

BOULDER CREST FOUNDATION

Bluemont, Virginia

FINANCIAL STATEMENTS

DECEMBER 31, 2021

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Boulder Crest Foundation
Bluemont, Virginia

Opinion

We have audited the accompanying financial statements of Boulder Crest Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021 and 2020, and the results of its change in net assets and its cash flows for the years then ended in accordance with 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Responsibility of 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable).

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 the 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Yount, Hyde & Barbour, P.C.

Winchester, Virginia
March 22, 2022

BOULDER CREST FOUNDATION

Statements of Financial Position

December 31, 2021 and 2020

Assets	2021	2020
Current Assets		
Cash and cash equivalents	\$ 17,196,448	\$ 17,628,311
Contributions receivable	3,877,000	--
Pledges receivable, current portion	1,050,000	740,000
Prepaid expenses	140,440	95,971
Other receivables	<u>243,060</u>	<u>162,059</u>
Total current assets	<u>\$ 22,506,948</u>	<u>\$ 18,626,341</u>
Property and Equipment		
Buildings	\$ 14,621,914	\$ 14,621,914
Land and improvements	3,495,071	3,400,453
Furniture and equipment	1,069,101	1,044,076
Website and application	320,168	253,340
Vehicles	552,889	420,203
Construction in progress	<u>30,869</u>	<u>--</u>
	\$ 20,090,012	\$ 19,739,986
Less accumulated depreciation	<u>4,392,186</u>	<u>3,630,472</u>
Total property and equipment, net	<u>\$ 15,697,826</u>	<u>\$ 16,109,514</u>
Other Assets		
Investments	\$ 699,332	\$ --
Intangibles	20,379	16,765
Long-term pledges receivable, net of discount of \$40,663 in 2021 and \$52,464 in 2020	<u>1,044,337</u>	<u>1,542,536</u>
Total other assets	<u>\$ 1,764,048</u>	<u>\$ 1,559,301</u>
 Total assets	 <u>\$ 39,968,822</u>	 <u>\$ 36,295,156</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 334,652	\$ 113,100
Funds held for others	<u>11,232</u>	<u>162,326</u>
Total current liabilities	<u>\$ 345,884</u>	<u>\$ 275,426</u>
Net Assets		
Without donor restrictions	\$ 27,061,164	\$ 24,331,064
With donor restrictions	<u>12,561,774</u>	<u>11,688,666</u>
Total net assets	<u>\$ 39,622,938</u>	<u>\$ 36,019,730</u>
 Total liabilities and net assets	 <u>\$ 39,968,822</u>	 <u>\$ 36,295,156</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statement of Activities

For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gain (Loss) and Other Support			
Contributions	\$ 3,095,476	\$ 16,688,730	\$ 19,784,206
Contribution portion of special events	329,092	--	329,092
Exchange portion of special events, net	148,610	--	148,610
Grants	2,478,591	329,224	2,807,815
Seminar income, net	45,603	--	45,603
Book sales, net	57,824	--	57,824
Investment return, net	15,872	383	16,255
Other revenue	22,228	--	22,228
(Loss) on disposal of assets	(8,864)	--	(8,864)
Net assets released from restrictions	<u>16,145,229</u>	<u>(16,145,229)</u>	<u>--</u>
Total revenues, gain (loss) and other support	<u>\$ 22,329,661</u>	<u>\$ 873,108</u>	<u>\$ 23,202,769</u>
Expenses			
Program services	\$ 18,095,538	\$ --	\$ 18,095,538
Management and general	620,122	--	620,122
Fundraising	<u>883,901</u>	<u>--</u>	<u>883,901</u>
Total expenses	<u>\$ 19,599,561</u>	<u>\$ --</u>	<u>\$ 19,599,561</u>
Change in net assets	<u>\$ 2,730,100</u>	<u>\$ 873,108</u>	<u>\$ 3,603,208</u>
Net assets, beginning of year	<u>\$ 24,331,064</u>	<u>\$ 11,688,666</u>	<u>\$ 36,019,730</u>
Net assets, end of year	<u>\$ 27,061,164</u>	<u>\$ 12,561,774</u>	<u>\$ 39,622,938</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statement of Activities

For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gain (Loss) and Other Support			
Contributions	\$ 2,137,199	\$ 15,131,442	\$ 17,268,641
Contribution portion of special events	163,051	--	163,051
Exchange portion of special events, net	308,951	--	308,951
Grants	2,639,772	1,368,298	4,008,070
Government grant, Paycheck Protection Program	418,478	--	418,478
Seminar income, net	92,500	--	92,500
Book sales, net	37,156	--	37,156
Investment return, net	31,006	36,558	67,564
Other revenue	41,608	--	41,608
(Loss) on disposal of assets	(66,831)	--	(66,831)
Net assets released from restrictions	<u>12,608,222</u>	<u>(12,608,222)</u>	<u>--</u>
Total revenues, gain (loss) and other support	<u>\$ 18,411,112</u>	<u>\$ 3,928,076</u>	<u>\$ 22,339,188</u>
 Expenses			
Program services	\$ 14,463,048	\$ --	\$ 14,463,048
Management and general	832,898	--	832,898
Fundraising	<u>409,179</u>	<u>--</u>	<u>409,179</u>
Total expenses	<u>\$ 15,705,125</u>	<u>\$ --</u>	<u>\$ 15,705,125</u>
 Change in net assets	<u>\$ 2,705,987</u>	<u>\$ 3,928,076</u>	<u>\$ 6,634,063</u>
 Net assets, beginning of year	<u>\$ 21,625,077</u>	<u>\$ 7,760,590</u>	<u>\$ 29,385,667</u>
 Net assets, end of year	<u>\$ 24,331,064</u>	<u>\$ 11,688,666</u>	<u>\$ 36,019,730</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statement of Functional Expenses
For the Year Ended December 31, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Cabin and lodge	\$ 52,272	\$ --	\$ --	\$ 52,272
Retreat vehicle	8,330	--	--	8,330
Retreat program	176,677	--	--	176,677
Program R&D	1,007,265	--	--	1,007,265
Mobile PATHH TEAM	401,658	--	--	401,658
PATHH expenses	464,659	--	--	464,659
Janitorial services and ground maintenance	176,622	16,585	--	193,207
Avalon Fund expenses	12,348,705	--	--	12,348,705
Professional and consulting costs	--	184,809	51,740	236,549
Bank and merchant fees	--	10,191	46,301	56,492
Salaries, taxes, and payroll fees	2,079,313	276,284	408,424	2,764,021
Employee benefits	231,121	16,897	45,405	293,423
Conferences, training, and meetings	23,542	47,405	15,130	86,077
General fundraising	--	--	18,333	18,333
Insurance	80,969	6,369	--	87,338
Office supplies and expenses	14,589	35,486	35,878	85,953
Utilities	113,705	--	--	113,705
Postage and delivery	3,419	5,041	6,576	15,036
Printing and copying	--	808	36,800	37,608
Web and software	14,283	2,055	10,833	27,171
Depreciation and amortization	845,711	7,536	--	853,247
Donor management software	--	--	7,532	7,532
Travel	--	10,656	67,698	78,354
Fundraising event costs	--	--	5,594	5,594
Marketing PR and outreach	52,698	--	127,657	180,355
Total	<u>\$ 18,095,538</u>	<u>\$ 620,122</u>	<u>\$ 883,901</u>	<u>\$ 19,599,561</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Cabin and lodge	\$ 75,624	\$ --	\$ --	\$ 75,624
Retreat vehicle	12,024	--	--	12,024
Retreat program	155,225	--	--	155,225
Program R&D	777,557	--	--	777,557
Mobile PATHH TEAM	262,478	--	--	262,478
PATHH expenses	381,591	--	--	381,591
Janitorial services and ground maintenance	193,331	16,516	--	209,847
Avalon Fund expenses	9,297,827	--	--	9,297,827
Professional and consulting costs	--	109,685	475	110,160
Bank and merchant fees	--	614	21,121	21,735
Salaries, taxes, and payroll fees	2,017,147	288,040	238,434	2,543,621
Employee benefits	229,359	40,031	28,431	297,821
Conferences, training, and meetings	--	62,096	--	62,096
General fundraising	--	--	33,071	33,071
Insurance	79,800	6,369	--	86,169
Office supplies and expenses	833	27,322	--	28,155
Utilities	96,347	--	--	96,347
Postage and delivery	--	2,896	12,612	15,508
Printing and copying	--	--	21,413	21,413
Web and software	--	1,803	7,302	9,105
Depreciation and amortization	842,835	--	--	842,835
Donor management software	--	--	6,477	6,477
Travel	1,606	14,958	--	16,564
Fundraising event costs	--	--	12,779	12,779
Marketing PR and outreach	39,464	251,388	27,064	317,916
Other	--	11,180	--	11,180
Total	<u>\$ 14,463,048</u>	<u>\$ 832,898</u>	<u>\$ 409,179</u>	<u>\$ 15,705,125</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 3,603,208	\$ 6,634,063
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	853,247	842,835
Unrealized and realized loss	2,406	1,208
Loss on disposition of asset	8,864	66,831
Donation of property and equipment	(106,051)	(14,126)
(Increase) in pledges receivable	(3,688,801)	(1,788,607)
(Increase) in other receivables	(81,001)	(162,009)
(Increase) decrease in prepaid expenses	(44,469)	58,310
Increase (decrease) in accounts payable and accrued expenses	221,552	(76,086)
(Decrease) increase in funds held for others	(151,094)	68,453
Net cash provided by operating activities	\$ 617,861	\$ 5,630,872
 Cash Flows from Investing Activities		
Purchase of property and equipment	\$ (384,872)	\$ (47,150)
Purchase of intangible assets	(3,614)	(1,842)
Proceeds received from disposal of assets	40,500	--
Purchase of securities	(1,071,294)	(5,621,741)
Proceeds from sales of investments	369,556	16,846,562
Net cash (used in) provided by investing activities	\$ (1,049,724)	\$ 11,175,829
(Decrease) increase in cash and cash equivalents	\$ (431,863)	\$ 16,806,701
 Cash and Cash Equivalents		
Beginning	\$ 17,628,311	\$ 821,610
Ending	\$ 17,196,448	\$ 17,628,311
 Supplemental Disclosures of Non-Cash Investing Activities,		
in-kind donations of property and equipment	\$ 106,051	\$ 14,126

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Notes to Financial Statements

Note 1. Description of the Organization

Boulder Crest Foundation (the “Foundation”) exists to enable active military service members, military veterans, first responders, and their family members, as well as those struggling with the effects of trauma, to transform times of deep struggle into profound strength and posttraumatic growth, including without limitation by: (a) owning and operating retreat facilities for the delivery of programs that enable participants to transform times of struggle (including the visible and invisible injuries of war, such as posttraumatic stress disorder, traumatic brain injuries, combat stress, and other mental health conditions) into profound strength and posttraumatic growth, and (b) by granting funding to organizations focused on the visible and invisible injuries of war, including those replicating programs developed at the Foundation’s retreat facilities, as well as other innovative work with respect to traumatic brain injuries.

The Avalon Fund is a specific project of the Foundation. The Avalon Fund’s mission is to create a comprehensive national network to solve the catastrophic effects Traumatic Brain Injuries (TBI) and Posttraumatic Stress Disorder (PTSD) have on our nation’s veterans. The Marcus Institute of Brain Health (MIBH) and Boulder Crest are at the forefront of innovative and effective approaches to healing the invisible injuries of war. The Avalon Fund endeavors to scale the MIBH and Boulder Crest’s proven approaches. With a \$200 million fund, they will create the first nationwide network delivering integrative solutions for TBI and PTSD. Boulder Crest serves as the fiscal sponsor for the Avalon Fund.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Net assets, revenues, and expenses are classified based on the terms of donor-imposed restrictions, if any. Accordingly, the net assets, revenues, and expenses of the Foundation are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Notes to Financial Statements

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.

Investments

Investments are recorded at fair market value in the statement of financial position. Any realized and unrealized gains and losses are reflected in the statement of activities.

Cash and Cash Equivalents

For financial statement purposes, the Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. Balances in these accounts may, at times, exceed federally insured limits. The Foundation has not experienced any loss in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Contributions and Pledges Receivable

Contributions and pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on these amounts are computed using the prime rate. Amortization of the discount is included in contribution revenue. There is no allowance for uncollectible promises to give.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the estimated fair market value at the time of donation. Depreciation is calculated using the straight-line method over the assets' useful lives as follows:

Buildings	39.5 years
Land improvements	10 - 39.5 years
Furniture and equipment	3 - 10 years
Website and application	3 years
Vehicles	3 - 7 years

Notes to Financial Statements

Revenue Recognition

The Foundation recognizes revenue in accordance with ASC Topic 606. This standard provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Nature of Products and Services

Seminar income and books and other merchandise sales are considered exchange transactions and recorded as revenue at the point in time in which the goods or services are provided by the Foundation.

The Foundation records special events revenue equal to the cost of direct benefits to donors and contribution revenue for the difference.

Transaction Price

The transaction price is the amount of consideration to which the Foundation expects to be entitled in exchange for transferring goods and services to the customer.

Contract Balances

Funds received by the Foundation relating to revenue generating activities of future reporting periods would be recorded as a contract liability (deferred revenue) on the statements of financial position.

Contributions and Grants

The Foundation recognizes contributions and grants when cash, securities, other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognition until the conditions on which they depend have been substantially met.

Gifts of cash and other assets for the general use and benefit of the Foundation are presented as net assets without donor restrictions. Other contributions are presented as net assets with donor restrictions if they are received with donor stipulations that further limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Net assets with donor restrictions whose restrictions are met in the same year are reflected as net assets without donor restrictions. Promises to give are recognized as revenue when the pledge is received from a donor and as an expense when payment is authorized by the Board of Directors. Amounts due to be received or paid are discounted to their net present value. Changes in discounts are recognized as contribution revenue or expense over the period of the pledge.

Notes to Financial Statements

Donated Goods and Services

Donated services that create or enhance non-financial assets or that require specialized skills and would have been purchased if not provided by individuals possessing those skills are recorded in the statement of activities at their fair value. Other donated services received that do not meet these criteria are not recorded in the financial statements. Donated goods and construction materials are recorded at their fair value on date of donation.

Allocation Methodology for the Statement of Functional Expenses

The cost of providing the various programs and activities has been summarized in the statement of functional expenses. Certain costs have been allocated among program, management and general, and fundraising. All expenses have been allocated based on direct costs with the exception of salaries, taxes and payroll fees which are allocated based on direct costs and time and effort. Such allocations have been made by management on an equitable basis.

Income Taxes

The Foundation is exempt from federal and state income taxes under Internal Revenue Code 501(c)(3) and has been determined not to be a private foundation under Code Section 509(a). The Foundation will only be taxed to the extent it has taxable trade or business income unrelated to its exempt purpose.

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for the Foundation for its year ending December 31, 2022. Early adoption is permitted. The Foundation is currently evaluating the impact that the adoption of Topic 842 will have on its financial statements.

In September 2020, the FASB issued ASU No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958), which requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. ASU 2020-07 is effective for the Foundation for its year ended December 31, 2022. Early adoption is permitted. The Foundation is currently evaluating the impact that the adoption of ASU 2020-07 will have on its financial statements.

Notes to Financial Statements

Note 3. Liquidity and Availability of Resources

The Foundation has \$3,879,508 and \$1,345,634 of financial assets available within one year of the statements of financial position date to meet cash needs for general expenditures as of December 31, 2021 and 2020, respectively. The Foundation 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 designated one year of operating cash or \$7,657,663 and \$6,876,280 for the years ended December 31, 2021 and 2020, respectively. These funds could be made available to meet general operating needs by the Board of Directors, if necessary.

	2021	2020
Financial assets, at year-end:		
Cash and cash equivalents	\$ 17,196,448	\$ 17,628,311
Contributions receivable	3,877,000	--
Pledges receivable	2,094,337	2,282,536
Other receivables	243,060	162,059
Investments	699,332	--
Total financial assets	\$ 24,110,177	\$ 20,072,906
Less amounts not available to be used within one year:		
Restricted cash	\$ 11,232	\$ 162,326
Restricted by donors for purpose	12,404,986	11,351,439
Restricted by donors for time	156,788	337,227
Board designated - operating reserve	7,657,663	6,876,280
	\$ 20,230,669	\$ 18,727,272
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,879,508	\$ 1,345,634

Note 4. Restricted Cash and Funds Held for Others

The Foundation has an agreement with a third party to administer funds to assist Veterans in reducing barriers to care. Funds are classified as restricted cash and funds held for others on the statements of financial position. The outstanding balance was \$11,232 and \$162,326 as of December 31, 2021 and 2020, respectively. The Foundation received \$20,000 and \$35,000 to administer the funds during the year ended December 31, 2021, and 2020, respectively.

Notes to Financial Statements

Note 5. Paycheck Protection Program

During the year ended December 31, 2020, the Foundation received a \$416,200 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the United States Small Business Administration (SBA). The loan accrued interest at 1% with a maturity of two years from the date of the loan. The Foundation was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. As of December 31, 2020, the loan and accrued interest had been formally forgiven. This was recognized as revenue on the Statement of Activities for the year ended December 31, 2020.

Note 6. Contributions and Pledges Receivable

The Foundation had contributions receivables of \$3,877,000 as of December 31, 2021.

The outstanding pledges receivable are due as follows:

	2021	2020
Within one year	\$ 1,050,000	\$ 740,000
One to three years	1,085,000	1,595,000
	\$ 2,135,000	\$ 2,335,000
Less present value discount (1.10% - 2.76%)	(40,663)	(52,464)
	\$ 2,094,337	\$ 2,282,536

Note 7. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of December 31, 2021 and 2020:

	2021	2020
PATHH Programs	\$ 250,000	\$ 1,000,000
Improvements and operations for Arizona property	--	25,000
Avalon Fund	11,954,986	8,237,352
Avalon Fund - Tulane University		1,950,309
1st Responder Initiative	--	33,403
PTG training for mental health professionals	--	105,375
Struggle Well app	200,000	--
Time restriction	156,788	337,227
	\$ 12,561,774	\$ 11,688,666

Notes to Financial Statements

Net assets were released from donor restrictions for the years ended December 31, 2021 and 2020 by incurring expenses satisfying the purpose specified by the donor as follows:

	2021	2020
PATHH Programs	\$ 900,000	\$ 100,000
Improvements and operations for Arizona property	25,000	25,000
Operations for the VA and AZ properties	--	374,710
Avalon Fund	14,827,296	11,247,290
Avalon Fund - Tulane University	--	500,000
1st Responder Initiative	33,403	16,597
Boulder Crest Institute	105,375	4,625
PTG training for mental health professionals	--	50,000
Family Programs	--	50,000
Time restriction	254,155	240,000
	\$ 16,145,229	\$ 12,608,222

Note 8. Fair Value

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes 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). The three levels of the fair value hierarchy are briefly described below:

- Level 1
Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2
Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3
Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair values of all of the marketable securities as of December 31, 2020 are based on unadjusted, quoted prices in active markets as of the measurement date (often referred to as Level 1 inputs.)

Notes to Financial Statements

The following table presents the balance of financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2021. There were no investments as of December 31, 2020.

	2021			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds	\$ 53,621	\$ --	\$ --	\$ 53,621
Stocks and ADRs	79,916	--	--	79,916
Fixed income securities	565,795	--	--	565,795
	\$ 699,332	\$ --	\$ --	\$ 699,332

Note 9. Investments

Investments as of December 31, 2021, were as follows. There were no investments as of December 31, 2020.

	2021		
	Cost	Market Value	Unrealized Appreciation (Depreciation)
Mutual funds	\$ 50,115	\$ 53,621	\$ 3,506
Stocks and ASRs	48,713	79,916	31,203
Fixed income securities	574,489	565,795	(8,694)
Total	\$ 673,317	\$ 699,332	\$ 26,015

Investment return, net was as follows for the years ended December 31, 2021 and 2020:

	2021	2020
Dividend income	\$ 3,730	\$ 62,897
Interest income	14,931	827
Net realized and unrealized gain (loss)	(2,406)	3,840
	\$ 16,255	\$ 67,564

Note 10. Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 22, 2022, the date the financial statements were available to be issued. The Foundation has determined there are no subsequent events that require recognition or disclosure.