REPORT OF INDEPENDENT AUDITORS
AND COMBINED FINANCIAL STATEMENTS

CAL FARLEY'S BOYS RANCH AND SUBSIDIARY AND CAL FARLEY'S BOYS RANCH FOUNDATION

September 30, 2021 and 2020

MOSSADAMS

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Report of Independent Auditors

To the Board of Directors
Cal Farley's Boys Ranch and Subsidiary and
Cal Farley's Boys Ranch Foundation

Report on Financial Statements

We have audited the accompanying combined statement of financial position of Cal Farley's Boys Ranch and Subsidiary, and Cal Farley's Boys Ranch Foundation (collectively referred to as the Organization), as of September 30, 2021 and 2020, and the related combined statements of activities, cash flows, functional expenses for the years then ended. Our responsibility is to express an opinion on these combined financial statements based on our audits.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with the 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Cal Farley's Boys Ranch and Subsidiary, and Cal Farley's Boys Ranch Foundation as of September 30, 2021 and 2020, and the changes in their net assets and their cash flows, for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Moss Adams LLP

Albuquerque, New Mexico
February 22, 2022

Cal Farley's Boys Ranch and Subsidiary
and Cal Farley's Boys Ranch Foundation
Combined Statements of Financial Position

ASSETS

	September 30, 2021	September 30, 2020
ASSETS		
Cash and cash equivalents	$ 5,611,912	$ 6,342,484
Accrued interest receivable	132,171	111,981
Other receivables	294,613	460,694
Unconditional promises to give	23,163,090	20,735,400
Prepaid expenses	1,211,674	1,130,977
Inventories	769,675	1,004,587
Investments without donor restrictions	409,717,869	347,411,765
Investments with donor restrictions	49,718,940	46,894,618
Beneficial interest in perpetual trusts	40,759,812	36,033,210
Property and equipment, net	25,893,409	28,045,480
TOTAL ASSETS	$ 557,273,165	$ 488,171,196

LIABILITIES AND NET ASSETS

	2021	2020
LIABILITIES		
Accounts payable	$ 1,182,014	$ 967,450
Accrued liabilities	1,939,618	2,181,761
Gift annuity liability	1,850,668	2,065,828
Note payable - PPP	-	3,749,700
Total liabilities	4,972,300	8,964,739
NET ASSETS		
Without donor restrictions	438,665,575	375,763,694
With donor restrictions	113,635,290	103,442,763
Total net assets	552,300,865	479,206,457
TOTAL LIABILITIES AND NET ASSETS	$ 557,273,165	$ 488,171,196

See accompanying notes.

Cal Farley's Boys Ranch and Subsidiary
and Cal Farley's Boys Ranch Foundation
Combined Statements of Activities

	September 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ 20,655,923	$ 1,623,544	$ 22,279,467
Change in value of unconditional promises to give	-	2,856,741	2,856,741
Change in value of beneficial interest in perpetual trusts	-	4,726,601	4,726,601
Investment return			
Interest, dividends, and other, net	11,668,274	1,259,988	12,928,262
Realized loss	11,100,584	329,450	11,430,034
Unrealized loss	55,356,601	1,868,472	57,225,073
Change in value of mineral interests	1,739,278	-	1,739,278
Total investment return	79,864,737	3,457,910	83,322,647
Other support income	68,283	-	68,283
Change in donor restriction	(200,000)	200,000	-
Net assets released from restrictions - satisfaction of time or purpose restrictions	2,672,269	(2,672,269)	-
Total support and revenue	103,061,212	10,192,527	113,253,739
EXPENSES			
Program services			
Boys Ranch operations	25,631,941	-	25,631,941
Program support and alumni services	1,721,949	-	1,721,949
Total program services	27,353,890	-	27,353,890
Support services			
Fund-raising activities	10,055,200	-	10,055,200
Administrative and general	4,017,544	-	4,017,544
Total support services	14,072,744	-	14,072,744
Total expenses	41,426,634	-	41,426,634
OTHER ACTIVITIES			
Loss on settlement	(2,500,000)	-	(2,500,000)
Gain on extinguishment of debt	3,767,303	-	3,767,303
CHANGE IN NET ASSETS	62,901,881	10,192,527	73,094,408
NET ASSETS, beginning of year	375,763,694	103,442,763	479,206,457
NET ASSETS, end of year	$ 438,665,575	$ 113,635,290	$ 552,300,865

See accompanying notes.

Cal Farley's Boys Ranch and Subsidiary
and Cal Farley's Boys Ranch Foundation
Combined Statements of Activities

	September 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ 20,016,649	$ 1,376,684	$ 21,393,333
Change in value of unconditional promises to give	-	(1,334,884)	(1,334,884)
Change in value of beneficial interest in perpetual trusts	-	708,127	708,127
Investment return			
Interest, dividends, and other	17,513,357	1,697,025	19,210,382
Realized gain	5,262,999	613,453	5,876,452
Unrealized gain	3,421,441	374,724	3,796,165
Change in value of mineral interests	277,440	-	277,440
Total investment return	26,475,237	2,685,202	29,160,439
Other income	260,554	-	260,554
Net assets released from restrictions - satisfaction of time or purpose restrictions	2,786,451	(2,786,451)	-
Total support and revenue	49,538,891	648,678	50,187,569
EXPENSES			
Program services			
Boys Ranch operations	26,897,915	-	26,897,915
Program support and alumni services	1,883,439	-	1,883,439
Total program services	28,781,354	-	28,781,354
Support services			
Fund-raising activities	10,065,561	-	10,065,561
Administrative and general	4,360,112	-	4,360,112
Total support services	14,425,673	-	14,425,673
Total expenses	43,207,027	-	43,207,027
OTHER ACTIVITIES			
Net gain on insurance proceeds	2,467	-	2,467
CHANGE IN NET ASSETS	6,334,331	648,678	6,983,009
NET ASSETS, beginning of year	369,429,363	102,794,085	472,223,448
NET ASSETS, end of year	$ 375,763,694	$ 103,442,763	$ 479,206,457

See accompanying notes.

Cal Farley's Boys Ranch and Subsidiary and Cal Farley's Boys Ranch Foundation
Combined Statements of Cash Flows

	Years Ended September 30, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$ 73,094,408	$ 6,983,009
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	3,442,407	3,708,917
Net (gain) loss on disposal of property and equipment	(46,338)	470
Net realized gain on investments	(11,381,367)	(5,876,452)
Net unrealized gain on investments	(57,225,073)	(3,796,165)
Noncash donation of investments	(400,783)	(174,878)
Noncash donation of PPE	(2,683)	(779)
Forgiveness of Paycheck Protection Program loan and interest	(3,767,303)	-
Restricted contributions	(1,623,544)	(1,376,684)
Investment income restricted for investment	(1,259,988)	(1,697,025)
Unrealized gain on mineral interests	(1,739,278)	(277,440)
Unrealized (gain) loss on unconditional promises to give	(2,816,344)	1,334,884
Unrealized gain on beneficial interest in perpetual trust	(4,726,601)	(708,127)
Unrealized gain of gift annuities	(248,499)	(165,930)
Change in		
Accrued interest receivable	15,016	38,362
Other receivables	166,081	165,809
Unconditional promises to give	388,654	(204,843)
Prepaid expenses	(80,697)	(841,072)
Inventories	234,912	10,253
Accounts payable	956,777	(274,290)
Payables to related parties	-	(10,145)
Accrued liabilities	(1,001,959)	139,675
Gift annuity liability recognized as income upon death of donor	(27,200)	(75,568)
Net cash used in operating activities	(8,049,402)	(3,098,019)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(157,031,760)	(262,343,588)
Proceeds from maturities and sales of investments	162,648,053	262,103,578
Acquisitions of property and equipment	(1,288,845)	(1,502,289)
Proceeds from sale of property and equipment	47,530	-
Proceeds from gift annuities	60,320	160,000
Net cash provided by (used in) investing activities	4,435,298	(1,582,299)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted primarily for property and equipment or scholarships	161,568	159,500
Proceeds from contributions with donor restriction for investment in permanent endowment	1,461,976	1,217,184
Investment income with donor restriction for investment	1,259,988	1,697,025
Proceeds from PPP Loan	-	3,749,700
Net cash provided by financing activities	2,883,532	6,823,409
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(730,572)	2,143,091
CASH AND CASH EQUIVALENTS, beginning of year	6,342,484	4,199,393
CASH AND CASH EQUIVALENTS, end of year	$ 5,611,912	$ 6,342,484
SUPPLEMENTAL DISCLOSURE OF NONCASH CASH FLOW INFORMATION		
Forgiveness of Paycheck Protection Program Loan and Interest	$ 3,767,303	$ -

See accompanying notes.

Cal Farley's Boys Ranch and Subsidiary
and Cal Farley's Boys Ranch Foundation
Combined Statement of Functional Expenses – Year Ended September 30, 2021

	Program Services			Support Services			
	Boys Ranch Operations	Program & Alumni Support	Total	Fund-Raising Activities	Administrative and General	Total	Total Expenses
Salaries	$ 10,433,920	$ 1,073,458	$ 11,507,378	$ 670,440	$ 1,923,290	$ 2,593,730	$ 14,101,108
Payroll taxes	823,828	78,869	902,697	50,711	135,374	186,085	1,088,782
Employee benefits	2,036,533	150,739	2,187,272	95,643	13,651	109,294	2,296,566
Employment expenses	13,294,281	1,303,066	14,597,347	816,794	2,072,315	2,889,109	17,486,456
Utilities	653,019	33,386	686,405	-	198,249	198,249	884,654
Repairs and maintenance	780,984	27,600	808,584	201,710	267,298	469,008	1,277,592
Insurance	1,214,334	-	1,214,334	-	203,388	203,388	1,417,722
Supplies	62,617	1,723	64,340	2,404	9,025	11,429	75,769
Mail supplies	-	-	-	41,366	-	41,366	41,366
Postage	-	1,198	1,198	2,661,100	3,486	2,664,586	2,665,784
Gift processing	-	-	-	211,189	-	211,189	211,189
Mailing list	-	-	-	252,424	-	252,424	252,424
Printed material	-	-	-	5,419,092	-	5,419,092	5,419,092
Travel	18,342	930	19,272	12,475	4,248	16,723	35,995
Fuel	174,487	-	174,487	-	17,994	17,994	192,481
Client services	-	47,261	47,261	-	-	-	47,261
Contract/professional services	219,992	-	219,992	408,735	506,672	915,407	1,135,399
Program support	44,958	-	44,958	-	-	-	44,958
Legal expense	-	-	-	-	223,798	223,798	223,798
Home life	278,466	-	278,466	-	-	-	278,466
Youth activities	337,423	-	337,423	-	-	-	337,423
Casework services	19,532	-	19,532	-	-	-	19,532
Day care	(117,471)	-	(117,471)	-	-	-	(117,471)
Campus operations	(4,785)	-	(4,785)	-	-	-	(4,785)
School	2,500,000	-	2,500,000	-	-	-	2,500,000
Dining hall	1,029,076	-	1,029,076	-	-	-	1,029,076
Country store/souvenir shop	139,659	-	139,659	-	-	-	139,659
Alumni program and scholarships	-	292,254	292,254	-	-	-	292,254
Health and hygiene	1,059,894	-	1,059,894	-	-	-	1,059,894
Chapel	15,875	-	15,875	-	-	-	15,875
Agriculture/food processing/horticulture	217,088	-	217,088	-	-	-	217,088
Community as lab	32,934	-	32,934	-	-	-	32,934
Training	-	(1,036)	(1,036)	-	-	-	(1,036)
Advertising	-	-	-	-	1,200	1,200	1,200
Marketing	-	-	-	1,289	147,607	148,896	148,896
Professional development	71,305	13,085	84,390	5,241	17,748	22,989	107,379
Laundry/custodial	55,235	-	55,235	-	-	-	55,235
Fund raising event	-	-	-	10,123	-	10,123	10,123
Safety/security	101,388	-	101,388	-	2,401	2,401	103,789
Fees, interest, penalties	975	-	975	5,782	5,988	11,770	12,745
Lease expense	156,302	-	156,302	-	37,404	37,404	193,706
Other expenses	46,226	2,482	48,708	5,476	86,120	91,596	140,304
Other operating expenses	22,402,136	1,721,949	24,124,085	10,055,200	3,804,941	13,860,141	37,984,226
Depreciation	3,229,805	-	3,229,805	-	212,603	212,603	3,442,408
Total functional expenses	$ 25,631,941	$ 1,721,949	$ 27,353,890	$ 10,055,200	$ 4,017,544	$ 14,072,744	$ 41,426,634

See accompanying notes.

Cal Farley’s Boys Ranch and Subsidiary
and Cal Farley’s Boys Ranch Foundation
Combined Statement of Functional Expenses – Year Ended September 30, 2020

	Program Services			Support Services			
	Boys Ranch Operations	Program & Alumni Support	Total	Fund-Raising Activities	Administrative and General	Total	Total Expenses
Salaries	$ 11,372,934	$ 1,159,727	$ 12,532,661	$ 997,092	$ 1,972,569	$ 2,969,661	$ 15,502,322
Payroll taxes	898,691	85,066	983,757	68,215	141,869	210,084	1,193,841
Employee benefits	2,589,848	184,591	2,774,439	139,592	313,762	453,354	3,227,793
Employment expenses	14,861,473	1,429,384	16,290,857	1,204,899	2,428,200	3,633,099	19,923,956
Utilities	583,765	27,860	611,625	-	196,455	196,455	808,080
Repairs and maintenance	599,253	25,055	624,308	137,808	303,897	441,705	1,066,013
Insurance	1,027,248	-	1,027,248	-	191,551	191,551	1,218,799
Supplies	51,883	880	52,763	4,210	10,487	14,697	67,460
Mail supplies	-	-	-	76,290	-	76,290	76,290
Postage	-	1,381	1,381	2,551,007	3,221	2,554,228	2,555,609
Gift processing	-	-	-	240,937	-	240,937	240,937
Mailing list	-	-	-	291,002	-	291,002	291,002
Printed material	-	-	-	5,154,606	-	5,154,606	5,154,606
Travel	32,231	-	32,231	28,942	17,007	45,949	78,180
Fuel	166,636	-	166,636	-	12,333	12,333	178,969
Client services	-	47,404	47,404	-	-	-	47,404
Contract/professional services	288,120	-	288,120	292,523	347,155	639,678	927,798
Program support	83,140	-	83,140	-	-	-	83,140
Legal expense	-	-	-	-	85,863	85,863	85,863
Home life	426,217	-	426,217	-		-	426,217
Youth activities	405,281	-	405,281	-	-	-	405,281
Casework services	28,532	-	28,532	-	-	-	28,532
Day care	(155,108)	-	(155,108)	-	-	-	(155,108)
Campus operations	(9,260)	-	(9,260)	-	-	-	(9,260)
School	2,332,900	-	2,332,900	-	-	-	2,332,900
Dining hall	1,404,141	-	1,404,141	-	-	-	1,404,141
Country store/souvenir shop	(66,305)	-	(66,305)	-	-	-	(66,305)
Alumni program and scholarships	-	340,811	340,811	-	-	-	340,811
Health and hygiene	872,423	-	872,423	-	-	-	872,423
Chapel	25,390	-	25,390	-	-	-	25,390
Agriculture/food processing/horticulture	129,633	-	129,633	-	-	-	129,633
Community as lab	46,691	-	46,691	-	-	-	46,691
Training	-	1,223	1,223	-	-	-	1,223
Advertising	-	-	-	-	32,288	32,288	32,288
Marketing	-	-	-	852	184,322	185,174	185,174
Professional development	56,218	7,683	63,901	7,510	24,724	32,234	96,135
Laundry/custodial	54,866	-	54,866	-	-	-	54,866
Fund raising event	-	-	-	61,433	-	61,433	61,433
Safety/security	78,363	-	78,363	-	857	857	79,220
Fees, interest, penalties	1,756	-	1,756	9,456	7,984	17,440	19,196
Lease expense	91,373	-	91,373	-	40,580	40,580	131,953
Other expenses	76,358	1,758	78,116	4,086	168,968	173,054	251,170
Other operating expenses	23,493,218	1,883,439	25,376,657	10,065,561	4,055,892	14,121,453	39,498,110
Depreciation	3,404,697	-	3,404,697	-	304,220	304,220	3,708,917
Total functional expenses	$ 26,897,915	$ 1,883,439	$ 28,781,354	$ 10,065,561	$ 4,360,112	$ 14,425,673	$ 43,207,027

See accompanying notes.

Note 1 – Organization

Cal Farley's Boys Ranch (Cal Farley's) is a nonprofit organization that provides professional programs and services in a Christ-centered atmosphere to strengthen families and support the overall development of children. The Cal Farley's campus-based, residential programs include our main campus of Cal Farley's Boys Ranch, located 36 miles northwest of Amarillo, Texas, which is a basic care facility for children and youth ages 5–18. Cal Farley's services include aftercare to its alumni through a college scholarship program, vocational attainment assistance, and various case management services.

Tascosa Films, LLC (Tascosa) is a wholly owned subsidiary of Cal Farley's. The purpose of Tascosa is to create and share a film project. The film project will help to share the Cal Farley's mission and enhance awareness of Cal Farley's program to both potential clients and potential funders.

Cal Farley's Boys Ranch Foundation (the Foundation) is organized to provide financial support to Cal Farley's through investment and reinvestments of funds, properties, and other donations of value received as contributions and support. The Board of Directors of the Foundation is elected by the Board of Directors of Cal Farley's.

Cal Farley's Campus Support Center is located in Amarillo, Texas, and provides administrative and fundraising functions to Cal Farley's and the Foundation.

Note 2 – Summary of Significant Accounting Policies

Financial Statements Presentation
The combined financial statements include the accounts and transactions of Cal Farley, Tascosa, and the Foundation (collectively, the Organization). Cal Farley's has majority voting and economic interest in the Foundation, and therefore the financial statements have been combined. The Organization's combined financial statements are reflected on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. All material intercompany balances and transactions have been eliminated. Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions
These net assets are not subject to stipulations imposed by the donor and are currently available for expenditures. Items that affect this net asset category principally consist of revenues, contributions without restrictions; restricted contributions whose donor imposed restrictions were met during the fiscal year, expenses, and gains and losses on investments and other assets whose use is not restricted by explicit donor stipulations or law. Net assets without donor restrictions also include net assets transferred from net assets with donor restrictions after temporary restrictions imposed by the donor have been accomplished or the stipulated time period has elapsed. A donor's restriction, however, may be released or modified by the donor, a court, or in the circumstances and manner set forth in the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Note 2 – Summary of Significant Accounting Policies (continued)

Net Assets With Donor Restrictions
These net assets are subject to explicit restrictions imposed by the donor on the expenditure of contributions or income and gains on contributed assets. These net assets may have stipulations by the donor to be maintained in perpetuity, such as an endowment, or the restrictions may expire due to the passage of time or the occurrence of expenditures that fulfill the restrictions. Net assets with donor restrictions also include accumulated net investment income earned by the net assets held in perpetuity.

Use of Estimates
The preparation of the combined financial statements in conformity with generally accepted accounting principles (GAAP) 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 combined financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. The Organization places its temporary cash investments with high credit quality financial institutions. The Organization maintains a Repurchase Agreement with a local bank and all excess funds are "swept" each night and redeposited the next day. Per the Repurchase Agreement, the "swept" amounts are not considered deposits of the bank; however, they are collateralized with pledged securities.

Other Receivables
Receivables are included in the accompanying combined statements of financial position at amount net of the allowance for doubtful accounts.

The Organization writes off receivables when they become uncollectible. However, the Organization has had minimal losses on accounts receivable in prior years and therefore no allowance was deemed necessary as of September 30, 2021 and 2020.

Unconditional Promises to Give
Unconditional promises to give consist of split interest agreements and multi-year pledges. Promises to give that are expected to be collected within one year are recorded at net realizable value. Multiyear pledges are recorded and calculated using the present value of an annuity and the interest element is reported as a contribution. Split interest agreements are recorded at fair value using the Organization's beneficial interest of the related assets.

An allowance for uncollectible accounts is estimated by management based on its historical loss analysis and is adjusted for those specific unconditional promises to give for which collection is uncertain. Such amounts will be written-off if and when they are deemed uncollectible.

Note 2 – Summary of Significant Accounting Policies (continued)

Inventories
Purchased inventories are valued at cost, determined on the first-in, first-out basis. Certain livestock inventories are carried at estimated fair market value. Donated inventories are valued at market, determined at the time of the gift.

Investments
Investments are recorded at fair value in accordance with Accounting Standards Codification (ASC) 820 *Fair Value Measurements and Disclosures* (Note 4) and the realized and unrealized gains and losses on investments are recorded as increases or decreases in net assets with donor restriction and without donor restriction based upon donor imposed restrictions or applicable law.

Property and Equipment
Property and equipment are recorded at cost or estimated fair value at the date of donation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets over their estimated service lives of approximately 10–40 years on buildings and improvements and 3–10 years on furniture, equipment, and machinery on a straight-line basis.

Impairment of Long-Lived Assets
Cal Farley's reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell. As of September 30, 2021 and 2020, there was no impairment of long-lived assets.

Income Taxes
The Organization is exempt from federal income taxes on related income under Section 501 (a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in IRC Section 501 (c)(3). Further, the Organization has been classified as an organization that is not a private foundation under the IRC Section 509(a) and, as such, contributions to the Organization qualify for deduction as charitable contributions. However, income generated from activities unrelated to the Organization's exempt purpose is subject to tax under IRC Section 511. Tascosa Films, LLC is a wholly owned subsidiary of Cal Farley's and therefore considered a disregarded entity for federal income tax purposes.

Note 2 – Summary of Significant Accounting Policies (continued)

Financial Accounting Standards Board (FASB) provides guidance for how uncertain tax positions should be recognized, measured, disclosed, and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Organization's tax return to determine whether the tax positions are *more-likely-than-not* of being sustained *when challenged* or *when examined* by the applicable tax authority. Tax positions not deemed to meet the *more-likely-than-not* threshold would be recorded as a tax benefit or expense and liability in the current year. Management has determined that there are no material uncertain income tax positions.

Revenue Recognition
Contributions – The Organization also follows FASB ASC Subtopic 958-605, *Not-for-Profit Entities: Revenue Recognition* (or ASC 958-605). Contributions received are recorded as without or with donor restriction depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restriction depending on the nature of the restriction. When a restriction expires, the net assets are reclassified to net assets without donor restriction. Non-cash contributions are recorded at fair market value at the date of the contribution.

Gift Annuities – Gift annuities require the Foundation to pay a fixed amount periodically to designated beneficiaries. Under the charitable gift arrangement, the Foundation has recorded the assets at fair value, the present value of the expected future payments is recorded as a liability and the excess of the gift over such liability is recognized as contribution revenue without donor restriction. The Foundation maintains state-mandated, segregated reserves for its charitable gift annuity program. Reserve requirements vary by state, and the Foundation maintains its reserve accounts in accordance with those requirements. The reserve accounts are segregated in separate and distinct custodial accounts, independent from all other funds of the Foundation. They are not available to apply to payments of the debts and obligations of the Foundation or for any purpose other than funding for its charitable gift annuity program.

Loss On Settlement
During 2021, a settlement agreement was entered into by Cal Farley's. The settlement agreement required a total payment of $2,500,000 and Cal Farley's met its obligations under the settlement agreement. This amount is classified as other activities on the consolidated statement of activities.

Recent Accounting Pronouncements
FASB Accounting Standards Update (ASU) 2016-02 and 2020-05 – *Leases:* Changes the way lessees will recognize leases as they will recognize most leases on the balance sheet and will increase reported assets and liabilities. Lessor accounting remains substantially similar to current U.S. GAAP. ASU 2016-02 is effective for annual periods beginning after December 15, 2020, and interim periods in fiscal years beginning after December 15, 2021. The ASU mandates a modified retrospective transition method for all entities. Management is currently evaluating the impact of this ASU, but does not anticipate a significant impact to the combined financial statements upon adoption.

Note 2 – Summary of Significant Accounting Policies (continued)

FASB ASU 2020-07 – *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*: Requires the presentation of contributed nonfinancial assets, also known as gifts-in-kind, as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021 with early adoption permitted. Management is currently evaluating the impact of this ASU but does not anticipate it will have a significant impact on the combined financial statements upon adoption.

Note 3 – Unconditional Promises to Give

Cal Farley's anticipates collections of unconditional promises to give as follows at September 30:

	2021	2020
Less than one year	$ -	$ 304,165
One to five years	6,079,447	4,095,120
More than five years	17,083,643	16,336,115
Total	$ 23,163,090	$ 20,735,400

As of September 30, 2021 and 2020, amounts presented above for split interest agreements were recorded at fair value using the Organization's beneficial interest of the related assets. Multi-year pledges were recorded at fair value using the present value of an annuity and the present value factor interest rate used was 1.0% and 0.40%, the IRS discount rate at September 30, 2021 and 2020. Cal Farley's has determined all amounts to be collectible.

Note 4 – Fair Value Measurements

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021 and 2020.

Money market funds and other short-term investments are valued at cost plus accrued interest.

Government securities, taxable municipal securities, and corporate bonds and notes are valued at the closing price reported on the major market on which the individual securities are traded or have reported broker trades which may be considered indicative of an active market. Where quoted prices are available in an active market, the investments are classified within Level 1 of the valuation hierarchy. If quoted prices are not available for the specific security, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, discounted cash flows, and other observable inputs. Such securities would be classified within Level 2 of the valuation hierarchy.

Note 4 – Fair Value Measurements (continued)

Equity securities are valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds are valued at the net asset value (NAV) of shares held and are valued at the closing price reported on the active market on which the individual securities are traded.

Cash value life insurance policies are valued based on the cash surrender value on the individual policy provided by the insurance carrier in which the Ranch is the beneficiary.

Notes receivables are valued based off the promissory note established between the payor and Cal Farley's.

Real estate and mineral interests are valued by using significant unobservable inputs including, if available, discounted cash flow analysis, comparable analysis, or third-party appraisals (Level 3). The value of mineral interests reflects value of actual producing wells utilizing a third party valuation that is a standardized valuation method that takes the prior 12 months' revenue multiplied by a factor of three. Management reviews and evaluates the values provided by all third parties and agrees with the valuation methods and assumptions used in determining the fair value of the above investments.

Investments measured at NAV are assets measured at net asset value per share practical expedient and consist of the Organization's beneficial interest in perpetual trusts, hedge fund, closed end fund, and private equity investments.

The investment expenses are netted against investment income. Investment expenses for the years ended September 30, 2021 and 2020 are approximately $1,625,000 and $1,505,000, respectively.

The following table presents information about the Organization's assets that are measured at fair value on a recurring basis (no liabilities are reported at fair value) as of September 30, 2021 and 2020, and indicates the fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

> **Level 1** – Inputs to the valuation methodology are 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 asset 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.

Note 4 – Fair Value Measurements (continued)

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

Assets measured at fair value on a recurring basis at September 30, 2021, as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Investments				
Money market funds and other short-term investments	$ 8,681,664	$ -	$ -	$ 8,681,664
U.S. Government securities	4,965,771	10,756,339	-	15,722,110
Taxable municipal securities	-	662,712	-	662,712
Marketable equity securities	622,065	-	-	622,065
Mutual funds	276,402,005	-	-	276,402,005
Corporate bonds and notes	-	7,672,970	-	7,672,970
Cash value life insurance policy	-	1,594,085	-	1,594,085
Notes receivable	-	-	28,213	28,213
Real estate, mineral interests and other	-	-	11,517,886	11,517,886
Total assets in the fair value hierarchy	$ 290,671,505	$ 20,686,106	$ 11,546,099	322,903,710
Investments measured at net asset value (practical expedient)				177,292,911
Investments at fair value				$ 500,196,621

Assets measured at fair value on a recurring basis at September 30, 2020, as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Investments				
Money market funds and other short-term investments	$ 8,731,911	$ -	$ -	$ 8,731,911
U.S. Government securities	5,068,443	11,357,505	-	16,425,948
Taxable municipal securities	-	689,202	-	689,202
Marketable equity securities	548,520	-	-	548,520
Mutual funds	244,070,490	-	-	244,070,490
Corporate bonds and notes	-	7,398,699	-	7,398,699
Cash value life insurance policy	-	1,531,837	-	1,531,837
Notes receivable	-	-	32,140	32,140
Real estate, mineral interests and other	-	-	9,000,371	9,000,371
Total assets in the fair value hierarchy	$ 258,419,364	$ 20,977,243	$ 9,032,511	288,429,118
Investments measured at net asset value (practical expedient)				141,910,475
Investments at fair value				$ 430,339,593

Note 4 – Fair Value Measurements (continued)

For Level 3 assets measured at fair value on a recurring basis as of September 30, 2021 and 2020, purchases and sales were $860,050 and $0 and payments/sales were $49,646 and $16,647, respectively.

The following summarizes the nature and risk of those investments that are reported at estimated fair value utilizing net asset value as of September 30, 2021:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fund of hedge funds -				
Total return (a) (d)	$ 82,452,079	$ 11,966,734	quarterly, annually	60 days
Private equity funds (b)	50,186,649	35,851,137	none	-
Closed end funds -				
Special opportunities (c)	3,894,371	1,702,915	none	-
Beneficial interest in perpetual trusts	40,759,812	-	none	-
Total	$ 177,292,911	$ 49,520,786		

The following summarizes the nature and risk of those investments that are reported at estimated fair value utilizing net asset value as of September 30, 2020:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fund of hedge funds -				
Total return (a) (d)	$ 72,726,292	$ 15,127,971	quarterly, annually	60 days
Private equity funds (b)	29,369,362	8,151,405	none	-
Closed end funds -				
Special opportunities (c)	3,781,611	2,004,089	none	-
Beneficial interest in perpetual trusts	36,033,210	-	none	-
Total	$ 141,910,475	$ 25,283,465		

(a) The strategies of the underlying hedge funds in this category primarily include hedged fixed income arbitrage, event driven, macro, multi-strategy, equity hedged, and long/short strategies. Some investments within the fund have partially or fully suspended redemptions. The suspension may be lifted at any time, subject to the discretion of the investment fund. There are no plans to liquidate these funds.

(b) This category is invested in a broad range of private equity funds including, but not limited to, funds of funds that make direct investments in different private equity-related disciplines including, but not limited to, venture capital, buyouts, debt funds, and real estate. The fund has a term of 15 years with up to three one-year extensions. These non-marketable funds do not permit redemptions prior to the termination of the fund, except with the manager's consent. Due to the illiquid nature of the funds' investments, the valuation reported to the investor will be based on the most recent valuations reported to the fund. There are no plans to liquidate these funds.

Note 4 – Fair Value Measurements (continued)

(c) This closed-end portfolio of funds has a structure similar to a traditional private equity fund. It is anticipated that a significant amount, and possibly all, of the portfolio's investments will consist of securities for which there is no public market and/or that are subject to restrictions on sale. Each closed-end portfolio will have a term of seven years with, in the discretion of the Board of Directors, up to two one-year extensions for orderly liquidation of its investments. Investments in the portfolio and reported to the investor will be valued based on the most recent valuations reported to the fund. There are no plans to liquidate these funds.

(d) Certain investments in this category have gate provisions, which allow a manager to limit redemptions despite the normal liquidity provisions, if the manager receives redemptions in excess of the gate (a level stated in their governing documents). The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of uncertainty related to changes in interest rates, market volatility, and credit risks, it is at least reasonably possible that changes in these risks could materially affect the estimated fair value of investments reported in the statement of financial position as of September 30, 2021. However, the diversification of the Organization's invested assets among these various asset classes should mitigate the impact of any dramatic change on any one asset class.

The Organization's policy is to recognize transfers between Levels 1, 2, and 3 and transfers due to strategy reclassifications, if any, as if the transfer occurred at the beginning of the period. For the years ended September 30, 2021 and 2020, there were no transfers.

The following schedule summarizes investments not including beneficial interest in perpetual trusts classified according to any donor restrictions at September 30:

	2021	2020
Investments without donor restrictions	$ 409,717,869	$ 347,411,765
Investments with donor restrictions	49,718,940	46,894,618
Total investments	$ 459,436,809	$ 394,306,383

Note 5 – Beneficial Interest in Perpetual Trusts

Cal Farley's receives charitable trusts from donors. Some of these trusts are considered perpetual trusts because Cal Farley's will never receive the trust assets, but they have an irrevocable right to receive all or a portion of the income earned from the trust assets in perpetuity. Cal Farley's has recorded the asset and has recognized contribution revenue with donor restrictions at the fair market value of Cal Farley's beneficial interest in the trust. Subsequent changes in fair value of the beneficial interest are recorded as change in value of beneficial interest in perpetual trusts in net assets with donor restrictions. Change in the value of the perpetual trust was approximately $4,726,601 and $708,127 for the years ended September 30, 2021 and 2020, respectively.

Note 6 – Gift Annuities

During the years ended September 30, 2021 and 2020, the Foundation recognized charitable gift annuity contributions and income in the amount of $60,320 and $160,000, and recognized the change in value of charitable gift annuities in the amount of $248,498 and $165,930, which are reported in the statement of activities. As of September 30, 2021 and 2020, approximately $2,511,000 and $3,108,000, respectively, of charitable gift annuity assets are included in investments without donor restrictions on the statements of financial position. These amounts are held in segregated reserves. Liabilities associated with these gift annuities was approximately $1,851,000 and $2,065,000 at September 30, 2021 and 2020, respectively.

Note 7 – Property and Equipment

At September 30, property and equipment consisted of the following:

	2021	2020
Land	$ 4,447,841	$ 4,447,841
Buildings	69,436,372	68,900,912
Furniture and fixtures	6,169,347	5,866,710
Roads and grounds	5,342,759	5,342,759
Utility lines and equipment	3,964,561	3,964,561
Land improvements	601,641	601,641
Sewage complex	3,518,401	3,518,401
Transportation and hauling	5,896,347	6,032,367
Farm and ranch machinery	1,781,277	1,784,777
Construction in progress	66,847	31,858
	101,225,393	100,491,827
Less accumulated depreciation	(75,331,984)	(72,446,347)
Total property and equipment, net	$ 25,893,409	$ 28,045,480

Note 7 – Property and Equipment (continued)

Depreciation expense for the years ended September 30, 2021 and 2020 was $3,442,408 and $3,708,917, respectively.

Note 8 – Leases

The Organization leases certain facilities and equipment under certain noncancelable operating lease agreements. The Organization expects that in the normal course of business, leases that expire will be renewed or replaced by other leases. For the years ending September 30, 2021 and 2020, the lease expense was $193,706 and $132,000, respectively.

Future minimum lease rentals under these noncancelable operating leases having an initial term in excess of one year are as follows:

Year Ended September 30,	Future Minimum Lease Rentals
2022	$ 175,197
2023	155,061
2024	119,199
2025	75,050
2026	21,348
Total minimum future lease payments	$ 545,855

Note 9 – Notes Payable

On April 14, 2020, Cal Farley's executed a promissory note with First United Bank, which facilitated a loan in accordance with the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Section 1102, Paycheck Protection Program. Under the CARES Act, Section 1102, Paycheck Protection Program, the SBA has five years to audit any applicant. Cal Farley's, at the time of submitting its application, evaluated the economic uncertainty resulting from the COVID-19 pandemic and the potential impact of that uncertainty on the ongoing operations of the business. Based on the risk of Cal Farley's having to limit or close its operations and unavailability of other sources of liquidity it was determined that the loan request was necessary. The Small Business Administration (SBA) Payroll Protection Loan totaled $3,749,700, with an interest rate of 1.00%. Management opted to account for the proceeds as a loan in accordance with FASB ASC 470, *Debt.* Interest accrued as of September 30, 2020 was $17,603. During the year ended September 30, 2021, Cal Farley's received forgiveness and recorded the amount as gain on extinguishment of debt.

Note 10 – Net Assets

Net assets consist of:

	2021	2020
Net Assets without donor restrictions		
Undesignated	$ 401,195,489	$ 335,996,633
Net investment in property and equipment	25,893,409	28,045,480
Designated - board reserve	9,065,611	8,613,142
Designated - gift annuity reserves	2,511,066	3,108,439
Total net assets without donor restrictions	$ 438,665,575	$ 375,763,694
Net assets with donor restrictions		
Subject to expenditure for specified purpose		
Operations and program support	$ 177,107	$ 195,489
Scholarships	1,416,236	981,818
Capital projects	3,977,097	3,653,394
Special medical needs	240,449	275,681
Remainder interests in property and investments	930,780	930,780
	6,741,669	6,037,162
Subject to the passage of time		
Contributions receivable	23,156,540	20,514,935
Remainder interests in property	-	45,000
	23,156,540	20,559,935
Subject to the Organization's spending policy and appropriation		
Endowment funds restricted in perpetuity	35,020,248	34,817,480
Endowment funds accumulated gains	7,957,021	5,994,976
	42,977,269	40,812,456
Subject to restriction in perpetuity		
Perpetual trusts held by others	40,759,812	36,033,210
Total net assets with donor restrictions	$ 113,635,290	$ 103,442,763
Total net assets	$ 552,300,865	$ 479,206,457

Note 11 – Endowments

Endowment Funds

Effective September 1, 2007, the State of Texas enacted UPMIFA, the provisions of which apply to endowment funds existing on or established after that date.

FASB ASC Subtopic 958-205, *Not-for-Profit Financial Statements*, (ASC 958-205) provides guidance on the net asset classification of donor-restricted funds for a not-for-profit organization that is subject to an enacted version of UPMIFA and also required disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Organization's endowment consists of donor-restricted endowment funds and does not include any funds designated by the Board of Directors to function as endowments. Net assets associated with endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

Based on the interpretation of UPMIFA by the Board of Directors of the Organization, the guidance in ASC 958-205, and absent explicit donor stipulations to the contrary, the Organization classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not considered permanent in nature is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Note 11 – Endowments (continued)

Net asset classification by type of endowment as of September 30, 2021, is as follows (in thousands):

	Without Donor Restrictions	With Donor Restrictions	Total
Restricted in perpetuity	$ -	$ 35,020,248	$ 35,020,248
Restricted by purpose or time	-	7,957,021	7,957,021
Total	$ -	$ 42,977,269	$ 42,977,269

Changes in endowment net assets for the year ended September 30, 2021, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, September 30, 2020	$ -	$ 40,812,456	$ 40,812,456
Investment return	-	1,256,533	1,256,533
Net appreciation (realized and unrealized)	-	2,197,922	2,197,922
Total investment return	-	3,454,455	3,454,455
Contributions	-	202,768	202,768
Appropriation of endowment assets for expenditure	-	(1,492,410)	(1,492,410)
Endowment net assets, September 30, 2021	$ -	$ 42,977,269	$ 42,977,269

Net asset classification by type of endowment as of September 30, 2020, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Restricted in perpetuity	$ -	$ 34,817,480	$ 34,817,480
Restricted by purpose or time	-	5,994,976	5,994,976
Total	$ -	$ 40,812,456	$ 40,812,456

Note 11 – Endowments (continued)

Changes in endowment net assets for the year ended September 30, 2020, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, September 30, 2019	$ -	$ 39,776,125	$ 39,776,125
Investment return	-	1,688,042	1,688,042
Net appreciation (realized and unrealized)	-	988,174	988,174
Total investment return	-	2,676,216	2,676,216
Contributions	-	209,525	209,525
Appropriation of endowment assets for expenditure	-	(1,849,410)	(1,849,410)
Endowment net assets, September 30, 2020	$ -	$ 40,812,456	$ 40,812,456

Funds With Deficiencies
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of the fund. There were no deficiencies as of September 30, 2021 or September 30, 2020.

Return Objectives and Risk Parameters
The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historical dollar value of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a mix of relevant benchmarks, while assuming a moderate level of investment risk. The Organization currently expects its endowment funds to produce a total investment rate of return over the long term which exceeds the rate of inflation as measured by the Consumer Price Index (CPI) by at least 5%. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives
To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The Organization uses a five-year rolling rate of return average to allocate earnings to each endowment yearly.

Note 11 – Endowments (continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy
The Organization has a policy which allows for appropriating expenditures each year up to 5% of its endowment fund's average fair value over the prior five fiscal years. In establishing this policy, the Organization considered the long-term expected return on its endowment mentioned above. There was no spending of underwater endowments during September 30, 2021 and 2020.

Note 12 – 401(k) Plan

Substantially all employees of Cal Farley's are eligible to participate in a plan qualified under Section 401(k) of the IRC. Eligible participants may generally make contributions up to the lesser of the amount allowed under ERISA or 100% of their compensation. The employer matched an amount equal to 100% of the employees' contribution, not exceeding 5% of the employees' compensation. Cal Farley's made matching contributions of approximately $588,000 and $659,000 for the years ended September 30, 2021 and 2020, respectively.

Note 13 – Self-Insurance Plan

The Organization is self-insured for employee medical claims up to $300,000 per employee. Monthly premiums are paid into a trust from which claims are paid by the administrator of the trust. Total amounts charged to expense by the Organization during the years ended September 30, 2021 and 2020 was approximately $1,927,000 and $2,381,000, respectively.

A liability has been accrued in the amount of $264,000 and $397,000 as of September 30, 2021 and 2020 for medical insurance claims incurred but not paid for all current employees. This amount is recorded in accrued liabilities on the combined Statements of Financial Position.

Note 14 – Compensated Absences

Employees of the Organization are entitled to paid time off depending on job classification, length of service and other factors. Cal Farley's accrues for unused paid time off, and at September 30, 2021 and 2020, Cal Farley's recognized approximately $759,000 and $886,000, as an accrual for paid time off. This amount is recorded in accrued liabilities on the combined Statements of Financial Position.

Note 15 – Risks and Uncertainties

During March 2020, the World Health Organization declared the novel coronavirus outbreak a public health emergency. The outbreak has disrupted economic markets and increased volatility. The duration and economic impact of the outbreak is uncertain but could have a material impact to the Organization's liquidity.

Note 16 – Liquidity and Funds Available

The following table reflects the Organization's financial assets as of September 30, 2021 and 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, restricted trust assets, perpetual trusts held by others, endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for a specific contingency reserve. These board designations could be drawn upon in the board approves that action.

	2021	2020
Financial assets		
Cash and cash equivalents	$ 5,611,912	$ 6,342,484
Accounts and contributions receivable	23,590,049	21,313,127
Investments	459,436,809	394,306,383
Perpetual trusts held by others	40,759,812	36,033,210
Total financial assets	529,398,582	457,995,204
Less those unavailable for general expenditure within one year, due to		
Perpetual trusts held by others not convertible to cash within next 12 months	(40,759,812)	(36,033,210)
Contribution and accounts receivable collectible beyond one year	(23,163,090)	(20,431,235)
Endowments and accumulated earnings subject to appropriation beyond one year	(42,977,269)	(40,812,456)
Board designated reserves for future contingencies	(9,065,611)	(8,613,142)
Investments with donor restrictions not expected to be used within one year	(6,741,671)	(6,082,161)
Investments held in trusts and various state required gift annuity reserves	(2,488,286)	(3,108,518)
Mineral Interests - not available for sale	(8,767,874)	(7,028,596)
Private equity, hedge, and closed end funds - illiquid	(136,533,099)	(105,877,265)
Financial assets available to meet cash needs for general expenditures within one year	$ 258,901,870	$ 230,008,621

Cal Farley's cash flows have seasonal variations during the year attributable to contributions received at calendar year end. Cal Farley's is also supported by the Cal Farley's Boys Ranch Foundation and has the ability to draw down funds from the Foundation as approved by the Board.

Note 17 – Subsequent Events

Subsequent events are events or transactions that occur after the combined statements of financial position date but before the combined financial statements are issued. The Organization recognizes in the combined financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the combined statement of financial position, including estimates inherent in the process of preparing the combined financial statements. The Organization's combined financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the combined statement of financial position but arose after the combined statement of financial position date and before the combined financial statements are available to be issued.

The Organization has evaluated subsequent events through February 22, 2022, which is the date the financial statements were available to be issued.