 2015 | | |
|---------------------------|---------------------|------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Total |
| Interest and dividends | \$ 346,288 | \$ 173,232 | \$ 519,520 |
| Realized gains (losses) | 400,487 | 147,018 | 547,505 |
| Unrealized gains (losses) | (978,480) | (525,183) | (1,503,663) |
| Investment fees | (66,155) | (40,177) | (106,332) |
| Total | <u>\$ (297,860)</u> | <u>\$ (245,110)</u> | <u>\$ (542,970)</u> |

The following schedule summarizes the investment returns and classification in the Statement of Activities for the year ended September 30, 2014.

| | 2014 | | |
|---------------------------|-------------------|------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Total |
| Interest and dividends | \$ 323,988 | \$ 151,187 | \$ 475,175 |
| Realized gains (losses) | 317,111 | 161,895 | 479,006 |
| Unrealized gains (losses) | (18,923) | 174,851 | 155,928 |
| Investment fees | (63,711) | (37,243) | (100,954) |
| Total | <u>\$ 558,465</u> | <u>\$ 450,690</u> | <u>\$ 1,009,155</u> |

3. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Accounting Standards Codification, *Fair Value Measurements and Disclosures* (FASB ASC 820), 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Various inputs are used in determining fair value. The three levels inputs of the fair value hierarchy under FASB ACS 820 are described below:

Level 1- Quoted prices for identical assets or liabilities in active markets that the Camp has the ability to access.

Level 2- Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) If the asset or liability has a specified

(contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Significant, unobservable inputs (including the Camp’s own assumptions in determining the fair value of investments).

The asset’s 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 methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at September 30, 2015 and 2014.

Level 1 Measurements

Money market funds, debt securities, equity securities, and other investments consist of investments in individual assets of the types noted as well as investments in mutual funds and other investment vehicles that invest in assets of certain types. The individual securities and the other investment vehicles are valued at the closing price reported on the active market on which the individual securities are traded. Mutual funds are valued at the quoted net asset value (“NAV”) of shares held by the plan at year end.

Level 3 Measurements

Certain other investment assets are comprised of mineral interests that are valued at the estimated present value of future net royalty income which approximates fair value and investment property that is valued at donated cost which approximates fair value.

The following table sets forth by level, within fair value hierarchy, the Camp’s assets at fair value:

Assets at Fair Value as of September 30, 2015:

| | Level 1 | Level 3 | Total |
|--------------------|----------------------|-------------------|----------------------|
| Money market funds | \$ 1,541,990 | | \$ 1,541,990 |
| Debt securities | 4,973,019 | | 4,973,019 |
| Equity securities | 11,225,346 | | 11,225,346 |
| Other | 3,320,130 | \$ 315,487 | 3,635,617 |
| Total | <u>\$ 21,060,485</u> | <u>\$ 315,487</u> | <u>\$ 21,375,972</u> |

Assets at Fair Value as of September 30, 2014:

| | <u>Level 1</u> | <u>Level 3</u> | <u>Total</u> |
|--------------------|----------------------|-------------------|----------------------|
| Money market funds | \$ 835,956 | | \$ 835,956 |
| Debt securities | 6,447,643 | | 6,447,643 |
| Equity securities | 8,779,959 | | 8,779,959 |
| Other | 4,508,448 | \$ 317,235 | 4,825,683 |
| Total | <u>\$ 20,572,006</u> | <u>\$ 317,235</u> | <u>\$ 20,889,241</u> |

The table below sets forth a summary of changes in the fair value of the Camp's level 3 assets:

| | <u>Level 3 Assets Other investments</u> |
|-----------------------------|---|
| Balance, September 30, 2013 | \$ 568,476 |
| Unrealized loss | <u>(251,241)</u> |
| Balance, September 30, 2014 | 317,235 |
| Unrealized loss | <u>(1,748)</u> |
| Balance, September 30, 2015 | <u>\$ 315,487</u> |

Unrealized gains and losses on level 3 assets are reported in the accompanying statement of activities as a component of investment income in unrestricted support and revenue.

4. PROMISES TO GIVE

Unconditional promises to give at September 30, 2015 and 2014 consist of the following:

| | <u>2015</u> | <u>2014</u> |
|---|-------------------|-------------------|
| Dues and other receivables | \$ 54,138 | \$ 85,416 |
| Temporarily restricted capital and other pledges, net of allowance of \$1,200 in 2015 and \$1,500 in 2014 | 32,401 | 99,657 |
| Permanently restricted endowment pledges, net of allowance of \$23,000 in 2015 and \$33,000 in 2014 | <u>484,379</u> | <u>700,203</u> |
| Unconditional promises to give before unamortized discount | 570,918 | 885,276 |
| Less unamortized discount -- permanently restricted | <u>(16,194)</u> | <u>(26,285)</u> |
| Net unconditional promises to give | <u>\$ 554,724</u> | <u>\$ 858,991</u> |

Unconditional promises to give as of
September 30, 2015 due in:

| | | |
|-------------------------------------|----|-----------------------|
| Less than one year | \$ | 456,178 |
| One to five years | | <u>138,940</u> |
| Subtotal | | 595,118 |
| Less: Unamortized discount | | (16,194) |
| Allowance for uncollectible pledges | | <u>(24,200)</u> |
| | \$ | <u><u>554,724</u></u> |

For the years ended September 30, 2015 and 2014, the discount rate applied to promises to give that are expected to be collected in future years was approximately 2.24%.

5. PROPERTY AND EQUIPMENT

For the fiscal years ended September 30, 2015 and 2014, the Camp recorded depreciation expense in the amount of \$480,440 and \$445,628, respectively. Depreciation is computed on a straight-line basis over the estimated useful lives of the property and equipment.

The cost and estimated useful lives as of September 30, 2015 and 2014 are as follows:

| | 2015 Cost or Donated Value | 2014 Cost or Donated Value | Estimated Useful Life In Years |
|--|-------------------------------------|-------------------------------------|---|
| Construction in progress | \$ 264,362 | \$ 33,598 | |
| Land | 87,488 | 87,488 | |
| Land improvements | 406,721 | 401,775 | 10 - 33 |
| Buildings | 8,967,559 | 8,894,024 | 33 |
| Campsites, roads, walks and other ground improvements | 2,803,592 | 2,803,592 | 15 - 33 |
| Furniture and fixtures | 340,424 | 301,382 | 10 |
| Equipment | 937,524 | 888,497 | 10 |
| Computer equipment | 100,643 | 104,397 | 6 |
| Vehicles | 582,776 | 525,414 | 5 |
| Total | <u>14,491,089</u> | <u>14,040,166</u> | |
| Less: Accumulated depreciation | <u>(8,774,924)</u> | <u>(8,318,754)</u> | |
| Net | <u><u>\$ 5,716,165</u></u> | <u><u>\$ 5,721,412</u></u> | |

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of cash and unconditional promises to give at September 30, 2015 and 2014. Amounts were available for the following purposes:

| | 2015 | 2014 |
|-----------------------------------|---------------------|---------------------|
| Operations | \$ 67,105 | \$ 56,048 |
| Capital improvements | 259,088 | 393,070 |
| Unappropriated endowment earnings | 1,340,246 | 1,718,411 |
| Total | <u>\$ 1,666,439</u> | <u>\$ 2,167,529</u> |

7. ENDOWMENT FUND

The State of Texas adopted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) effective September 1, 2007. The Camp adopted ASC 958-205-45-28, *Endowments of Not-for Profit organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowed Funds* during the year ended September 30, 2009. The Board of Directors has determined that some of its net assets are endowment funds as defined by UPMIFA. Most contributions are subject to the Texas Lions Camp Governing Instrument. Certain contributions are received subject to other trust instruments, or are subject to specific agreements with the Camp.

Under the terms of the of the Governing Instrument, the Board of Directors has the ability to distribute so much of the corpus of any trust or separate gift, devise, bequest, or fund as the Board shall determine.

In accordance with UPMIFA, the organization considers the following factors in making determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the organization 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 appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

Contributions that are subject to other gift instruments may be recorded as permanently restricted, temporarily restricted or unrestricted, depending on the specific terms of the agreement. Generally, if the corpus of the contribution will at some future time become available for spending it is recorded as temporarily restricted, if the corpus never becomes available for spending it will be reported as permanently restricted. In addition,

contributions that are promised to be given in a future period are presented as temporarily restricted until the payments are due.

The Camp has the objective to maintain the purchasing power of its endowments over time while generating income for operations. The Camp's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes.

The current spending policy calls for the appropriation and expenditure of the net income of the endowment investments, exclusive of the net realized and unrealized appreciation. Upon authorization of the Board, any realized and unrealized appreciation can be appropriated.

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 UPMIFA requires the Camp to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported as unrestricted net assets. There are no such deficiencies as of September 30, 2015 and 2014.

Changes in endowed assets for the year ended September 30, 2015 were as follows:

| | Temporarily Restricted | Permanently Restricted | Total |
|--|---------------------------|---------------------------|---------------------|
| Net endowed assets, beginning of year | \$ 1,718,411 | \$ 7,683,994 | \$ 9,402,405 |
| Interest and dividends | 173,231 | | 173,231 |
| Investment fees | (40,177) | | (40,177) |
| Net realized and unrealized depreciation | (378,165) | | (378,165) |
| Contributions | | 512,055 | 512,055 |
| Amounts appropriated for expenditure | (133,054) | | (133,054) |
| Changes in endowed assets | <u>(378,165)</u> | <u>512,055</u> | <u>133,890</u> |
| Net endowed assets, end of year | <u>\$ 1,340,246</u> | <u>\$ 8,196,049</u> | <u>\$ 9,536,295</u> |

Changes in endowed assets for the year ended September 30, 2014 were as follows:

| | Temporarily Restricted | Permanently Restricted | Total |
|---|---------------------------|---------------------------|---------------------|
| Net endowed assets, beginning of year | \$ 1,381,165 | \$ 7,253,542 | \$ 8,634,707 |
| Interest and dividends | 151,187 | | 151,187 |
| Investment fees | (37,243) | | (37,243) |
| Net realized and unrealized appreciation | 336,746 | | 336,746 |
| Contributions | | 430,452 | 430,452 |
| Amounts appropriated for expenditure | (113,445) | | (113,445) |
| Changes in endowed assets | <u>337,245</u> | <u>430,452</u> | <u>767,696</u> |
| Net endowed assets, end of year | <u>\$ 1,718,411</u> | <u>\$ 7,683,994</u> | <u>\$ 9,402,405</u> |

The Endowment fund's permanently restricted net assets consist of the following:

| | 2015 | 2014 |
|--|---------------------|---------------------|
| Receivables due in one to five years, net of discount and allowance | \$ 468,185 | \$ 673,918 |
| Investments (at amount of original contribution) | <u>7,727,864</u> | <u>7,010,076</u> |
| | <u>\$ 8,196,049</u> | <u>\$ 7,683,994</u> |

8. UNRESTRICTED NET ASSETS

The Board has designated that testamentary gifts received by the Camp, not specifically designated for any other purpose, shall be deemed to have been received by the Trust fund. Also, the Board has designated that net gains (both realized and unrealized) on such funds are to be reinvested in the Trust fund. Net income generated by the Trust fund may be used for operations upon authorization by the Board. The principal of the Trust fund may be used for acquisition and replacement of real property and major equipment upon approval by a 2/3 vote by the Board. If the principal of the Trust fund is to be used for any other purpose, a 4/5 vote of the Board is needed. As of September 30, 2015 and 2014, the amount of such funds designated as Trust funds in the accompanying financial statements is \$12,328,663 and \$12,254,680, respectively.

Activity in the Trust fund during the years ended September 30, 2015 and 2014 was as follows:

| | 2015 | 2014 |
|---|----------------------|----------------------|
| Trust fund balance at beginning of year | \$ 12,254,680 | \$ 11,887,567 |
| Contributions | 539,209 | 64,424 |
| Net realized and unrealized investment income (loss) designated for reinvestment | (309,992) | 548,016 |
| Net investment income used for operations | (265,234) | (245,328) |
| Trust fund balance at end of year | <u>\$ 12,328,663</u> | <u>\$ 12,254,680</u> |

The Board has also designated net assets for the net book value of certain land, buildings and improvements that by their nature are not disposable by the Camp as long as it maintains its operations of the summer camp. These assets at September 30, 2015 and 2014 are as follows:

| | 2015 | 2014 |
|---|---------------------|---------------------|
| Construction in progress | \$ 264,362 | \$ 33,598 |
| Land | 53,340 | 53,340 |
| Land improvements | 406,721 | 401,775 |
| Buildings | 8,967,559 | 8,894,024 |
| Campsites, roads, walks and other improvements | 2,803,592 | 2,803,592 |
| Total | <u>12,495,574</u> | <u>12,186,329</u> |
| Less: Accumulated depreciation | <u>(7,226,024)</u> | <u>(6,840,776)</u> |
| Net | <u>\$ 5,269,550</u> | <u>\$ 5,345,553</u> |

9. 401(k) PROFIT-SHARING PLAN

The Camp has a 401(k) profit sharing plan covering substantially all employees over the age of 21 with one year of service or more. The Company may contribute a discretionary percentage of the amount of an employee's elected salary deferrals and other discretionary contributions. Total contributions to the plan for the years ended September 30, 2015 and 2014 were \$28,045 and \$27,385, respectively.

10. CONCENTRATIONS OF CREDIT AND MARKET RISK

In 2015 and 2014, the Camp received approximately 85% and 69%, respectively, of its support and revenues from Lions in the State of Texas. As of September 30, 2015 and

2014, approximately 99% of unconditional promises to give were from Lions in the State of Texas.

Deposits at FDIC-insured institutions are insured up to \$250,000. The balances in the Camp accounts were in excess of these federally insured limits as of September 30, 2015.

11. RISKS AND UNCERTAINTIES

The Camp utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

TEXAS LIONS CAMP, INC.SUPPLEMENTAL SCHEDULE OF BUDGETED AND BUDGETARY ACTUAL SOURCES AND USES OF FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015 (SEE NOTE AT PAGE 22)

| | 2015 | ("Unaudited") BUDGET | VARIANCE | PERCENTAGE VARIANCE |
|--------------------------------------|------------------|-------------------------|------------------|------------------------|
| SOURCES OF FUNDS | | | | |
| CENTURY CLUB | \$ 218,783 | \$ 210,000 | \$ 8,783 | 4.18 |
| LIFE MEMBERSHIP | 19,480 | 30,000 | (10,520) | (35.07) |
| MEMORIALS | 65,901 | 75,000 | (9,099) | (12.13) |
| INTEREST INCOME | 2,983 | 1,600 | 1,383 | 86.44 |
| MEMBERSHIP DUES | 518,968 | 550,000 | (31,032) | (5.64) |
| DONATIONS | 245,184 | 190,000 | 55,184 | 29.04 |
| 100% PARTICIPATION | 236,338 | 275,000 | (38,662) | (14.06) |
| OUTSIDE DONATIONS | 66,360 | 130,000 | (63,640) | (48.95) |
| CORPORATE SPONSORSHIP | 20,675 | 25,000 | (4,325) | (17.30) |
| SALE OF PROMOTIONAL ITEMS | 61,427 | 50,000 | 11,427 | 22.85 |
| CHRISTMAS CARDS | 65,809 | 80,000 | (14,191) | (17.74) |
| VENDING INCOME | 952 | 1,000 | (48) | (4.80) |
| LEASE GROUPS | 34,691 | 25,000 | 9,691 | 38.76 |
| SERVICE REVENUE PHYSICAL DISBABILITY | 192,081 | 175,000 | 17,081 | 9.76 |
| SERVICE REVENUE DIABETES | 19,860 | 25,000 | (5,140) | (20.56) |
| GOLF TOURNAMENT PROCEEDS | 55,952 | 60,000 | (4,048) | (6.75) |
| CAMP PICTURES | 3,556 | 2,000 | 1,556 | 77.80 |
| MATERIAL/SERVICE CONTRIBUTION | 11,400 | | 11,400 | 100.00 |
| CONTRIBUTIONS - JACK WIECH | 25,770 | 82,000 | (56,230) | (68.57) |
| WILLS & BEQUESTS | - | - | - | 100.00 |
| OTHER INCOME | 7,448 | 1,000 | 6,448 | 644.80 |
| INCOME FROM SALE OF ASSET | 4,097 | - | 4,097 | 100.00 |
| INSURANCE REFUNDS | 18,948 | - | 18,948 | 100.00 |
| COUNSELOR SCHOLARSHIPS | 2,500 | - | 2,500 | 100.00 |
| LICENSE PLATE INCOME | 17,639 | 10,000 | 7,639 | 76.39 |
| ROYALTY INCOME | - | 2,400 | (2,400) | (100.00) |
| SPECIAL PROJECTS | 225 | - | 225 | 100.00 |
| DIVIDEND INCOME | 9,150 | - | 9,150 | 100.00 |
| DESIGNATED REVENUE | 84,148 | 100,000 | (15,852) | (15.85) |
| TRANSFER FROM ENDOWMENT | 133,054 | 130,000 | 3,054 | 2.35 |
| TRANSFER FROM TRUST FUND | 265,234 | 320,000 | (54,766) | (17.11) |
| TOTAL SOURCES OF FUNDS | 2,408,613 | 2,550,000 | (141,387) | (5.54) |
| USES OF FUNDS | | | | |
| ARCHERY | 321 | 500 | (179) | (35.80) |
| ARTS & CRAFTS | 1,995 | 1,500 | 495 | 33.00 |
| AQUATICS | 2,917 | 4,500 | (1,583) | (35.18) |
| AWARDS | 3,525 | 2,000 | 1,525 | 76.25 |
| BANQUET | 6,586 | 5,600 | 986 | 17.61 |
| BARN YARD/PETTING ZOO | 2,183 | 2,000 | 183 | 9.15 |
| CAMPER PROVISIONS | 829 | 500 | 329 | 65.80 |
| CAMPER PICTURES | 2,263 | 500 | 1,763 | 352.60 |
| CERAMICS | 2,442 | 500 | 1,942 | 388.40 |
| CERTIFICATION | 10,460 | 12,000 | (1,540) | (12.83) |
| COUNSELOR SCHOLARSHIPS | 2,500 | 1,000 | 1,500 | 150.00 |
| DUES & SUBSCRIPTIONS | 5,322 | 5,000 | 322 | 6.44 |
| DIABETIC WEEKEND | 38,887 | - | 38,887 | 100.00 |
| DIRECTORS TRAINING | 10,614 | 10,000 | 614 | 6.14 |

TEXAS LIONS CAMP, INC.SUPPLEMENTAL SCHEDULE OF BUDGETED AND BUDGETARY ACTUAL SOURCES AND USES OF FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015 (SEE NOTE AT PAGE 22)

| | 2015 | ("Unaudited") BUDGET | VARIANCE | PERCENTAGE VARIANCE |
|-----------------------------|---------|-------------------------|----------|------------------------|
| WORK WEEKEND | 15,531 | 15,000 | 531 | 3.54 |
| FIREWORKS | 1,006 | 1,000 | 6 | 0.60 |
| FINE ARTS | 150 | 500 | (350) | (70.00) |
| DINING HALL: | | | | |
| FOOD | 185,715 | 150,000 | 35,715 | 23.81 |
| PAPER PRODUCTS | 14,916 | 10,000 | 4,916 | 49.16 |
| SALARIES | 53,924 | 62,000 | (8,076) | (13.03) |
| PAYROLL TAXES | 4,506 | 5,270 | (764) | (14.50) |
| GREENHOUSE | 175 | 500 | (325) | (65.00) |
| INSURANCE CAMPERS | 3,790 | 3,500 | 290 | 8.29 |
| LAUNDRY | 24,116 | 20,000 | 4,116 | 20.58 |
| LEADERSHIP WEEKEND | 25 | - | 25 | 100.00 |
| MUSIC | 264 | 500 | (236) | (47.20) |
| NATURE CRAFTS | 1,349 | 1,200 | 149 | 12.42 |
| OFFICE SUPPLIES | 3,230 | 5,000 | (1,770) | (35.40) |
| POSTAGE | 2,938 | 5,000 | (2,062) | (41.24) |
| PRINTING | 7,108 | 25,000 | (17,892) | (71.57) |
| PHOTOGRAPHY | 469 | 1,500 | (1,031) | (68.73) |
| PHOTO ACTIVITY | 46 | - | 46 | 100.00 |
| RECREATION | 467 | 900 | (433) | (48.11) |
| ROPES COURSE | 2,923 | 4,000 | (1,077) | (26.93) |
| SPECIAL ACTIVITIES | 3,904 | 1,450 | 2,454 | 169.24 |
| STORE INVENTORY | 37,476 | 35,000 | 2,476 | 7.07 |
| SALES AND OTHER TAXES | 1,715 | 4,000 | (2,285) | (57.13) |
| SECURITY RECORD CHECK | - | - | - | 100.00 |
| TRAVEL | 14,027 | 20,000 | (5,973) | (29.87) |
| UNIFORMS | 16,351 | 12,500 | 3,851 | 30.81 |
| UNIT ACTIVITIES | - | 250 | (250) | (100.00) |
| VENDING | 2,826 | 4,000 | (1,174) | (29.35) |
| EMPLOYEE RELATIONS | 150 | 500 | (350) | (70.00) |
| INFIRMARY: | | | | |
| SUPPLIES | 3,220 | 3,000 | 220 | 7.33 |
| OUTSIDE MEDICAL FEES | 2,889 | 3,500 | (611) | (17.46) |
| SALARIES | 51,089 | 55,000 | (3,911) | (7.11) |
| PAYROLL TAXES | 4,324 | 4,675 | (351) | (7.51) |
| EQUESTRIAN: | | | | |
| DUES & SUBS | 510 | 1,000 | (490) | (49.00) |
| FARRIER | 2,800 | 2,800 | - | - |
| HORSE FEED | 27,250 | 25,000 | 2,250 | 9.00 |
| MEDICAL COST | 3,803 | 2,400 | 1,403 | 58.46 |
| RIDING SUPPLIES | 600 | 500 | 100 | 20.00 |
| RANCH SUPPLIES | 2,593 | 2,600 | (7) | (0.27) |
| WILDLIFE MANAGEMENT | 1,171 | - | 1,171 | 100.00 |
| PASTURE MANAGEMENT | - | - | - | 100.00 |
| JANITORIAL | 1,400 | 3,500 | (2,100) | (60.00) |
| SALARIES: | | | | |
| PROGRAM STAFF | 181,750 | 205,125 | (23,375) | (11.40) |
| PROGRAM STAFF PAYROLL TAXES | 13,694 | 17,436 | (3,742) | (21.46) |
| SUMMER STAFF | 315,290 | 260,000 | 55,290 | 21.27 |
| SUMMER STAFF PAYROLL TAXES | 22,548 | 22,000 | 548 | 2.49 |

TEXAS LIONS CAMP, INC.SUPPLEMENTAL SCHEDULE OF BUDGETED AND BUDGETARY ACTUAL SOURCES AND USES OF FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015 (SEE NOTE AT PAGE 22)

| | 2015 | ("Unaudited") BUDGET | VARIANCE | PERCENTAGE VARIANCE |
|------------------------------|---------|-------------------------|----------|------------------------|
| DAY CAMP PAYROLL TAXES | 5,332 | - | 5,332 | 100.00 |
| DIABETIC CAMP: | | | | |
| MEDICAL GRANT | 51,709 | 45,000 | 6,709 | 14.91 |
| OUTSIDE MEDICAL FEES | - | 50,000 | (50,000) | (100.00) |
| EMERGENCY SHELTER EXPENSES | - | - | - | 100.00 |
| AUDIT FEE | 21,600 | 18,000 | 3,600 | 20.00 |
| BAD DEBT EXPENSE | - | - | - | 100.00 |
| BANK CHARGES | 8,680 | 3,200 | 5,480 | 171.25 |
| ACH CHARGES | 1,726 | 1,000 | 726 | 72.60 |
| PAYROLL SERVICE CHARGES | 31,583 | 25,000 | 6,583 | 26.33 |
| BOARD MEETING COST | 33,098 | 25,000 | 8,098 | 32.39 |
| DUES & SUBSCRIPTIONS | 4,746 | 1,000 | 3,746 | 374.60 |
| LEASE GROUP EXPENSES | 775 | 7,500 | (6,725) | (89.67) |
| LEGAL FEES | 1,557 | 3,500 | (1,943) | (55.51) |
| OFFICE SUPPLIES | 9,752 | 10,000 | (248) | (2.48) |
| POSTAGE | 2,669 | 3,500 | (831) | (23.74) |
| PRINTING | - | 1,000 | (1,000) | (100.00) |
| COMPUTER SERVICES & SUPPLIES | 46,620 | 25,000 | 21,620 | 86.48 |
| SALARIES | 188,394 | 234,043 | (45,649) | (19.50) |
| PAYROLL TAXES | 13,994 | 19,894 | (5,900) | (29.66) |
| EMPLOYEE RELATIONS | 501 | 1,000 | (499) | (49.90) |
| ENDOWMENT CAMPAIGN | 566 | - | 566 | 100.00 |
| PROGRAM DEVELOPMENT: | | | | |
| ADVERTISING & PROMOTION | 4,523 | 5,000 | (477) | (9.54) |
| DUES & SUBSCRIPTIONS | 180 | 2,500 | (2,320) | (92.80) |
| PRINTING | 14,699 | 15,000 | (301) | (2.01) |
| PRODUCTION PROGRAMS | 59 | 5,000 | (4,941) | (98.82) |
| POSTAGE | 14,551 | 15,000 | (449) | (2.99) |
| CHRISTMAS CARD POSTAGE | 5,119 | 5,000 | 119 | 100.00 |
| PUBLIC RELATIONS | 211 | 2,000 | (1,789) | (89.45) |
| SUPPLIES | 2,737 | 1,000 | 1,737 | 173.70 |
| SALARIES | 135,790 | 138,040 | (2,250) | (1.63) |
| PAYROLL TAXES | 10,553 | 11,733 | (1,180) | (10.06) |
| RECOGNITION EMBLEMS | 43,934 | 65,000 | (21,066) | (32.41) |
| VEHICLES - FUEL | 12,545 | 15,000 | (2,455) | (16.37) |
| VEHICLES - MAINTENANCE | 4,896 | 3,000 | 1,896 | 63.20 |
| VEHICLES - PARTS | 1,973 | 5,000 | (3,027) | (60.54) |
| VEHICLES - REGISTRATION | 1,396 | 1,250 | 146 | 11.68 |
| VEHICLES - RENTALS | 94 | - | 94 | 100.00 |
| VEHICLES - REPAIRS | 4,616 | 5,000 | (384) | (7.68) |
| REPAIRS & MAINTENANCE | | | | |
| BUILDINGS | 33,061 | 33,000 | 61 | 0.18 |
| EQUIPMENT | 19,087 | 20,000 | (913) | (4.57) |
| FURNITURE & FIXTURES | 1,711 | 2,300 | (589) | (25.61) |
| GENERAL | 24,006 | 15,000 | 9,006 | 60.04 |
| LAND | 6,144 | 2,000 | 4,144 | 207.20 |
| MAINTENANCE CONTRACTS | 14,893 | 18,000 | (3,107) | (17.26) |
| JANITORIAL SUPPLIES | 3,638 | 8,000 | (4,362) | (54.53) |
| MAINTENANCE SALARIES | 91,897 | 167,300 | (75,403) | (45.07) |
| MAINTENANCE PAYROLL TAXES | 7,097 | 14,220 | (7,123) | (50.09) |

TEXAS LIONS CAMP, INC.

SUPPLEMENTAL SCHEDULE OF BUDGETED AND BUDGETARY ACTUAL SOURCES AND USES OF FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015 (SEE NOTE AT PAGE 22)

| | <u>2015</u> | <u>("Unaudited") BUDGET</u> | <u>VARIANCE</u> | <u>PERCENTAGE VARIANCE</u> |
|-------------------------|-------------------|---------------------------------|-------------------|--------------------------------|
| INSURANCE: | | | | |
| UMBRELLA | - | - | - | 100.00 |
| ACCIDENT | 2,725 | 3,000 | (275) | (9.17) |
| AUTO | 16,695 | 14,000 | 2,695 | 19.25 |
| BUILDINGS | 87,919 | 75,000 | 12,919 | 17.23 |
| BOND | 619 | 1,000 | (381) | (38.10) |
| EQUIPMENT | 3,016 | 3,000 | 16 | 0.53 |
| EMPLOYEE HEALTH | 118,971 | 156,000 | (37,029) | (23.74) |
| EMPLOYEE RETIREMENT | 28,045 | 44,664 | (16,619) | (37.21) |
| WORKERS COMPENSATION | 19,552 | 25,000 | (5,448) | (21.79) |
| DIRECTORS & OFFICERS | 7,743 | 6,500 | 1,243 | 19.12 |
| UTILITIES: | | | | |
| ELECTRICITY | 76,390 | 80,000 | (3,610) | (4.51) |
| GARBAGE | 4,846 | 4,000 | 846 | 21.15 |
| GAS | 8,768 | 16,500 | (7,732) | (46.86) |
| TELEPHONE | 8,753 | 12,000 | (3,247) | (27.06) |
| T.V. | 8,367 | 8,000 | 367 | 4.59 |
| WATER | 9,258 | 10,000 | (742) | (7.42) |
| PROPERTY TAXES-TRUST | 946 | 650 | 296 | 45.54 |
| TOTAL USES | <u>2,410,197</u> | <u>2,550,000</u> | <u>(139,803)</u> | <u>(5.48)</u> |
| NET INCREASE/(DECREASE) | <u>\$ (1,584)</u> | <u>\$ -</u> | <u>\$ (1,584)</u> | ***** |
| DEPRECIATION | <u>\$ 480,440</u> | <u>\$ -</u> | <u>\$ 480,440</u> | ***** |

NOTE: THIS STATEMENT IS PRESENTED FOR PURPOSES OF COMPARISON OF THE BUDGETARY ACTUAL SOURCES AND USES OF CERTAIN FUNDS TO THOSE AMOUNTS BUDGETED. IT IS NOT INTENDED TO PRESENT ALL SOURCES AND USES OF FUNDS, AS DUE TO THEIR NATURE, NOT ALL SOURCES AND USES ARE BUDGETED BY MANAGEMENT.