

CAMP HERTKO HOLLOW, INC.  
AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 and 2018

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Camp Hertko Hollow, Inc.

We have audited the accompanying financial statements of Camp Hertko Hollow, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statement of activities with comparative totals for 2018, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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 Camp Hertko Hollow, Inc. as of December 31, 2019 and 2018, and the changes in 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.

Handwritten signature of Tarbell & Co., P.L.C. in cursive script.

TARBELL & CO., P.L.C.  
A Certified Public Accounting Firm  
Des Moines, IA

April 17, 2020

CAMP HERTKO HOLLOW, INC.  
 Statements of Financial Position  
 December 31, 2019 and 2018

ASSETS		2019	2018
Current assets			
Cash and cash equivalents		\$ 151,111	\$ 125,743
Assets held at Community Foundation of Greater Des Moines			
Camp Hertko Hollow Endowment		1,166,573	1,031,398
Camp Hertko Hollow Scholarship Fund		278,035	245,818
Contributions receivable - current		71,016	18,383
Prepaid expenses		15,964	8,866
Total current assets		\$ 1,682,699	\$ 1,430,208
Fixed assets			
Furniture and equipment		\$ 50,454	\$ 52,271
Less accumulated depreciation		(49,424)	(50,126)
Net fixed assets		\$ 1,030	\$ 2,145
Other assets			
Contributions receivable - non-current		\$ 49,077	\$ -
Total other assets		\$ 49,077	\$ -
Total assets		\$ 1,732,806	\$ 1,432,353
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable		\$ 2,593	\$ 4,355
Accrued paid time off		5,353	2,331
Total current liabilities		\$ 7,946	\$ 6,686
Net assets			
Without donor restrictions		\$ 1,620,127	\$ 1,425,667
With donor restrictions		104,733	-
Total net assets		\$ 1,724,860	\$ 1,425,667
Total liabilities and net assets		\$ 1,732,806	\$ 1,432,353

See Independent Auditors' Report And Notes To Financial Statements.

CAMP HERTKO HOLLOW, INC.  
 Statements of Activities  
 For the year ended December 31, 2019 with comparative totals for 2018

	Net Assets		Totals	
	Without Restrictions	With Restrictions	2019	2018
Public support and revenue				
Public support				
Contributions	\$ 413,972	\$ 104,733	\$ 518,705	\$ 383,214
Contributions in-kind	503,583	-	503,583	457,182
Total public support	<u>\$ 917,555</u>	<u>\$ 104,733</u>	<u>\$ 1,022,288</u>	<u>\$ 840,396</u>
Revenue				
Camp and program fees	\$ 78,285	\$ -	\$ 78,285	\$ 70,104
Investment income	238,173	-	238,173	(100,292)
Merchandise sales	6,113	-	6,113	2,170
Miscellaneous income	-	-	-	394
Total revenue	<u>\$ 322,571</u>	<u>\$ -</u>	<u>\$ 322,571</u>	<u>\$ (27,624)</u>
Net assets released from restrictions				
Expiration of time restriction	\$ -	\$ -	\$ -	\$ -
Total public support and revenue	<u>\$ 1,240,126</u>	<u>\$ 104,733</u>	<u>\$ 1,344,859</u>	<u>\$ 812,772</u>
Expenses				
Program services	\$ 877,117	\$ -	\$ 877,117	\$ 798,914
Management and general	130,637	-	130,637	123,499
Fundraising	37,912	-	37,912	37,109
Total expenses	<u>\$ 1,045,666</u>	<u>\$ -</u>	<u>\$ 1,045,666</u>	<u>\$ 959,522</u>
Change in net assets	\$ 194,460	\$ 104,733	\$ 299,193	\$ (146,750)
Net assets, beginning of year	<u>1,425,667</u>	<u>-</u>	<u>1,425,667</u>	<u>1,572,417</u>
Net assets, end of year	<u><u>\$ 1,620,127</u></u>	<u><u>\$ 104,733</u></u>	<u><u>\$ 1,724,860</u></u>	<u><u>\$ 1,425,667</u></u>

See Independent Auditors' Report And Notes To Financial Statements.

CAMP HERTKO HOLLOW, INC.  
Statement of Functional Expenses  
For the Year Ended December 31, 2019

	Program Services	Management And General	Fund Raising	Total Expenses
Salaries	\$ 55,129	\$ 45,711	\$ 28,787	\$ 129,627
Employee benefits	3,694	3,063	1,929	8,686
Payroll taxes	5,305	4,399	2,770	12,474
Workers Comp	1,489	1,234	777	3,500
	<u>65,617</u>	<u>54,407</u>	<u>34,263</u>	<u>154,287</u>
Total salaries and related benefits	\$ 65,617	\$ 54,407	\$ 34,263	\$ 154,287
Advertising	9,161	289	193	9,643
Administration fees	738	14,023	-	14,761
Bank charges	-	2,026	-	2,026
Family Camp:				
Lodging	15,184	-	-	15,184
Food	299	-	-	299
Contract labor	3,134	784	-	3,918
Conference expenses	915	229	-	1,144
Education expenses	118	443	29	590
Travel	373	1,398	93	1,864
Parking	-	1,189	-	1,189
Summer Camp:				
Food	4,260	-	-	4,260
Supplies/other	278,373	-	-	278,373
Camp staff	227,876	-	-	227,876
Camp rent	236,778	-	-	236,778
Promotional merchandise	10,328	-	-	10,328
Entertainment and meals	60	478	60	598
Annual campaign	-	-	-	-
Fundraising	-	-	1,160	1,160
Professional fees	-	18,060	-	18,060
Donated office space	668	6,010	-	6,678
Office rent	874	7,869	-	8,743
Office supplies and postage	2,204	10,677	275	13,156
Printing	6,266	783	783	7,832
Transportation	1,114	2,227	371	3,712
Telephone	1,371	1,371	685	3,427
Membership dues	1,278	1,278	-	2,556
Insurance	9,737	2,434	-	12,171
Interest	-	26	-	26
Utilities	391	3,521	-	3,912
Loss on sale of equipment	-	274	-	274
	<u>877,117</u>	<u>129,796</u>	<u>37,912</u>	<u>1,044,825</u>
Total expenses before depreciation	\$ 877,117	\$ 129,796	\$ 37,912	\$ 1,044,825
Depreciation of fixed assets	-	841	-	841
	<u>877,117</u>	<u>130,637</u>	<u>37,912</u>	<u>1,045,666</u>
Total expenses	\$ 877,117	\$ 130,637	\$ 37,912	\$ 1,045,666
Percentage of expense to total expenses	<u>84%</u>	<u>12%</u>	<u>4%</u>	<u>100%</u>

See Independent Auditors' Report And Notes To Financial Statements.

CAMP HERTKO HOLLOW, INC.  
Statement of Functional Expenses  
For the Year Ended December 31, 2018

	Program Services	Management And General	Fund Raising	Total Expenses
Salaries	\$ 52,014	\$ 44,276	\$ 28,371	\$ 124,661
Employee benefits	3,175	2,703	1,732	7,610
Payroll taxes	4,978	4,237	2,715	11,930
Workers Comp	1,492	1,271	814	3,577
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Total salaries and related benefits	\$ 61,659	\$ 52,487	\$ 33,632	\$ 147,778
Advertising	4,543	143	96	4,782
Administration fees	883	16,780	-	17,663
Bank charges	-	2,649	-	2,649
Family Camp:				
Lodging	13,847	-	-	13,847
Food	221	-	-	221
Contract labor	7,985	1,996	-	9,981
Conference expenses	732	183	-	915
Education expenses	108	404	27	539
Travel	601	2,255	150	3,006
Parking	-	2,128	-	2,128
Summer Camp:				
Food	4,345	-	-	4,345
Supplies/other	331,641	-	-	331,641
Camp staff	122,035	-	-	122,035
Camp rent	216,849	-	-	216,849
Promotional merchandise	7,563	-	-	7,563
Entertainment and meals	99	792	99	990
Annual campaign	-	-	454	454
Fundraising	-	-	680	680
Professional fees	-	18,220	-	18,220
Donated office space	1,145	10,303	-	11,448
Office rent	-	-	-	-
Office supplies and postage	2,768	7,017	346	10,131
Printing	5,670	709	709	7,088
Transportation	749	1,498	250	2,497
Telephone	1,332	1,332	666	3,330
Membership dues	1,252	1,252	-	2,504
Insurance	9,438	2,359	-	11,797
Interest	-	-	-	-
Utilities	-	-	-	-
Loss on sale of equipment	-	-	-	-
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Total expenses before depreciation	\$ 795,465	\$ 122,507	\$ 37,109	\$ 955,081
Depreciation of fixed assets	3,449	992	-	4,441
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Total expenses	\$ 798,914	\$ 123,499	\$ 37,109	\$ 959,522
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Percentage of expense to total expenses	83%	13%	4%	100%
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See Independent Auditors' Report And Notes To Financial Statements.



CAMP HERTKO HOLLOW, INC.  
 Statements of Cash Flows  
 For The Year Ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 299,193	\$ (146,750)
Adjustments to reconcile change in net assets to net cash provided by operations:		
Depreciation	841	4,441
Loss on sale of fixed assets	274	-
Change in operating assets and liabilities:		
(Increase) decrease in contributions receivable	(101,710)	49,777
(Increase) decrease in prepaid expenses	(7,098)	3,360
(Decrease) increase in accounts payable	(1,762)	1,697
Increase in accrued paid time off	3,022	2,331
Net cash provided (used) by operating activities	\$ 192,760	\$ (85,144)
Cash flows from investing activities:		
(Increase) decrease in Camp Hertko Hollow Endowment Fund	\$ (135,175)	\$ 87,792
(Increase) decrease in Camp Hertko Hollow Scholarship Fund	(32,217)	21,049
Net cash (used) provided by investing activities	\$ (167,392)	\$ 108,841
Cash flows from financing activities:		
Net cash provided by financing activities	\$ -	\$ -
Increase in cash and cash equivalents	\$ 25,368	\$ 23,697
Cash and cash equivalents, beginning of year	125,743	102,046
Cash and cash equivalents, end of year	\$ 151,111	\$ 125,743
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ 26	\$ -

See Independent Auditors' Report And Notes To Financial Statements.

CAMP HERTKO HOLLOW, INC.  
Notes to Financial Statements  
December 31, 2019 and 2018

NOTE 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

Camp Hertko Hollow, Inc. (the Organization) is Iowa's camp for children with diabetes. The Organization's mission is to provide an educational and recreational camping program for Iowa's youth between the ages of 6-18 living with diabetes. The goal of the camping program is to promote diabetes education and management skills in order to foster independence and a positive attitude in youth towards controlling their disease. The cost of camping programs is partially funded through the support of corporations, foundations, and individual donors. The camp also charges a camper fee for those campers who don't qualify for a camper scholarship. Providing the opportunity for children with diabetes to attend the annual camp is the top priority of the Organization, and the board members, management, and employees of Camp Hertko Hollow Inc. work diligently throughout the year securing alternate funding sources and resources - including donations, grants, as well as donated materials, supplies, and volunteer services - to help keep the cost of the camping programs as affordable as possible.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. Under this basis, contributions and other revenues are recognized when earned and expenses are recognized when obligations are incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board, ASU 2016-14. Under ASU 2016-14, the Organization is required to report information regarding its financial position and changes in net assets according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- Net assets without donor restrictions represent resources used in carrying on the general operations of the Organization and are given with no time or purpose restriction by the donor.
- Net assets with donor restrictions consist of net assets, which have a time or purpose restriction placed on them by the donor at the time of the gift. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents. Cash and cash equivalents consist of demand deposit and savings accounts.

See Independent Auditors' Report.

CAMP HERTKO HOLLOW, INC.  
Notes to Financial Statements  
December 31, 2019 and 2018

Note 1 –Nature of Activities and Significant Accounting Policies (continued)

Assets Held at Community Foundation

Assets held at the Community Foundation of Greater Des Moines are carried at fair value, with gains and losses resulting from market fluctuations recognized in the period in which the fluctuations occur. Investment income is reported as an increase or decrease in net assets without donor restrictions, unless the use of the assets is restricted by the donor and the restrictions have not been met in the reporting period in which the income was recognized.

Contributions Receivable

Unconditional contributions received are recognized as receivables and contributions in the period received. Conditional contributions receivable are recognized only when the conditions on which they depend are substantially met. An allowance for uncollectible contributions is provided based upon management's judgement, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Management considers all contributions receivable fully collectible due to minimal write-offs in prior years, and, therefore, an allowance for uncollectible contributions has not been recorded.

Fixed Assets

Expenditures for the acquisition of fixed assets greater than \$500 with a useful life greater than one year are capitalized at cost. The fair market value of donated fixed assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the assets on the straight-line method. Through July 2019, the Organization received donated office space from the YMCA of Greater Des Moines and the space was used for the offices of the Organization's full and part time staff.

Depreciation and amortization expense reported on the statements of functional expenses totaled \$841 and \$4,441 for the years ended December 31, 2019 and 2018, respectively.

Estimates

The preparation of financial statements 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 Expenses

The Organization's allocation of expenses to the various functions is based upon time estimates, direct actual use, or usage of the related asset involved. Accordingly, certain costs have been allocated to the programs or other services benefited.

See Independent Auditors' Report.

CAMP HERTKO HOLLOW, INC.  
Notes to Financial Statements  
December 31, 2019 and 2018

Note 1 –Nature of Activities and Significant Accounting Policies (continued)

Contributions Received

The Organization distinguishes between contributions received with donor-imposed restrictions and those without donor-imposed restrictions. Contributions with donor-imposed restrictions are reported as restricted support unless the Organization meets the donor-imposed restriction on all or a portion of the amount contributed in the same reporting period in which the contribution was received. In those cases, the contributions, to the extent the restrictions have been met, are reported as support without donor-imposed restrictions. Receipts of unconditional promises to give with payments due in future periods are considered support with donor-imposed restrictions unless it is clear that the donor intended the gift to be used to support activities in the current period. Gifts of long-lived assets received without donor-imposed restrictions are considered support without donor-imposed restrictions.

Comparative Data

The amounts shown for the year ended December 31, 2018 in the accompanying statement of activities is included to provide a basis for comparison with 2019 and presents summarized totals only. Accordingly, the 2018 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Note 2 – Interest in Assets Held by Community Foundations

The Organization holds all of its investment assets at the Community Foundation of Greater Des Moines. The investment assets are held in two funds known as the Camp Hertko Hollow Endowment Fund and the Camp Hertko Hollow Scholarship Fund. Each are professionally managed by the Community Foundation of Greater Des Moines. The Organization's interest in these assets is recorded at the fair value, or quoted market value, of the securities. The Organization may request these assets or the net investment income of these assets at any time from the Community Foundation of Greater Des Moines. The Community Foundation of Greater Des Moines does not have the power to redirect the assets or the net investment income to any entity other than Camp Hertko Hollow, Inc. The investment assets held by the Community Foundation consist of pooled funds that are diversified among money market funds, fixed income securities, domestic, international, private equities, real estate investment trusts, and hedge funds. Camp Hertko Hollow does not directly own the underlying investments, but rather an interest in the pooled investments.

Investment income reported in the statements of activities is comprised of:

	Dec. 31, 2019	Dec. 31, 2018
Interest and dividends	\$ 33,744	\$ 30,603
Realized gains	6,396	32,828
Unrealized gain (loss)	198,033	(163,723)
Investment income	<u>\$ 238,173</u>	<u>\$ (100,292)</u>

See Independent Auditors' Report.

CAMP HERTKO HOLLOW, INC.  
Notes to Financial Statements  
December 31, 2019 and 2018

Note 3 – In-Kind Contributions and Donated Services

Amounts included for in-kind contributions are valued at their estimated fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to related program expenses as appropriate.

Medical and unpaid volunteers have made significant contributions of time to the Camp Hertko Hollow annual Y-Camp in the areas of professional medical care, medical counseling, diabetes awareness education, and general camp counseling and mentoring. Contributed services are recorded at fair value at the date of donation only if the services (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation.

Management has valued the donated services at \$227,876 and \$122,035 for the years ended December 31, 2019 and 2018, respectively. Management has also valued donated medical supplies from various companies associated with the medical industry that have benefited the annual Y-Camp at \$269,029 and \$323,699 and for the years ended December 31, 2019 and 2018, respectively. These amounts have been included as contributions in the statements of activities, and charged as expense to the related program receiving benefit from the donated service and supplies.

The Organization received office space in Des Moines, Iowa, as a donation all throughout 2018 and from January 1<sup>st</sup> through July 31<sup>st</sup> of 2019. A non-cash donation is recorded on an annual basis based at the fair-market value of the office space provided. Related rent expense for the donated office space was \$6,678 and \$11,448 for the years ended December 31, 2019 and 2018, respectively.

Note 4 – Contributions Receivable

Contributions receivable consists of the following as of December 31:

	2019	2018
Annual campaign	\$ 15,361	\$ 18,383
Camp related grants	107,776	-
Present value discount (2.92%)	(3,044)	-
Contributions receivable	<u>\$ 120,093</u>	<u>\$ 18,383</u>
Less: allowance for uncollectible contributions	-	-
Contributions receivable, net	<u>\$ 120,093</u>	<u>\$ 18,383</u>
Amounts anticipated to be received in:		
Less than one year	\$ 71,016	\$ 18,383
One to five years (net of discount)	49,077	-
Total	<u>\$ 120,093</u>	<u>\$ 18,383</u>

See Independent Auditors' Report.

CAMP HERTKO HOLLOW, INC.  
Notes to Financial Statements  
December 31, 2019 and 2018

Note 5 – Concentration of Credit Risk

Cash deposits in financial institutions may at times throughout the year exceed federally insured limits. The Organization has not experienced any losses with regards to cash deposits in any single financial institution.

Note 6 – Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending December 31, 2019, 2018, 2017, and 2016 are subject to examination by the IRS, generally for three years after the due date of the return.

Note 7 – Fair Value Measurements

The Organization accounts for its investment assets held at the Community Foundation of Greater Des Moines at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in its principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. Camp Hertko Hollow has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. These levels are as follows:

- Level 1 Valuation is based on quoted prices for identical instruments traded in active markets.
- Level 2 Valuation is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include the option pricing models, discounted cash flow modes and similar techniques. The fair value of the investment is based on a combination of audited financial statements of the investees and monthly or quarterly statements received from investees.

Investment assets held at the Community Foundation of Greater Des Moines consist of pooled funds. The Organization holds a share of the pooled funds and does not maintain direct ownership of the underlying investments. Although the pooled funds include equity, fixed income, and other marketable securities, the pool itself is not a publicly traded instrument. Management estimates the fair value of its pooled funds at the statement of financial position date based on its relative ownership investment in the pool.

All funds held at the Community Foundation of Greater Des Moines are considered Level 3 investments since there is not a direct ownership of the underlying investments. However, the underlying investments in the pooled funds consist of investments that may have been measured using Level 1, Level 2, and Level 3 inputs.

See Independent Auditors' Report.

CAMP HERTKO HOLLOW, INC.  
Notes to Financial Statements  
December 31, 2019 and 2018

Note 7 – Fair Value Measurements (continued)

The following table provides a summary of changes in fair value of the Level 3 investments for the year ended December 31, 2019:

	2019	2018
Balance, beginning	\$ 1,277,216	\$ 1,386,057
Funds disbursed	(63,861)	-
Interest and dividends	33,735	28,456
Realized gains	6,396	32,828
Unrealized gain (loss)	198,033	(163,723)
Investment expenses	(6,911)	(6,902)
Contributions to the fund	-	500
Balance, ending	\$ 1,444,608	\$ 1,277,216

Note 8 – Minimum Fee Schedule – Annual Y-Camp

Camp Hertko Hollow has agreed to a minimum fee schedule with the Des Moines Y-Camp as follows:

The fees for each year of camp shall be the greater of 1) the number of camp participants of each type multiplied by the fee per camp participant for that year from the table below plus \$2,000 annually towards internet fees or 2) 95% of the total fee for the prior year camp.

Fees	2019	2020	2021	2022	2023
Camper Full	\$573	\$590	\$605	\$623	\$635
Mini Camper	\$290	\$295	\$302	\$312	\$320
Staff Full	\$484	\$498	\$508	\$523	\$533
Staff Orientation	\$37	\$37	\$37	\$38	\$38

Either party may terminate the agreement upon written notice and payment of a termination fee. The Organization has not recorded any such liability in its financial statements for the obligation under guarantee. Neither party has terminated nor has plans to terminate the contract as of December 31, 2019 and 2018.

The Organization incurred rent expense related to the annual Y-Camp in the amount of \$236,778 and \$216,849 for the years ended December 31, 2019 and 2018, respectively.

Note 9 – Related Party Transaction

The Organization rents its annual camp and facilities from the Des Moines Y-Camp in Boone, IA. An individual serving on the Organization's board of directors is also the executive director of the Des Moines Y-Camp. Transactions between the Organization and the Des Moines Y-Camp are done at arm's length and no prejudice is made in negotiating contracts between the two parties.

See Independent Auditors' Report.

CAMP HERTKO HOLLOW, INC.  
Notes to Financial Statements  
December 31, 2019 and 2018

Note 10 – Liquidity and Availability of Financial Assets

The following reflects Camp Hertko Hollow, Inc.'s financial assets as of December 31, 2019, and 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>December 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Financial assets, at year-end	\$ 1,715,812	\$ 1,421,342
Less those unavailable for general expenditure within one year, due to:		
Board designation:		
Quasi-endowment funds, primarily for long-term investing (less 5% spendable)	(1,372,378)	(1,213,355)
Availability of funds:		
Contributions receivable which are not expected to be received within one year	<u>(49,077)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 294,357</u>	<u>\$ 207,987</u>

Camp Hertko Hollow is substantially supported by contributions from individuals and organizations, some of which may be restricted for a time or purpose. Because a donor's restriction requires resources to be used in a particular manner or a future period, Camp Hertko Hollow must maintain sufficient resources to meet those responsibilities to donors. Thus, financial assets may not be available for general expenditure within one year. As part of Camp Hertko Hollow's liquidity management, the board of directors has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The board of directors has established spending policies from the Organization's quasi-endowment funds that allows for 5% distributions annually from the funds. The board of directors may draw upon the quasi-endowment funds beyond the normal 5% annual distribution in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

Note 11 – Subsequent Events

The Organization has evaluated subsequent events through March 11, 2020, the date which the financial statements were available to be issued. There were no subsequent events which were required to be accrued or disclosed.

See Independent Auditors' Report.