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A Valuation of U.S. Not-For-Profit Summer Camps with a Comparison of Two Members of the Association of Hole in the Wall Camps

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CLAREMONT MCKENNA COLLEGE
A VALUATION OF U.S. NOT-FOR-PROFIT SUMMER CAMPS WITH A
COMPARISON OF TWO MEMBERS OF THE ASSOCIATION OF HOLE IN
THE WALL CAMPS

SUBMITTED TO
PROFESSOR MARC MASSOUD
AND
DEAN JEFFERSON HUANG
AND
DEAN GREGORY HESS
BY
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FOR
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CHAPTER 1

INTRODUCTION

“When all is said and done, people of all ages want to be a part of something bigger and more important than themselves. More than anything else, this is the value that camp teaches kids. It offers them a sense of perspective and provides them with a head start on the road to becoming truly human.”¹

-Michael Eisner, Former CEO of The Walt Disney Company

Camps are rarely recognized for their influential roles as both impactful centers of development and financially necessitated establishments. The world has long overlooked their bearing in everyday life and has regularly stereotyped them as places serving no greater purpose than proliferating fun. While children indeed believe they are going to camp to enjoy themselves, in reality, campers are learning life lessons that extend beyond their immediate consciousness.

The camp industry is extremely diverse; camps are defined by a combination of characteristics, including the type of population served, nature of programs offered, and status of accreditation. It is difficult to dictate the efficiency and effectiveness of mission driven not-for-profit organizations such as summer camps. While many camps do operate as for-profit businesses that are judged by standard financial tools, this paper will focus on not-for-profit organizations with unique measures of performance.

Currently there is a need for further accountability and transparency in not-for-profit organizations. The public has proven repeatedly that they are willing to support

¹ Michael Eisner, "What I Did During Summer Vacation," interview by Tri-State Camping Conference, March 8, 2001, CampGroup, http://www.campgroup.com/advantage_value.htm (accessed November 29, 2010).

not-for-profits if they can count on the organizations to be dependable.² Unfortunately, this trust is often compromised by the distance placed between funders and the recipients of the donation. Efficiency metrics in not-for-profits are difficult to define, but within each sector, there needs to be consistency of measures for comparison and ultimately accountability. This paper aims to bridge the gap between donors and camps to further public awareness when considering future donations.

This paper functions to demonstrate the relevance of camps in today's society and establish metrics that will reveal the efficiency of mission driven not-for-profit camps. Ultimately, this thesis will prove that in cases of camps with comparable missions, it is more favorable to donate to a camp that operates more efficiently, by allocating a consistent percentage of expenses to mission-fulfilling programs and maximizing the amount of children served relative to expenses.

The first chapter will offer a historical and societal overview of the camping industry with a breakdown of camp categorizations. The chapter will place emphasis on the distinctions between for-profit and not-for-profit camps.

The following chapter establishes efficiency metrics of camps that will expose the quantitative abilities of not-for-profit camps to achieve their mission. Five metrics will be presented: the program spending ratio, fundraising efficiency ratio,

The subsequent two chapters analyze the application of these metrics to specific camps. The Hole in the Wall Gang Camp (Ashford, Connecticut) and Camp Korey (Carnation, WA) will be used as case studies in this paper. Both camps are members of

² Patricia Keehley and Neil N. Abercrombie, *Benchmarking in the Public and Nonprofit Sectors: Best Practices for Achieving Performance Breakthroughs*, 2nd ed. (San Francisco: Jossey-Bass: A Wiley Imprint, 2008), 161.

the Association of Hole in the Wall Camps which serves children living with serious and life-threatening illnesses throughout the world. Using these camps eliminates mission as reason to donate to one over the other and allows for analysis of the relevance of quantifiable metrics. Through ratio comparisons and trend analysis, this paper will ultimately prove that donating to The Hole in the Wall Gang Camp is ultimately more worthwhile than donating to Camp Korey. This is largely due to the young age of Camp Korey in contrast to The Hole in the Wall Gang Camp.

The conclusion will offer advice to Camp Korey in regards to improving its operational efficiency. These actions will be largely based upon the steps that other camps with similar missions have taken and found successful. Hopefully, if Camp Korey takes these steps, it will see contribution increases that will allow it to continue to facilitate specialized programs for many children for years to come.

To measure financial performance, this paper uses historical data of IRS form 990s from 2006 to 2008. This information was obtained from the selected camps as well as found on the web site 'GuideStar.Org'. IRS Form 990 is an annual document used by not-for-profit organizations to report about their finances. Analytical techniques will be employed to apply metrics of efficiency to each camp and ultimately compare relative ratios and trends between the two.

CHAPTER 2

HISTORY, CONSEQUENCES AND BREAKDOWN OF THE SUMMER CAMP INDSUTRY

A Brief History of Camps

During the 1800s, rapid urbanization led to increasingly populated city centers. As people left rural areas for the city and were absorbed by sheltered city lifestyles, they became increasingly appreciative of the unconstrained condition of nature. Consequently, to a large degree, camps started as a response to urbanization; parents wished for their children to connect with nature and learn about living outdoors.

Frederick and Abigail Gunn began the practice of summer camping in 1861³. As headmasters of the Gunnery School in Connecticut, they wished to extend their educational influence into the summer by taking children into the wilderness for two weeks to hike, fish, sail and boat.

The benefits of camp were apparent after only one summer. Kids had fun and learned about nature while parents saw the even greater positive influences that camp had on their children, such as increased resourcefulness and discipline. By 1900, hundreds of camps had formed and the character building nature of camps was further apparent. Originally, these benefits were described as “making boys strong and vital, improving their powering digestion and increasing their lung capacity”.⁴ As only male attendance

³ John Malinowski and Christopher Thurber, "A History of Summer Camp," Summer Camp Handbook , <http://www.summercambahook.com/161-a-history-of-summer-camp.html> (accessed November 29, 2010).

⁴ Ibid.

was originally permitted, the character building quality of camps was typified by military proficiency and capable citizenship.

As the scope of camps extended to women, different genders and diverse economic classes, new types of camps emerged and old military foundations faded. Special activities and luxurious accommodations such as water skiing and well-equipped dorms emerged in place of the fishing and tents of the past. While camps have continued to experience rapid modernization and improvements, the core ideas and ideals that began with the Gunns still exist: to expose children to new possibilities and opportunities and to teach them values they may otherwise never face.

Societal Impacts of Camps: Character Development

Studies have gone beyond the ‘fun factor’ to examine the extent to which camp contributes to creating successful, productive adults. The tables below reveal five developmentally important domains that are cultivated through camp. The data is a result of a four-year effort involving instrument development, instrument and protocol testing at dozens of camps with more than 5000 campers and parents who were deemed representative of American camps. Campers and parents were given a set of questions at the inset of camp, at the end of camp, and at a follow-up date thirty days later, to measure the impact on individual character. Often times it is difficult for children to grasp personal character changes so data from parents is crucial for accurate outcome measurement.

Table 2.1. Youth Development Outcomes of the Camp Experience: Camper Survey⁵

| Camper Survey | Mean Score at Pre-test | Mean Score at Post-Test | Mean Score at Follow-up | Effect Size |
|------------------------------------|------------------------|-------------------------|-------------------------|---------------------------|
| Positive Identity | 3.55 | 3.58 | 3.62 | A=.07 B=.12 C=.20 |
| Social Skills | 3.35 | 3.38 | 3.40 | A=.08 B=.04 C=.13 |
| Physical & Thinking Skills | 3.66 | 3.75 | 3.65 | A=.24 B=-.30 |
| Positive Values & Spiritual Growth | 3.33 | 3.36 | 3.31 | A=.05 B=-.09 C=-.05 |

Difference between pre-test and post-test is significant at $p < .05$; difference between post-test and follow up is significant at $p < .05$; difference between pre-test and follow-up is significant at $p < .05$

Table 2.2 Youth Development Outcomes of the Camp Experience: Parent Survey⁶

| Parent Survey | Mean Score at Pre-test | Mean Score at Post-Test | Mean Score at Follow-up | Effect Size |
|------------------------------------|------------------------|-------------------------|-------------------------|--------------------------|
| Positive Identity | 3.58 | 3.65 | 3.64 | A=.17 C=.14 |
| Social Skills | 3.31 | 3.37 | 3.35 | A=.14 B=-.04 C=.10 |
| Physical & Thinking Skills | 3.49 | 3.56 | 3.48 | A=.16 B=-.19 |
| Positive Values & Spiritual Growth | 3.28 | 3.31 | 3.29 | A=.06 C=.03 |

Difference between pre-test and post-test is significant at $p < .05$; difference between post-test and follow up is significant at $p < .05$; difference between pre-test and follow-up is significant at $p < .05$

Through this research, the American Camp Association established that most children felt that camp helped them make new friends (96% camper response), feel good about

⁵ Philliber Research Associates, *Directions: Youth Development Outcomes of the Camp Experience*, ed. American Camp Association, <http://www.acacamps.org/research/enhance/directions> (accessed November 29, 2010).

⁶ Ibid

themselves (92%) and do things they were previously scared of (74%).⁷ Parents reported that their child gained self-confidence (70% parent response) and remains in contact with friends made at camp (69%).⁸ Children who arrive at camp must leave their toys behind. Everything they value becomes irrelevant and they are put in a position where they must create new values without familiar playthings and structure. When placed in an unfamiliar environment, children are driven to evolve.

In a speech to the Tri-State Camping Conference, former Disney C.E.O Michael Eisner, shares a number of life lessons he learned from camp. He recounts a summary of collective canoe experiences involving the injury of a cabin-mate and subsequent rescue, a taste of river water gone wrong, and the general navigation through precarious rapids. From this camp experience, Eisner learned how to practice teamwork, show initiative, handle adversity, listen well and maintain a sense of humor. These, Eisner says, represent not only keys to success in one's career but the keys to life.⁹

In addition to improving the moral fiber of numerous children, camps also function as educational resources. There are currently camps in nearly every specialization imaginable: religion, health, martial arts, technology, writing, music, creativity and culture, adventure, and acting for instance. Specialized camps provide exceptional opportunities for children to become proficient in a field they may otherwise never receive exposure to.

⁷ Ibid.

⁸ Ibid.

⁹ Michael Eisner, "What I Did During Summer Vacation," 2001.

Camps are capable of impacting children in many ways. Each type of camp has capacity to influence a child in a different way. The subsequent section will explore the many categories that define modern camps.

The Summer Camp Industry: Types of Camps

The summer camp industry is defined loosely to include any program that provides supervised services beyond mere childcare.¹⁰ It is estimated that this industry generates between \$10 billion and \$12 billion annually and includes approximately 12,000 camps of varying kinds, serving more than eleven million children and adults annually¹¹.

There are hundreds of kinds of camps that fall into nearly as many categories. For the sake of simplicity, this paper will examine fourteen different categories.

Resident versus Day Camps

Approximately 7,000 out of 12,000 camps are resident camps and the remaining 5,000 are day camps¹². Both types of camps can be either non-profit or for-profit entities with tuition to attend camp ranging anywhere from \$0 to \$1500.¹³ Resident camps require campers to sleep on location anywhere from one to eight weeks during the summer. These camps can be either single-sex or co-ed and are often times located in rural areas to facilitate a greater range of activities, thus requiring families to travel potentially great distances drop off and pick up their children. General attendance is customarily

¹⁰ Daniel Zenkel, "Summer Camp Market Overview," CampGroup LLC, <http://www.campgroup.com/camping.htm> (accessed November 29, 2010)

¹¹ American Camp Association, "Camp Trends Fact Sheet: Data and Statistics," <http://www.acacamps.org> (accessed November 24, 2010).

¹² Daniel Zenkel, "Summer Camp Market Overview," 2010.

¹³ Ibid

comprised of older children who are especially capable of spending the week away from home. On the other hand, day camps are usually geared towards younger children and are often located in urban areas to ease access for parents to drop off and pick up their kids daily. It is often times the case that children will progress from day camp to residential camp and many organizations offer both programs to simplify this transition. Children who attend residential camp generally experience greater development, largely due to the independence they are given in terms of waking up and going to sleep by themselves.

Traditional versus Non-Traditional Camps

Traditional camps are defined as resident or day camps that operate at a location whose primary use is as a summer camp.¹⁴ Traditional camps generally function on land that is owned by the owners of the camp. Many people often consider traditional camps as a place of traditional activities such as horseback riding, bonfires, and arts and crafts. However, the distinction is in the purpose of the property not the purpose of activities.

Non-traditional camps are those that function primarily for purposes other than as a camp. Examples include public and private schools, YMCAs, community colleges, public parks, private homes, childcare centers and other private recreational facilities.¹⁵

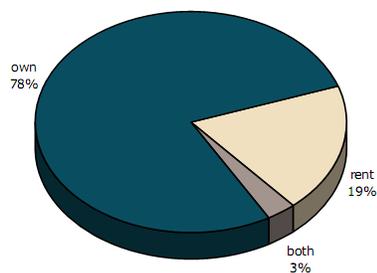
The two figures below depict the breakdown of property ownership and other functions of camp property. The most common primary or additional uses include rental as a retreat center, use as an outdoor recreation center (e.g. hiking), and rental by other camps.

¹⁴ Daniel Zenkel, "Summer Camp Market Overview," 2010.

¹⁵ Ibid.

Figure 2.1 Nature of Property Ownership¹⁶

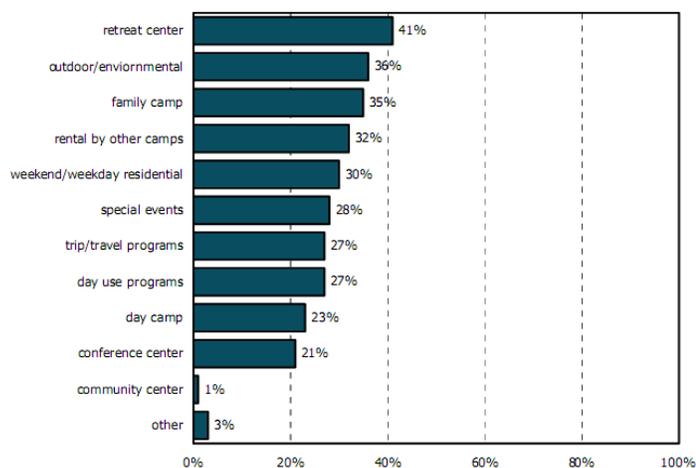
Nature of Property Ownership



base: 295 residential camp respondents

Figure 2.2 Other Services/Programs Offered on Camp Property¹⁷

Other Services/Programs Offered



base: 295 residential camp respondents (multiple answers)

The above data shows that the majority of camp owners also have possession of the land where camp sessions are held. This likely indicates that the main function of the land is for camp operations and is a traditional camp. Approximately 19% of respondents rent

¹⁶ American Camp Association and Readex Research, *2009 Camp Business Operations Report Residential Camp Summary* (2009), 4

¹⁷ American Camp Association, *2009 Camp Business Operations Report Residential Camp Summary* (2009), 5

camp facility, revealing that during the rest of the year, the property functions for something other than camp.

Figure 2.2 illustrates other purposes of camp property. When not used for camp sessions, the land may be used as a retreat center, outdoor or environmental site, for special events, as a community or conference center or for trip or travel programs.

General versus Specialty Camps

General camps offer a variety of activities and do not seek to develop a singular skill or singular need. These camps may include a broad range of activities all characterized by one theme such as sports or outdoor activities. The mission of these camps is universal and can apply to children from many different backgrounds and with a wide range of abilities.

Specialty camps focus on a particular interest or serve a specific population. Their mission is clear, whether it be to develop certain knowledge or promote a certain group. These interests include but are not limited to specific sports, arts, business, computers, space, weight loss, health and boot camps, adventure, music and religion. Specific populations served include children with disabilities or illnesses, from certain economic backgrounds or who have experienced traumas. Specialty camps operate with a specific intent that is laid out in its mission and require participation from children with certain commonalities, such as a particular interest, talent or need.

Accredited versus Non-Accredited Camps

Camps are either accredited by the American Camp Association or not accredited at all. The American Camp Association is the largest camp association in the world, offering membership to camps of every variety who complies with stipulated standards.¹⁸ Benefits of accreditation include general prestige, advertising, educational and strategic planning tools, exclusive discounts, and professional development and networking opportunities.

American Camp Association accreditation is granted to camps that prove compliance with approximately 300 industry accepted standards for facility maintenance, safety, staff training, program quality, administrative procedures, food service, emergency preparedness and transportation.¹⁹ These standards are constantly updated and camps are inspected about once every three years to ensure that they continue to uphold standards. For a summary of all basic requirements, please see Appendix A.

Only 2,340 of the 12,000 summer camps are accredited.²⁰ The majority of these camps do not have the resources or the ability to pass the necessary requirements for accreditation. However, lack of accreditation does not necessarily mean a camp is not safe or worthwhile. Organizations may choose to obtain from accreditation for personal reasons. Some non-accredited camps set their own exceptionally high standards and therefore while lack of accreditation may be cause for more in-depth research, it should not stand alone for evaluating camp quality.

¹⁸ Daniel Zenkel, "Summer Camp Market Overview," 2010.

¹⁹ Ibid.

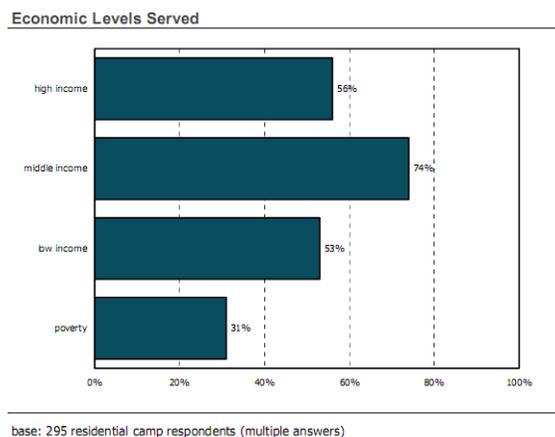
²⁰ Ibid.

Special Populations versus General Populations

As previously mentioned, there are many specialty camps that cater to children with a common need. This includes children suffering from a common illness, or serious disability. The American Cancer Society, Children’s Hospitals and Paul Newman’s Hole in the Wall Association are examples of such camps. Other specific populations include children suffering from similar traumas and experiencing common grief. America’s Camp was established for children who lost parents during September 11, 2001.²¹ Most special camps are not-for-profit and offer programs for children at zero-cost.

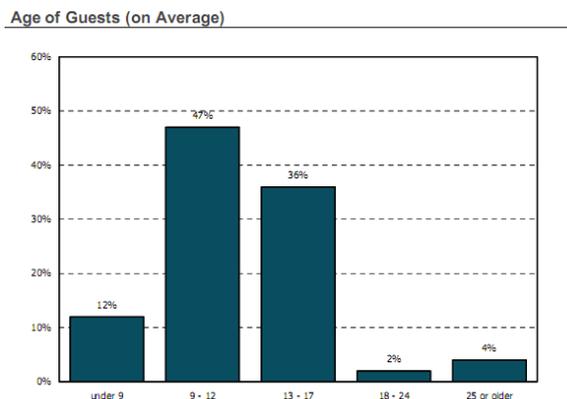
General populations are most easily defined as children without a special need or condition. A breakdown of general populations served is illustrated in the graphs below. A range of economic levels, ages, races and religions are served. It is evident based on the figures below that the most common populations served are from the middle income class, Caucasian and between the ages of 9 and 12.

Figure 2.3 Economic Levels Served²²

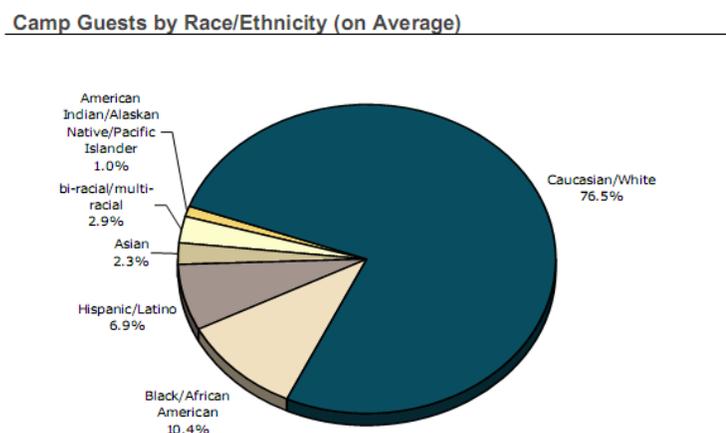


²¹ Ibid.

²² American Camp Association, *2009 Camp Business Operations Report Residential Camp Summary* (2009), 6.

Figure 2.4 Age of Campers (on Average)²³

base: 290 answering residential camp respondents

Figure 2.5 Camp Guests by Race/Ethnicity (on Average)²⁴

base: 271 answering residential camp respondents

Religious versus Secular Camps

Religious camps focus on children who share the same religious heritage, such as Christian Bible camps, Jewish-centric camps, and Pioneer camps. Most religious camps

²³ Ibid.

²⁴ American Camp Association, *2009 Camp Business Operations Report Residential Camp Summary* (2009), 7.

operate as not-for-profit organizations, but do not provide cost-free attendance.²⁵ They in fact receive over half of their revenues from registration fees.²⁶ Multiple Religious camps often unite under a common church or umbrella organization such as Christian Camping International. Religious camps do not require that every activity be religious, often just the overall camp theme. Secular camps include any camp whose mission does not mention or pertain to religion.

For-Profit versus Not-for-Profit Camps

For-Profit Camps

For-profit camps function as business entities that compete as business would. They struggle to get customers (campers), produce revenue and remain market conscious. They act as would be expected of any small business, motivated by profits and a significant bottom line.

Camps as businesses are focused on revenues that result from registration fees, interest income, contributions and grants. The most common camp expenses are personnel and operations. Even though the main services performed occur during the summer, camps must be staffed and property must be maintained year round, forcing camps to compensate for the majority of expenses with eight weeks of registration fees.

The purpose of for-profit camps is to maximize profit margin. If they fail to make a profit, they will be unable to operate in for long and will ultimately shut down. This is

²⁵ Daniel Zenkel, "Summer Camp Market Overview," 2010.

²⁶ American Camp Association, *2009 Camp Business Operations Report Residential Camp Summary* (2009), 14

very different from not-for-profit camps in the industry that exist to effectively execute their mission, not make a profit.

Not-for-Profit Camps

Not –for-profit camps face similar economic pressures as for-profit camps even though their goals differ. Not-for-profit camps are judged by their ability to realize their mission and to create social impact, not by their bottom line. If a non-profit camp operates at a loss- which is often the case- it will not close down but will continue to operate and serve the public.

To protect this charitable purpose, not-for-profit organizations are legally required to redistribute any profits back into their organization. While corporations are meant to pass profits back on to shareholders, not-for-profits are prohibited from distributing net earnings to any private individual. By retaining this annual surplus, not-for-profits can in theory reassure stakeholders that their social missions take precedence over the financial remuneration of any interested parties.²⁷

In not-for-profit camps, the no-distribution requirement equates to a commitment to donors and children that the camp will provide services to the best of their ability. These camps are not trying to benefit financially.

²⁷ Peter Frumkin and Elizabeth K. Keating, *The Price of Doing Good: Executive Compensation in Nonprofit Organizations* (Harvard University, 2001), 2-3, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=292253 (accessed November 29, 2010).

In exchange for eschewing profit, not-for-profit organizations receive subsidies in the form of tax exemption and charitable donations.²⁸ This in theory allows them to offer social services at zero to no cost. Not-for-profits generally operate in service areas characterized by externalities, uncertainty, information asymmetries, adverse selection, and consumer trust.²⁹ By using their resources to fulfill their missions rather than to benefit individuals, not-for-profit organizations attempt to overcome market or contract failures. The non-distribution restraint offers a contractual assurance that consumers will not be taken advantage of by nonprofits and that resources will be used to meet public needs rather than for personal gain.

Despite the non-distribution restraint, scandal has recently shaken public trust in not-for-profit organizations. Since the tragedy on September 11, 2001, controversies involving the disbursement of funds by relief organizations such as the Red Cross have eroded public confidence.³⁰ More than ever, consumers want to know about the allocation of expenses and quality of service that not-for-profits are providing.

All successful not-for-profits acknowledge the importance of their missions.³¹ The issue for not-for-profit camps is how to balance implementing mission and raising funds

²⁸ Ibid.

²⁹ Ibid.

³⁰ Pamela J. Wilcox, *Exposing the Elephants: Creating Exceptional Nonprofits* (Hoboken, New Jersey: John Wiley & Sons, 2006), 11.

³¹ Deborah Bialeshki and Henderson Karla, "Trends Affecting Not-for-profit Camps," American Camp Association, <http://www.acacamps.org/members/knowledge/strategic/cm/cm003trends> (accessed November 23, 2010).

to support operations. Maximizing benefits means controlling costs and targeting expenditures efficiently to top priorities.³²

Not-for-profits face serious fiscal challenges related to their mandate and role.³³ Not-for-profit camps rely on effective fundraising to maximize output of public good. This reality leaves not-for-profit camps completely dependent on the public sector for donations. During an economic downturn or in times of mission unpopularity, not-for-profit camps have limited reserves to continue normal operations. While for-profit camps charge increased fees to combat challenging times, not-for-profit camps can do little to stay afloat, demonstrating the limits of the not-for-profit business plan.

The success of the not-for-profit camp depends on its mission; a strong mission encourages donations which in turn finance camp operations. Mission must be frequently revisited to continue making strategic decisions that will be advantageous to both the population served and the financial well-being of the organization.

Other types of Camps

Other types of camps include premium adventure or travel camps that take children to different cities or countries, volunteer camps that coordinate volunteer opportunities for participants and family camps that bring families together to participate in a variety of camp activities.

³² Thomas P. Holland and Roger A. Ritvo, *Nonprofit Organizations: Principles and Practices* (New York: Columbia University Press, 2008), 268.

³³ Deborah Bialeshki et al. "Trends Affecting Not-for-profit Camps," 2010.

The Value of Financial Efficiency Measurements in Not-for-profits

In the wake of tragedies such as September 11, 2001, Hurricane Katrina and the Haitian earthquake, Americans gave generously to charities such as the Red Cross, United Way, and Hope for Haiti. Questions arose as to the appropriate allocation of these funds. People were donating for a cause, yet their money was being allocated to completely unrelated expenses. In a 1988 public opinion poll, when asked the most important information in deciding whether to donate money to an organization, nearly half of the respondents said that they care more about how the organization uses its money than whether it fulfills a genuine need or makes a difference³⁴. Thus, in order to increase contributions and have the ability to most effectively execute its mission, efficiency measurements are crucial to prove the viability of the organization.

³⁴ Center on Nonprofits and Philanthropy, "The Pros and Cons of Financial Efficiency Standards," *Nonprofit Overhead Cost Project*, no. Brief No. 5 (August 2004): 1-4, <http://nccsdataweb.urban.org/kbfiles/521/brief%205.pdf> (accessed November 29, 2010).

CHAPTER 3

FINANCIAL BREAKDOWN OF NOT-FOR-PROFIT CAMPS: TAX EXEMPTION AND EFFICIENCY METRICS

“An economic institution creates something of value. The assumption is that nonprofits have measureable economic value- even if the measure is imperfect.”³⁵
-Herrington J. Bryce

The effectiveness of not-for-profit organizations lies in their abilities to fulfill their missions, not in the bottom lines of their financial statements. Financial analysis pertinent to for-profit entities needs to be modified in order to be relevant in not-for-profit evaluation. Stockholders are dependent on the profitability of businesses and invest their money based on the financial performance of these entities. While donors usually make contributions based on the specific cause of an organization, there is an increasing need for quantitative information to reveal the organization’s ability to execute its mission. When missions are comparable, the need for additional valuations becomes paramount. This chapter will discuss the fundamentals of not-for-profit finances and ultimately construct a performance framework to measure the efficiency of not-for-profit camps.

Tax Exemption Status

In principle, the not-for-profit organizational form helps society to overcome market failures and to increase the output of certain goods and services without moving the provision of government subsidies to not-for-profits. To achieve greater social outcomes, these organizations are given government subsidies through tax-exemptions

³⁵ Tom Ralser, *ROI for Nonprofits: The New Key to Sustainability* (Hoboken, New Jersey: John Wiley & Sons, 2007), 43.

and tax-deductible donations. To be considered tax-exempt under section 501 (c) (3) of the Internal Revenue Code, an organization must be organized and operate exclusively for exempt purposes set forth in section 501 (c) (3), and none of its earnings may benefit any private shareholder. Tax exempt purposes set forth in 501 (c) (3) are:³⁶

- Charitable
- Religious
- Educational
- Scientific
- Literary
- Testing for public safety

Organizations that fit this description are eligible to receive tax-deductible contributions. Camps fall under charitable organizations that provide relief for the poor, the distressed or the underprivileged.

Tax exempt organizations must fill out IRS Form 990 on an annual basis. The form consists of revenue and expense reporting, compensation information, contribution figures and statement of mission-centered activities.

The Utility of Measuring Not-for-Profit Performance

Performance measurements reflect the achievements of an organization through the use of quantitative indicators across a variety of dimensions, including financial, staff,

³⁶ IRS, "Instructions for Form 990: Return of organization Exempt From Income Tax," Internal Revenue Service, www.irs.gov (accessed November 5, 2010).

operational and impact.³⁷ Not-for-profits can use metrics to measure relative progress and identify improvement opportunities, as well as a valuable selling point for donors.

Demand for not-for-profit performance measurements have increased in the last twenty years. Edward Skloot, Executive Director of the \$675 million Surdna Foundation, offers four explanations for this:

“First, the bursting of the stock market bubble of the late 1990s reduced the amount of donor capital, thereby encouraging donors to be more discerning in their giving. Second, the emergence of ‘venture philanthropy’ has contributed to greater use of measurement tools previously reserved for the public sector. Third, the nonprofit field has seen an influx of new faces, bringing with them management tools in wide use elsewhere. Finally, government officials and journalists have discovered the sector and are turning their attention to it- including assessing its performance.”³⁸

As aforementioned, stakeholders are starting to hold not-for-profits accountable for their actions. The public is no longer only interested in what a not-for-profit delivers, but how it operates. The question is how not-for-profits can become more efficient and business-like without altering their character.³⁹ Efficiency measures are the answer to this problem because they allow the organization to measure its progress and inform stakeholders how well it is operating. Metrics open the door for industry improvement.

Establishing Metrics: Important Distinctions and Disclosures

It is crucial to understand the distinction between efficiency and effectiveness in order to grasp how not-for-profit organizations carry out their missions. The IRS defines

³⁷ Katie Cunningham and Marc Ricks, "Why Measure," *Stanford Social Innovation Review* (Summer 2004): http://www.ssireview.org/site/printer/why_measure/ (accessed November 29, 2010).

³⁸ Katie Cunningham et al. "Why Measure," 2004.

³⁹ Paul C. Light, *Pathways to Nonprofit Excellence* (Washington, D.C : Brookings Institution Press, 2002), 78.

efficiency and effectiveness as follows: Efficiency is reflected by how much of the organization's income goes to activities that directly achieve its mission, versus to only supporting activities. Effectiveness is primarily a function of how well the activities that the organization selects to achieve its mission actually succeed in doing so⁴⁰. Ultimately, the modern reality of not-for-profits is that purpose is accomplished through process.⁴¹ In other words, the effectiveness of an organization is maximized when efficiency is well managed. This section will focus on key efficiency metrics for the not-for-profit camp.

Finally, it is necessary to disclose and highlight the fact that not-for-profit financials often lack the exactitude of other businesses. Because their survival does not depend on financial statement accuracy, there is a margin of error associated with not-for-profits that should be considered when evaluating efficiency.

Program Spending Ratio

$$\frac{\text{Program Expenses}}{\text{Total Expenses}}$$

The program spending ratio is the amount of money that an organization spends on programs in relation to total expenses. It effectively reflects spending efficiency by showing the total expenses that are dedicated directly to carrying out camp mission. Camps are efficient if the majority of their expenses are executing their cause. Money spent on programs reflects the accountability of not-for-profit organizations to both donors and campers.

⁴⁰ IRS, "Instructions for Form 990: Return of organization Exempt From Income Tax," 2010.

⁴¹ Pamela J. Wilcox, *Exposing the Elephants: Creating Exceptional Nonprofits* (Hoboken, New Jersey: John Wiley & Sons, 2006), 7.

For most not-for-profit organizations, including camps, the acceptable benchmark for spending on programs is 65% as a minimum⁴². An effective organization will allocate \$.65 or more of every dollar to program expenses. For example, Habitat for Humanity of Greater Los Angeles operates at 88%, while 4-H Clubs and Affiliated 4-H Organizations operate at 80%, Greenpeace at 83%, Amnesty International USA, Inc. at 77%, and Girl Scouts of the USA at 90%.⁴³ The above information reveals the exceptionally high standard of program spending throughout the United States.

Fundraising Efficiency Ratio

$$\frac{\text{Total Fundraising Expenses}}{\text{Total Contributions}}$$

The fundraising efficiency ratio is the percentage of dollars that are spent to raise another dollar⁴⁴. It is defined as the ratio of fundraising expenses per total contributions. Economics tells us that rational organizations should keep spending money on fundraising until it costs \$1 to raise an additional \$1. Basic standard is that a not-for-profit organization- including all camps- should not spend more than 35% of total contributions on fundraising. This means that a camp should aim to spend less than \$0.35 to raise each dollar.⁴⁵

Care should be taken in interpreting a fundraising ratio. Newer organizations need to spend more money on advancing their causes and increase mission related activities.

⁴² Katie Cunningham et al. "Why Measure," 2004.

⁴³ These ratios are based off numbers found in the 2008 Form 990 from the selected organizations as found on www.guidestar.org.

⁴⁴ Katie Cunningham et al. "Why Measure," 2004.

⁴⁵ Ibid.

Furthermore, it is possible that organizations that spend more on fundraising receive more donations to use for program activities.

Working Capital Ratio

$$\frac{\text{Net Assets}}{\text{Total Expenses}}$$

Measuring total net assets in relation to total expenses reveals how long the organization can operate without additional funding. A large amount of net assets at the end of the year relative to expenditures means the organization is in a stable financial position. Excess net assets allow organizations to endure a time of income shortfalls while maintaining mission-driven activity. A smaller ratio represents lesser dependency on public giving for a given amount of time. In a not-for-profit organization, it is healthy to have at least 25% of asset reserves.⁴⁶ This is equal to 3-6 months of expenses. A number higher than this indicates significant reliance on each donation to continue operating. Donors, management, and corporate sponsors can judge the long-term stability of an organization based on this metric.

*Note that net assets equal working capital and include cash and cash equivalents, savings, pledges and grants receivable, investments in securities, and accrued expenses

⁴⁶ Michael Daily, "How Much in Reserve Funds Should Your Nonprofit Have? ," *Executive Service Corps*:<http://www.arizonanonprofits.org/Common/Files/How%20Much%20in%20Reserve%20Funds%20Should%20Your%20Nonprofit%20Have.pdf> (accessed November 29, 2010).

Executive Compensation per Total Expenses

| |
|---|
| <p style="text-align: center;"><u>Executive Compensation</u> Expenses</p> |
|---|

Quality leadership is crucial to a not-for-profit camp's effectiveness and long term viability.⁴⁷ CEO and performance is to the ability of the organization to operate efficiently. Examining pay patterns for consistency with espoused mission allows for a deeper understanding of the priorities of the organization.

Due to the non-distribution constraint, not-for-profit compensation decisions have traditionally been thought to be connected to the difficult to measure notion of "progress toward mission," rather than based on growth in revenues or earnings.⁴⁸ The challenge for not-for-profits is therefore to figure out how to compensate executives to motivate performance, while retaining a focus on mission fulfillment.

Not-for-profits face challenges when it comes to compensating employees. The first priority is for compensation to be reasonable but not excessive. Salaries of not-for-profit employees are generally lower than their for-profit counterparts.⁴⁹ However, studies have showed that not-for-profits must pay their best workers wages that are competitive with those of business firms in order to attract the most talented and capable people.⁵⁰ Those backing "comparable pay" argue that the success of not-for-profit

⁴⁷ Peter Frumkin et al., *The Price of Doing Good: Executive Compensation in Nonprofit Organizations*, 2001.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ Ibid.

organizations relies on good management precisely because of the difficulty in assessing a true bottom line in not-for profits.

Donors need to be on the lookout for excessive compensation. This can be gauged by comparison with CEOs who work in similar organization.

Cost per Camper

$$\frac{\text{Total Expenses}}{\text{Camper Attendance}}$$

Part of the mission of not-for-profit camps is to maximize children served. The number of campers served is contingent on whether a camp can afford to accommodate them. It is important for management to minimize this ratio to ensure maximum camper service. Furthermore, this ratio is an essential tool for camp fundraising: donors want to know how much it costs to send one child to camp. For many camps, this number leads to a check for that amount from a donor. Donors gain satisfaction knowing that their donation has allowed for a child to attend camp.

Efficiency metrics have now been established. The following chapter will provide an introduction to the organization that will be evaluated based on the defined metrics. When evaluating a not-for-profit, qualitative data and anecdotes are also important to understanding the impact of the organization. Therefore, the following chapter will also explore empirical anecdotal evidence.

CHAPTER 4

THE ASSOCIATION OF HOLE IN THE WALL CAMPS

Mission

“The Association of Hole in the Wall Camps is an international family of camps and programs that provide life-changing experiences to children with serious medical conditions, always free of charge. The goal is to extend these experiences to as many children as possible around the world”⁵¹

Realizing their Mission

The Association of Hole in the Wall Camps impacts thousands of lives in an extraordinary way each year. The children that attend these camps do not experience a temporary sense of confidence; they experience a permanent change of self.

In most cases the children who attend these camps have never lived normal lives. They have been limited from partaking in the majority of activities that most people take for granted. Many have faced multiple forms of cruelty and have lived with a constant feeling of inadequacy. A boy with Craniofacial deformities said only after an hour of arriving at a camp session that he had never been anywhere in his life where people did not point and stare. For the first time, he said, he felt like he had friends.⁵² The underlying mission of the Association of Hole in the Wall Camps is to provide these children with a week of just being kids by allowing them to participate in all the activities and experiences that they have often been denied.

⁵¹ Association of Hole in the Wall Camps, "2009 Annual Report," 2010, 1, <http://www.holeinthewallcamps.org>.

⁵² Anonymous Hole in the Wall Camp Counselor at Camp Korey

The various camps throughout the globe provide children with the resources, courage, support and most of all the freedom to succeed. Every week children are transformed and are instilled with a renewed sense of stability and confidence. Activities are designed to inspire children to realize their full potential, encourage teamwork and social interaction and boost self-esteem.

History: A Legacy of Love

“It all began with a brilliant idea coupled with a little bit of luck and a whole lot of laughter.”⁵³

Actor and Philanthropist Paul Newman dreamed of starting a camp for children with serious medical conditions. During his time at Newman’s Own, Mr. Newman began receiving letters asking for help from children suffering from serious conditions. However, tax rules prohibited individual donations by the company. Determined to find a way to help, Newman founded the Association of Hole in the Wall Camps. He envisioned camps as a “place where children could escape the fear, pain and loneliness of their conditions, kick back and ‘raise a little hell’.”⁵⁴

Though Newman was the motivating factor behind the camps, he took special pride that the camps are not about him.⁵⁵ They are about the children.

⁵³ "Our History," Association of Hole in the Wall Camps ,<http://www.holeinthewallcamps.org/Page.aspx?pid=257> (accessed November 17, 2010).

⁵⁴ Ibid.

⁵⁵ Ibid.

Camp Activities

Hole in the Wall Camps are adaptive summer camps that modify traditional summer camp activities so that they are universally accessible. This includes equestrian programs, ropes courses (one wheelchair accessible ropes course), swimming, fishing and boating, theater, arts and crafts, bonfires, cheers, food fights and tree houses. Children receive the opportunity to do what they always thought they would never be able to and have always envied other children for.

Camp Priorities

At these camps, children are children, first and foremost. Camp is a place- often times the only place- where their abilities and medical conditions do not define them. While the camp is entirely focused on kids with disabilities and illnesses, when in session, it is as if these illnesses no longer exist.

Each camper has the freedom to decide if he/she would like to participate in a particular activity. Many campers spend their lives having someone else make their decisions. Although with the best of intentions, by trying to help their children, parents often times end up taking away the power of choice. Many attendees have never experienced such power or responsibility and while for many it is overwhelming, they eventually learn that they are capable of doing things on their own.

Quality medical care is a necessary component of camp success. Due to the severity of camper conditions, high caliber medical centers and supervision are an integral part of camp. Each camp has a child-friendly medical center that feels like a

harmless nursery. Medical staff is on site and at every activity to respond if need be. While it is the hope that campers will never have to visit the medical facility or hospital, if the need arises for treatment, they will receive exceptional care.

Other Impacts

Not only does the Association of Hole in the Wall Camps greatly influence the campers who attend, but it also impacts the lives of camper families as well as the volunteers who participate in camp sessions. Below is a story from a volunteer at an Association camp detailing the impact of camp on his own life.

I suspect my Camp Korey volunteer experience was not unusual - namely - it changed my life. To see the camper's transition from fear and insecurity at arrival, to tears and hugs at having to have friends at departure, proves something special happens in the course of their time at camp. So what was so special about my time at Camp Korey? Well, it was the whispered request from a camper asking me if I would play catch with him. It was being in the presence of terrific kids that for the first time in a long time were able to just be themselves around peers. It was watching every camper being given the opportunity to experience joy. It was watching kids who had difficulty walking on arrival, dance the night before departure. It was watching a physically challenged kid recite Shakespeare. It was the uncertainty on the faces of parents during check-in compared to their faces at pick-up hearing from their child how much fun they had. It was the opportunity to interact with such dedicated camp staff giving of themselves in the service to others.⁵⁶

-Allen, a Camp Korey volunteer

For many families, this is the first time that children and parents have ever been separated. For countless parents, it is the first week in years that they have had a vacation. Still, despite their desperate need for a break, parents are initially extremely hesitant about leaving their child with strangers. However, once they see the caliber of

⁵⁶ "Stories from Camp," Association of Hole in the Wall Camps, <http://www.holeinthewallcamps.org/Page.aspx?pid=310> (accessed November 17, 2010).

staff greeting their children on the first morning of camp, these fears disappear and parents are free to experience a much needed personal week of healing.

In addition to offering camp sessions to struggling children, the Association is committed to reaching as many children with serious illnesses as possible through Hospital Outreach Programs. These programs bring the joyous, disease-free nature to hospitals so children can temporarily forget about treatment and experience the freedom of being a kid that characterizes the camp atmosphere.

The Hole in the Wall Gang Camp: A Background

"Talk to any camper. You'll get the same answer. It can't be described, but there's magic to Camp, and it doesn't rest in Ashford. It's the magic of belief...the belief that you're the best dancer in the entire dining hall. The belief that you can eat all the Lucky Charms you want and never get sick. The believe that you can beat your counselor in basketball every single time you play him...while you're here, anything and everything is possible."⁵⁷

-Camper Stephen

Founded in 1988, the Hole in the Wall Gang Camp was Paul Newman's first establishment of a family of Hole in the Wall Camps. Named for the rag tag bandits from his film *Butch Cassidy and the Sundance Kid*, Newman created a place where children could find refuge from the outside world.⁵⁸ They did not have to be patients anymore, just children. The Hole in the Wall Gang Camp serves children diagnosed with cancer, sickle cell anemia, HIV/AIDS, hemophilia and other serious and life-threatening conditions.

Located in Ashford Connecticut, the Hole in the Wall Gang Camp is a not-for-

⁵⁷ "Camper Stephen," The Hole in the Wall Camp, <http://www.holeinthewallgang.org/page.aspx?pid=935> (accessed November 24, 2010).

⁵⁸ "The Story of Camp," The Hole in the Wall Gang Fund, <http://www.holeinthewallgang.org/page.aspx?pid=541> (accessed November 22, 2010).

profit, residential camp serving children in the eastern United States. The camp serves 1,000 children from June through August but provides other year-round programming. Summer programs are week-long residential programs designed to serve a special population of children. The camp offers twenty-four weekend programs in non-summer months for approximately 3,000 campers and families. Additionally, the camp offers a year round Hospital Outreach Program that brings the camp atmosphere to nearly 18,000 children in sixteen hospitals from New York to Boston each year. In this program, camp volunteers and staff visit the bedsides of seriously ill hospitalized children. The camp offers all programs at zero-cost to campers and their families.⁵⁹

As an accredited member of the American Camping Association with a rating of 100%, the Hole in the Wall Gang Camp offers the highest camp standards to children.⁶⁰ This accreditation is substantiated with annual evaluation by state and local health and fire officials. The organization is audited annually and is consistently rated highly for cost of fundraising by the American Fundraising Institute. The Gang Camp's adherence to such high standards ensures a quality experience for campers with all conditions.

Camp activities facilitate the mission of the camp by allowing children to enjoy many normal activities that have been adapted, such as horseback riding, swimming and fishing. Quality 24-hour medical supervision also promotes mission by offering safe, supportive environments. This setting allows children to attend camp in the first place.

⁵⁹ "General FAQs," The Hole in the Wall Gang Camp, <http://www.holeinthewallgang.org/page.aspx?pid=547>(accessed November 17, 2010).

⁶⁰ Ibid.

It costs approximately eight million dollars to run the Hole in the Wall Gang Camp. Less than two percent of this funding comes from Newman's Own by means of the Association of Hole in the Wall Camps. It was part of Paul Newman's vision that each camp within the Hole in the Wall Family be responsible for raising its own operating funds. The balance of financial support comes from individual donations and corporate giving.

Camp Korey: A Background

Camp Korey was founded in 2005 by Tim Rose, the parent of late son Korey, who lost his life to cancer. As a result of his loss, Rose was inspired to start a Hole in the Wall Camp in the state of Washington. Now a provisional member of the Association Hole in the Wall Camps, Camp Korey at Carnation Farms (Carnation, WA) offers the freedom of camp to children living with serious and life-threatening illnesses and their families in the Pacific Northwest and beyond.

The camp was established in 2005 but did not serve its first campers until 2008. Since then, it has expanded from two week-long summer sessions to eight in 2010. Like the Hole in the Wall Gang Camp, Camp Korey also offers family weekend camps, Saturday day cams and hospital outreach programs.⁶¹

Operating under the adage "challenge by choice", Camp Korey offers children with serious life-threatening conditions the opportunity to enjoy traditional camp activities within a medically sound environment.

⁶¹ "About Camp Korey ," Camp Korey at Carnation Farm , http://www.campkorey.org/Camp_Korey/About_Camp_Korey.html (accessed November 29, 2010).

As a provisional member of the Association of Hole in the Wall Camps, Camp Korey fulfills Association mission by serving children with serious illnesses in a positive, recreational environment.

Camper case studies, testimonials and surveys reveal the effectiveness of the Gang Camp and Camp Korey in achieving their similar mission. In attempt to determine camp efficiency, previously defined metrics will be applied and analyzed using IRS Form 990, financial statements from the organization in 2006, 2007 and 2008, and supplementary information provided by the individual camps.

CHAPTER 5

A COMPARATIVE CASE STUDY OF TWO CAMPS: HOLE IN THE WALL GANG CAMP AND CAMP KOREY

These efficiency metrics are most effective when used on a comparative basis. The goal of this analysis is to compare the efficiency of camps with similar missions. This eliminates organization's cause as reason for performance or donations. This chapter will examine the performance of the Hole in the Wall Gang Camp and Camp Korey. The organizations will be compared based upon information found in their individual Form 990s as submitted to the IRS in the fiscal years ending on November 30, 2006, 2007 and 2008. The chapter will begin with an overall look at the financial position of the Association of Hole in the Wall Camps and then focus on the individual metrics as applied to each camp. By shifting away from anecdotes these metrics place an emphasis on results and let stakeholders that they are investing their money well.⁶²

Note that all information in this chapter is from IRS Form 990s for both organizations for the years ending November 2008, November 2007 and November 2006. Other Hole in the Wall Camps will be referenced in this chapter. For a look at the financial ratios of the 5 U.S. members of the Hole in the Wall Association please see Appendix B.

⁶² Tom Ralser, *ROI for Nonprofits: The New Key to Sustainability*, 2007.

Program Spending Ratio

$$\frac{\text{Program Expenses}}{\text{Total Expenses}}$$

Table 5.1: The Hole in the Wall Gang Fund, Inc. Statement of Expenses For the Years Ended November 2008, 2007 and 2006

| Expenses | 2008 | 2007 | 2006 |
|----------------------------|-------------|-------------|-------------|
| Program services: | | | |
| Camp programs | \$7,633,327 | \$8,015,632 | \$6,816,807 |
| Total program services | 7,633,327 | 8,015,632 | 6,816,807 |
| Support services: | | | |
| General and administration | 417,598 | 464,760 | 315,732 |
| Development | 1,198,509 | 1,142,818 | 937,143 |
| Total support services | 1,616,107 | 1,607,578 | 1,252,875 |
| Total expenses | \$9,249,434 | \$9,623,210 | \$8,069,682 |
| Program spending ratio | 83% | 83% | 84% |

Figure 5.1: Hole in the Wall Gang Fund, Inc. Expense Allocation for the Years Ended November 2008, 2007 and 2006

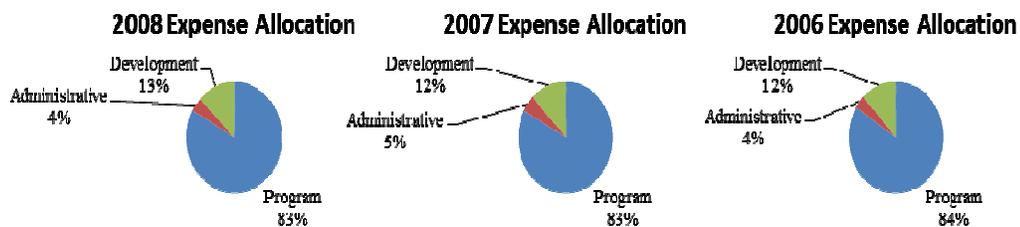
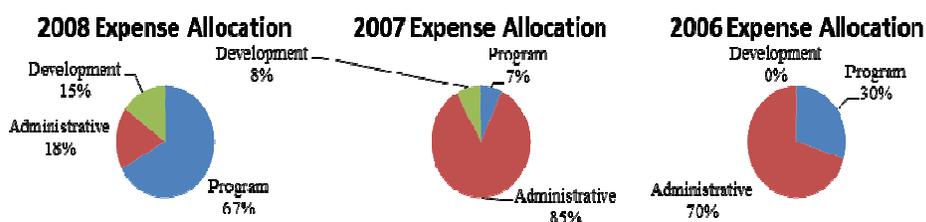


Table 5.2: Camp Korey Statement of Expenses
For the Years Ended November 2008, 2007 and 2006.

| Expenses | 2008 | 2007 | 2006 |
|-------------------------------|-------------|-----------|----------|
| Program services: | | | |
| Camp programs | \$1,623,928 | \$43,136 | \$52,600 |
| Total program services | 1,623,928 | 43,136 | 52,600 |
| Support services: | | | |
| General and administration | 446,615 | 560,603 | 120,530 |
| Development | 368,231 | 53,143 | 0 |
| Total support services | 814,846 | 613,746 | 120,530 |
| Total expenses | \$2,438,774 | \$656,882 | 173,130 |
| Program spending ratio | 67% | 7% | 30% |

Figure 5.2 Camp Korey
Expense Allocation for the Years Ended November 2008, 2007 and 2006



This data reveals that the Hole in the Wall Gang Fund has been acting efficiently by not-for-profit standards for the years 2008, 2007 and 2006. Their program expenses consistently make up over 80% of total expenses. This demonstrates that the Gang Camp dedicates the majority of its funds to mission-related operations and about \$0.80 of every dollar given will go directly to serving the children.

On the other hand, Camp Korey only met the industry benchmark in 2008. In 2006 and 2007, Camp Korey spent the majority of its funds on administrative Expenses. It was previously mentioned that Camp Korey is a relatively new organization with its summer camp program starting in 2008. This may explain the drastic shift in spending.

Next year's financials would be crucial to making an informed decision about the spending trends of this camp but right now Camp Korey presents itself as inefficient. This is not convincing for sponsors and donors but is useful for management to be alerted to.

Fundraising Efficiency Ratio

$$\frac{\text{Total Fundraising Expenses}}{\text{Total Contributions}}$$

Table 5.3 The Hole in the Wall Gang Camp.
Fundraising Efficiency Ratio for the Years 2008, 2007 and 2006.

| | 2008 | 2007 | 2006 |
|------------------------------------|-------------|-------------|-------------|
| Fundraising expenses (Development) | 1,198,509 | 1,142,818 | 937,143 |
| Total contributions | 10,040,220 | 9,241,692 | 8,761,383 |
| Fundraising efficiency ratio | 11.94% | 12.37% | 10.70% |

Table 5.4 Camp Korey
Fundraising Efficiency Ratio for the Years 2008, 2007 and 2006

| | 2008 | 2007 | 2006 |
|------------------------------------|-------------|-------------|-------------|
| Fundraising expenses (Development) | \$368,231 | \$53,143 | \$0 |
| Total contributions | 4,103,584 | 5,108,869 | 604,864 |
| Fundraising efficiency ratio | 8.97% | 1.04% | 0% |

Both camps have spent a very low percentage of contributions on further fundraising in the years 2008, 2007 and 2006. Because both camps are making enough money to cover expenses this is not an issue. However, the extremely low ratio that Camp Korey has produced in years 2006 and 2007 might reveal that the camp's public outreach is poor and thus the mission is not being effectively communicated to the community

Working Capital Ratio

$$\frac{\text{Net Assets}}{\text{Total Expenses}}$$

Table 5.5 The Hole in the Wall Gang Camp
Working Capital Ratio for the Years 2008, 2007, and 2006

| | 2008 | 2007 | 2006 |
|-------------------------------|--------------|--------------|--------------|
| Net assets | \$58,392,371 | \$48,551,650 | \$67,375,907 |
| Total expenses | 9,623,210 | 8,069,682 | 6,675,934 |
| Working capital ratio (years) | 6.07 | 6.02 | 10.09 |

Table 5.6 Camp Korey
Working Capital Ratio for the Years 2008, 2007 and 2006

| | 2008 | 2007 | 2006 |
|-------------------------------|-------------|-------------|-------------|
| Net assets | \$6,983,028 | \$5,000,020 | \$502,225 |
| Total expenses | 2,438,774 | 656,882 | 173,130 |
| Working capital ratio (years) | 2.86 | 7.61 | 2.90 |

The average working capital ratio for the six nationwide Hole in the Wall Camps is 3.7 years.⁶³ The Hole in the Wall Gang Fund has the largest reserves of any camp. As previously mentioned, the Nonprofit Reserves Workgroup suggests having reserves that equal 25% of the organization's expenses or three to six months of reserves. For not-for-profit camps that operate seasonally like these do, this number should be higher to compensate for irregular operation patterns.

In 2007, there is an anomaly in Camp Korey's working ratio. The years 2006 and 2008 average about 2.88 years of reserves but in 2007 this number jumps to 7.61. This is

⁶³ See Appendix B.

likely due to the fact that in 2006 Camp Korey had not yet begun fundraising and accordingly had minimal revenues of only \$624,835. 2007 was a major transition year for the camp as it launched its first fundraising campaigns and raised \$5,108,869. However, it had not yet begun offering public camp sessions, resulting in low expenses. It was necessary for the organization to take a year to focus on raising funds in order to have enough capital to begin camp sessions in 2008.

At the heart of this number is the organization's need. The Hole in the Wall Camp could run for six more years without any additional donations before it was unable to operate. This is based on the assumption that the organization will maintain operating with the same relative expenses. Camp Korey only has enough reserves to last for approximately three years. However, in the summer of 2009, Camp Korey offered seven camp sessions instead of two, tripling its program expenses for the year to approximately four million dollars. Therefore, this ratio can be expected to decrease even further in 2010.

Based on this ratio alone, Camp Korey is in greater need of donations. However, this ratio also reveals that the Hole in the Wall Gang Fund is more financially stable and a dollar donated there might last longer than a dollar donated to Camp Korey.

Executive Compensation per Total Expenses

| |
|---|
| $\frac{\text{Executive Compensation}}{\text{Total Expenses}}$ |
|---|

Table 5.7 Hole in the Wall Gang Camp
Executive Compensation/Total Expenses for the Years 2008, 2007, and 2006

| | 2008 | 2007 | 2006 |
|------------------------|-------------|-------------|-------------|
| Executive compensation | \$165,305 | \$160,500 | \$143,000 |
| Total expenses | \$9,249,434 | \$9,623,210 | \$8,069,682 |
| Compensation/expenses | 1.79% | 1.67% | 1.77% |

Table 5.8 Camp Korey
Executive Compensation/Total Expenses for the Years 2008, 2007, and 2006

| | 2008 | 2007 | 2006 |
|------------------------|-------------|-----------|-----------|
| Executive compensation | \$138,917 | \$33,333 | \$40,377 |
| Total expenses | \$2,438,774 | \$656,882 | \$173,130 |
| Compensation/expenses | 5.70% | 5.07% | 23.32% |

Again, the Hole in the Wall Gang Camp has demonstrated consistency in its allocation of expenses. For the past three years, executive compensation has remained stable. CEO compensation within the Association of Hole in the Wall Camps in 2008 ranges from \$138,917 at Camp Korey to \$244,744 at The Painted Turtle (Santa Monica, CA). Based on this information, neither of these compensation levels is cause of concern for donors. Furthermore, both of these would be considered reasonable by the IRS.

Cost per Camper

| |
|---|
| <u>Total Expenses</u> Campers Served |
|---|

Table 5.9 Hole in the Wall Gang Camp
Cost per Camper for the Years 2008, 2007, and 2006

| | 2008 | 2007 | 2006 |
|-------------------|-------------|-------------|-------------|
| Total expenses | \$9,249,434 | \$9,623,210 | \$8,069,682 |
| Camper attendance | 2,937 | 3,058 | 2,962 |
| Cost per camper | \$3,149.28 | \$3,146.90 | \$2,724.40 |

Table 5.10 Camp Korey
Cost per Camper for the Years 2008, 2007, and 2006

| | 2008 | 2007 | 2006 |
|-------------------|-------------|-------------|-------------|
| Total expenses | \$2,438,774 | \$656,882 | \$173,130 |
| Camper attendance | 580 | 240 | 0 |
| Cost per camper | \$4,204.78 | \$2,737.01 | \$0.00 |

The Hole in the Wall Gang Fund has an annual cost per camper of approximately \$3,000. Camp Korey's cost per camper is increasing in relation to the number of camp sessions offered. It will be difficult to see a stable ratio until the camp offers a stable number of camp sessions.

This number is extremely useful for both camps for fundraising purposes. Camp staff can inform donors of the cost of sending one child to camp with the hopes of getting a return donation for that amount. Furthermore, The Hole in the Wall Gang Camp can inform donors that it costs less to send a child to their camp than Camp Korey. If donors believe that the child will have a similar experience at both camps then they would be inclined to donate to the Hole in the Wall Gang Fund.

Overall, The Hole in the Wall Gang Camp is a better place to spend a dollar. A dollar at the Hole in the Wall Gang Camp will go more towards programs and will go

farther in sending a child to camp than at Camp Korey. The Hole in the Wall Gang Camp is also a far more stable organization that can ensure the longevity of a donation. The next chapter will explore reasons for the different performances of the two camps and offer advice to Camp Korey in order to act more efficiently and improve its operations.

CHAPTER 6

CONCLUSION

Hole in the Wall Camps strive to change the lives of children with life-threatening illnesses and serious disabilities. Their mission is inarguably extremely worthwhile. Yet, the reality is that if these camps cannot manage their funds and prove to donors that their money will be well-spent, mission alone cannot help them survive. Missions are not enough.

Not-for-profit camps need to become more business savvy in order to survive in the modern marketplace. They need to hire and pay for the best leadership, maximize program spending and find innovative ways to raise money without large costs. Then they need to communicate their progress to donors to confirm to corroborate the strength of their mission.

The Hole in the Wall Gang Camp is a very high functioning not-for-profit. It manages its money well, is always on time in financial statements and can last years without worrying about fundraising. It has continued to grow throughout the years in terms of revenues, campers and staff. Today it is so profitable that it donates a large portion of its revenues to other members of the Association of Hole in the Wall Camps. In fact, it donated \$279,183 to Camp Korey in 2008. The Hole in the Wall Gang Camp was meant to demonstrate what an efficient camp looks like.

Camp Korey was conversely meant to demonstrate how a non-efficient camp operates. There are a few reasons for Camp Korey's scattered ratios and general instability but it is predominantly because Camp Korey is young. It was founded in 2005 and has only had 5 years to grow. In that time it has had 4

Directors of Developments, two CEOs and a number of other employees shifting. The organization is simply unsteady at the moment. Its mission has been enough to raise funds until now but the biggest issue with mission-driven donations is that it becomes difficult to ask the same individual for money repeatedly. After one or two donations, individuals need to see the impact of their money before they will give more.

The best strategy that Camp Korey can adopt right now is to limit executive turnover. It is not a positive reflection on the organization when CEOs voluntarily quit every two years. If the employees do not have faith in or commitment to the organization then donors should not be expected to.

Overall, the Association of Hole in the Wall Camps provides a unique experience for thousands of kids around the globe. It would be unfortunate to see an organization such as Camp Korey unable to function when it brings so much joy to so many suffering children. This is the reality of modern not-for-profits: while money may not be the biggest priority, it is necessary. Not-for-profits need money to make their missions a reality.

APPENDIX A

American Camp Society Accreditation Standards

Standards-at-a-Glance

This is a general overview of the ACA standards. While each standard is listed here, the specific details, interpretation, and compliance information are not included. Standards-at-a-Glance is a reference to the basics. Camps or individuals who need complete details should refer to the book titled Accreditation Standards for Camp Programs and Services, which can be ordered online or by calling 800-428-CAMP. Note: Standards that begin with an asterisk are mandatory standards. If you are having trouble finding the information you need, please contact ACA with your specific questions.

SF — Site and Food Service

*SF-1 Emergency Exits: Buildings used for sleeping must have at least two options for exit.

*SF-2 Care of Hazardous Materials: Must be used only by trained persons, stored appropriately.

SF-3 Contact with Local Officials: Camp must annually notify fire and law enforcement officials of camp operation.

SF-4 Water Testing: Camp must have written verification of safe drinking water.

SF-5 Utility Systems: Camp must have blueprints available for lines, cut off points, etc.

SF-6 Electrical Evaluation: Qualified personnel must conduct annual exam.

SF-7 Maintenance Program: Camp must have system for safety inspections and maintenance procedures.

SF-8 Facilities in Good Repair: Buildings, structures, activity areas must be in good repair.

SF-9 Playgrounds: Camp staff should check all playgrounds to verify they are in good repair prior to camper use.

SF-10 Clean Camp Site: Clean and sanitary conditions must be throughout camp site.

SF-11 Power Tools: Must be used only by trained persons, safety devices intact, in good repair.

SF-12 Fire Equipment Exam: Camp must conduct annual safety examination on smoke detectors, fire extinguishers, etc.

SF-13 Smoke Detectors: Smoke detectors must be in all buildings used for sleeping.

SF-14 Carbon Monoxide Detectors: Must be in all buildings used for sleeping that has fuel-burning equipment within the building.

SF-15 Permanent Sleeping Quarters: Must have ventilation, temperature control, space for movement, space between beds.

SF-16 Bunk Guardrails: Upper bunks must have guardrails if used for children under 16.

SF-17 Hand Washing Facilities: Sinks near toilet area. SF-18 Hot Water Controls: Temperature must be regulated to prevent scalding.

SF-19 Food Service Areas: Must be clean and protected from rodents/insects.

SF-20 Refrigeration: Perishable food must be kept below 40 degrees, checked and logged daily.

SF-21 Garbage Cans: Cans in dining/kitchen areas must be covered when not in use.

SF-22 Food Service Supervisor: Must have documentation of training/experience in food service management.

SF-23 Sanitized Utensils and Surfaces: Staff must follow procedures for cleaned/sanitized utensils and food contact surfaces.

SF-24 Food Temperatures: Food must be cooked and held at safe temperatures.

SF-25 Dish Washing: All dishes and utensils must be cleaned and sanitized.

SF-26 Dish Drying and Storage: Dishes must be air dried, covered.

SF-27 Food Handling Procedures: Must supply advice to user groups about clean/sanitary utensils and surfaces, and safe temperatures for food. (Rental)

SF-28 Dishwashing Procedures: Must supply advice to user groups about appropriate washing, sanitizing, drying procedures. (Rental)

TR—Transportation

*TR-1 Emergency Transportation: Must be available at all times; may be provided by the camp, user groups, or prearranged with community services.

TR-2 Traffic Control: Camp must have signs posted for speed limits, traffic and parking areas, delivery and pick-up.

TR-3 Arrival and Departure: Must use procedures for safe arrival and departure, loading and unloading vehicles.

TR-4 Non-passenger Vehicles: Transportation in non-passenger vehicles must be prohibited.

TR-5 Transportation Information to Parents: Parents must be provided with written pick-up/drop-off times, safety procedures, and safety rules for van/bus.

TR-6 Transportation Policies: Must follow policies for supervision ratios and availability of health information in vehicles.

TR-7 Accident Procedures: A staff member trained on accident procedures must be in each vehicle transporting campers.

TR-8 Bus/Van Supervisor: Vehicles transporting 15 or more campers must have a staff person, in addition to the driver, trained in safety responsibilities and group management.

TR-9 Safety Procedures: Procedures must include seating limits, use of seat belts, passengers remaining seated, convoy procedures, and wheelchair-handling procedures.

TR-10 Transportation Orientation: All passengers must be oriented to the safety regulations and procedures.

TR-11 Emergency Equipment: All vehicles must be stocked with first aid kits and emergency accessories.

TR-12 Private Vehicle Use: Camp must obtain written permission from owners to use private vehicles to transport campers.

TR-13 Leased, Rented or Chartered Vehicles with Drivers: Camp must select providers who have regular maintenance/safety checks and verify record/experience of provided drivers.

TR-14 Mechanical Evaluations: All vehicles used by the camp must be evaluated for mechanical soundness.

TR-15 Safety Checks: Policy must specify frequency and details of vehicle safety checks.

TR-16 Driver Requirements: Driving records must be reviewed, license must be appropriate for vehicle to be driven, and any required drug tests must have been passed

TR-17 Training for Drivers: Drivers must be trained on written procedures for backing up, loading/unloading passengers, breakdowns, evacuation, camper behavior, refueling, and safety checks.

TR-18 Driver Skill Verification: Camp must have written evidence that drivers have had behind-the-wheel training and practice if they will be driving a vehicle that differs in size/capacity from their regularly driven vehicle.

HW—Health and Wellness

*HW-1 First Aid and Emergency Care Personnel: A staff member with training in the appropriate level of first aid and CPR must be on

duty at all times in camp and on camp trips. (D/R)

*HW-2 Health History: Health history information must be gathered from parents and seasonal staff that includes current health conditions, past medical treatment, immunizations, and allergies. (D/R)

HW-3 Health Care Policies/Procedures: Written policies must include scope and Limits of services provided, authority/responsibilities of camp staff, provision of equipment and supplies, emergency health care assistance, etc. (D/R)

HW-4 Policy/Procedure Review: Health care policies and procedures (as required in HW-3) must be reviewed within the last 3 years by a physician or registered nurse. (D/R)

HW-5 Contact Information: Information must be gathered on campers and seasonal staff that includes name, birth date/age, name/address/phone of adult responsible for each minor, phone of emergency contact, and name/phone of individual's physician. (D/R)

HW-6 Health Exam: Each resident camper and seasonal staff member must have doctor-signed health exam form in past 24 months. (R)

HW-7 Permission to Treat: Parents of minors must sign permission form for camp to provide routine health care, administer prescribed medications, and seek emergency medical treatment. (D/R)

HW-8 Health Screening for Resident Camps: The appropriate staff person must conduct health review and screening for incoming campers and seasonal staff. (D/R)

HW-9 Health Information Review for Day Camps: Procedures that require staff to review health histories of campers within 24 hours of arrival, collect any medications to be dispensed and advise appropriate staff of special needs.

HW-10 Inform Staff of Special Needs: Camp must inform appropriate staff of any special needs of campers for whom they're responsible. (D/R)

HW-11 Health Care Personnel: Resident camp must have a licensed physician or registered nurse on site daily. Day camp may have prearranged phone access. (D/R)

HW-12 Treatment Procedures: Health care staff must follow written treatment procedures, annually reviewed by a licensed physician, for reasonably anticipated injury/illness. (D/R)

HW-13 Staff Training: Staff must be trained in role/responsibilities in health care. (D/R)

HW-14 Away from Main Camp: For times away from the main camp, a staff member must be oriented to provide routine health care for participants and to handle emergencies. (D/R)

HW-15 Special Medical Needs: For camp sessions primarily serving persons with special needs, the camp must have available sufficient medical staff, a system for evaluating the camp's ability to serve persons with specific needs, and information about the camp's philosophy and approach to serving this population. (D/R)

HW-16 Health Care Center: Camp must have an area available that provides protection from the elements, has space for treatment, has a lockable storage area for medication, has an available toilet and drinking water, has 1 bed for every 50 persons in camp, and has a place for isolation/privacy. (D/R)

HW-17 Availability of an AED: The camp has assessed the need for an AED at the camp location.

HW-18 Supervision in Health Care Center: Persons in the health care center must be supervised continually. (D/R)

HW-19 Parent Notification: Parents/guardians must know when they will be notified of illness/injury of their camper. (D/R)

HW-20 Medication Management: All drugs must be stored under lock. Prescription drugs must be dispensed only under directions of physician. Nonprescription drugs dispensed only underwritten health care procedures or signed instruction of parent/guardian. (D/R)

HW-21 Recordkeeping: Camp must keep a health log and reports of all incidents requiring professional medical treatment. (D/R)

HW-22 Record Maintenance: All forms and records must be kept at least for the period of statutory limits. (D/R)

*HW-23 Emergency Care Personnel: Camp must either provide or advise group to provide appropriately certified first aid/CPR persons. (ST/Rental)

HW-24 Health Care Planning: For groups, camp must identify who is responsible for first aid/emergency care and transportation, availability of first aid supplies/equipment, and training/information for staff, families, and groups concerning emergency procedures and reporting requirements. (ST/Rental)

HW-25 Health Information: Camp must gather or advise group to gather emergency contacts for

all participants, any persons with allergies or health conditions, and signed permission to treat minors. (ST/Rental)

OM—Operational Management

OM-1 Review of Foundational Practices: Camps need written evidence of a policy in practice that recommendations in the foundational practices are reviewed annually.

*OM-2 Firearms Control: Any firearms and ammunition in camp must be stored under lock.

OM-3 Risk Management Planning: Camp must identify and analyze risk exposures, and take risk control measures.

OM-4 Incident Analysis: Camp must annually review incidents, accidents, or injuries, and modify or change procedures as needed.

OM-5 Assessment of Standards Compliance: Camp must verify annually that accreditation standards are being followed.

OM-6 Intruders: Camp must review security concerns and train staff/campers about steps to take to address possible intruders.

OM-7 Emergency Procedures: Emergency procedures must be established to respond to reasonably foreseeable emergencies in camp (such as fire or weather).

OM-8 Safety Orientation: Campers, staff, and groups must be oriented to established written safety regulations and emergency procedures.

OM-9 Insurance Coverage: Camp must have applicable coverage for general liability, fire and extended risk on buildings, motor vehicles, workers' compensation, campers.

OM-10 Personal Property Regulations: Camp must advise all participants of regulations for possession and use of alcohol/drugs, personal sports equipment, vehicles, animals, and weapons while at camp.

OM-11 Smoking Policies: Camp must prohibit smoking or allow smoking only in appropriate designated areas.

OM-12 Staff Emergency Training: Staff must participate in training and rehearsal on responsibilities in emergency situations. (D/R/ST)

OM-13 Incident Reporting: Staff must complete written reports on incidents/accidents. (D/R/ST)

OM-14 Missing Person Procedure: Camp must develop procedures and train staff for persons lost, missing, or runaway. (D/R/ST)

OM-15 Emergency Communications: Camp must have a system of communication

back to camp regarding emergencies, for contacting parents/guardians, and for dealing with the media. (D/R/ST)

OM-16 Campers in Public Areas: Camp must have policies for when campers are in contact with the public that include ratios, location, and responsibilities of staff, safety regulations and behavior guidelines, and emergency procedures if someone gets separated from group. (D/R/ST)

OM-17 Camper Security: Camp must have procedures for release of campers and verification of absentees. (D/R/ST)

OM-18 Use Agreement: For groups, camp must have a written use agreement that includes terms of use, cancellation, minimum fees, refund policy, etc. (Rental)

OM-19 User Group Responsibilities: The user group agreement must specify parties responsible for emergencies, supervision, recreational activities, insurance coverage, etc.

HR—Human Resources

HR-1 Director Qualifications: The on-site director must have a bachelor's degree, at least two seasons of camp supervisory experience, have attended a professional development workshop in the past 3 years, and be at least 25 years old. (If special needs camp, director must have 24 weeks experience with that special population.) (D/R)

HR-2 Special Needs Staff Requirements: In special needs camp, 20% of staff with supervisory responsibilities must have a bachelor's degree relevant to clientele served OR at least 24 weeks experience with population. (D/R)

HR-3 Hiring Policies: Policies must include application and screening process for each job category and have been reviewed by legal counsel/human resources personnel within last 3 years.

*HR-4 Staff Screening: Policies must require criminal background checks, reference checks, and personal interviews for all staff being hired who will have responsibility for or access to campers.

HR-5 Diversity: Camp must recruit staff whose racial/ethnic background reflects that of camper population served. Staff training for acceptance and respect of diversity.

HR-6 Job Descriptions/Information: Staff must have job descriptions and

information on nature/diversity of the camp program and population served.

HR-7 Job Training: All staff must have training on specific job functions and expectations of acceptable performance.

HR-8 Personnel Policies: Written policy must address benefits, time off, performance evaluation, personal conduct, etc.

HR-9 Camper Supervision Ratios: General minimum ratios of staff on duty with campers in day and resident camp settings are recognized. Camp may specify exceptions/or any times that a minimum of two staff members are required.

HR-10 Staff Age Requirements: 80% of staff used to meet supervision ratios must be at least 18 and all staff are at least 16 years old and 2 years older than the minors with whom they're working.

HR-11- Precamp Staff Training: Precamp staff training (actual instruction time) must address the specific topics specified in the standard.

HR-12 Late Hire Training: Camp must provide training for any late-hired staff. (D/R/ST)

HR-13 In-Service Training: Camp must provide in-service training to staff. (D/R/ST)

HR-14 Camp Staff Responsibilities for General Camp Activities: Staff must be trained on camper supervision responsibilities during structured and unstructured time including nighttime supervision. (D/R/ST)

HR-15 Staff/Camper Interactions: Staff must be trained and expected to speak with and listen to campers respectfully and focus attention primarily on the campers and that promotes physical and emotional safety. (D/R/ST)

HR-16 Behavior Management and Discipline: Staff must be trained to teach problem-solving skills to achieve positive outcomes, to use positive behavior management (forbidding corporal punishment) and to recognize, prevent, and report child abuse. (D/R/ST)

HR-17 Sensitive Issue Policy: Staff must be trained to respond appropriately to socially sensitive issues. (D/R/ST)

HR-18 Supervision of Staff: Supervisory staff must know who they supervise and must be trained in the performance review system. (D/R/ST)

HR-19 Supervisor Training: Supervisory staff must be trained to monitor performance and to reinforce acceptable staff performance and address inappropriate staff behavior. (D/R/ST)

HR-20 Staff Observation: Camp must have a system of regular observations of staff to provide coaching, encouragement, and necessary corrections for improvement of performance. (D/R/ST)

HR-21 Staff Time Off: Resident camp staff must have at least 2 hours of free time each day plus 24 hours each 2 weeks (in at least 12-hour blocks). Special needs camps, 24 consecutive hours off each 2 weeks. (R)

PD—Program Design and Activities

*PD-1 Overnights and Trips: Campers and staff must be trained in food preparation, use and care of camp stoves, testing/treating drinking water, cleaning cooking utensils, and minimizing environmental impact.

PD-2 Outdoor Opportunities: Camp must have access to opportunities to enrich the outdoor learning experience.

PD-3 Environmental Practices: Camp must evaluate and minimize environmental impact of activities.

PD-4 Program Equipment: Program equipment must be well-maintained, checked for safety, stored appropriately, and suited for the size and ability of users.

PD-5 User-Group Conditions: Groups must be advised of any conditions for use, safety guidelines, requirements, warnings, etc. for activities, equipment and facilities that are available to them. (Rental)

PD-6 Camp Goals and Outcomes: Camp must have a written statement of goals, which identifies intended behavioral outcomes, have shared them with staff, and use them to evaluate the program. Also includes informing parents of goals. (D/R/ST)

PD-7 Camp Experience Evaluation: Camps needs multiple sources of feedback on the accomplishment of the established outcomes related to all areas of camp to help improve the quality of camp.

PD-8 Program Variety: Camp must offer multiple program activities that are related to the goals and allow for campers to experience progression, challenge, and success. (D/R)

PD-9 Camper Involvement in Program Planning: Camps should encourage the

involvement of campers in program planning and design by offering flexible programs and intentional opportunities for campers to practice decision making.

PD-10 Social Development: Camp programs should provide specific activities that are designed to help campers develop socially.

PD-11 Activity Information and Permission: Camp must inform campers and parents of anticipated activities, and gather permission to participate. (D/R/ST)

PD-12 Environmental Activities: Camp must provide program activities that help develop comfort, appreciation, awareness, and responsibility toward the natural environment. (D/R/ST)

PD-13 Emergency Information: Leaders of out-of-camp activities must know how to access emergency information on the participants, including health histories, insurance information, and signed permission-to-treat forms. (D/R/ST)

PD-14 Details and Designated Person: Details of out-of-camp activities must be planned in advance and made known to a designated person remaining at camp. Information must include roster of group, departure/return times, bad weather plans, intended route, and communication plans. (D/R/ST)

The following PD Standards specifically relate to specialized activities, which are those activities that utilize equipment, animals, or tools whose use by campers requires supervision by a person skilled in their use (e.g., archery, rocketry). Also includes activities that involve camper use of fire or heat-producing equipment (e.g., kilns), and activities requiring injury-protection equipment (e.g., helmets).

PD-15 Supervisor Qualifications: The overall supervisor for each specialized activity (such as archery) must be an adult with certification or documented training and experience in that activity.

PD-16 Staff Skill Verification: Staff teaching specialized program activities must have their skills verified and evaluated prior to leading activities.

PD-17 Supervision of Activity Leaders: Camp must document regular observations of specialized activity leaders.

PD-18 Supervision of Specialized Activity Areas: Camps should control access

specialized activity areas.

PD-19 Operating Procedures: Camp must establish operating procedures for every specialized activity in camp, based on recommendations from authoritative sources for each activity.

PD-20 Safety Orientation: Participants in specialized activities must have a safety orientation before participating.

PD-21 Competency Demonstration: Participants of specialized activities must be strictly monitored until competency is demonstrated with appropriate activity equipment.

PD-22 Archery Safety: Archery activity leaders must utilize clear safety signals and range commands. Camp must have a range that has a supplemental backstop or specific safety zones and range must have clearly delineated rear and side safety buffers.

*PD-23 Additional Firearm Safety: Camps must require a system for redundant safety of all firearms and ammunition requiring separate locations or access systems. Camps should also require that activity leaders must utilize clear safety signals and range commands to control activity and firing line and during the retrieval of targets.

*PD-24 Protective Headgear: Protective headgear must be worn by all campers and staff participating in motorized vehicle and bicycle activities.

PD-25 Go-Kart Safety: Go-karts must be equipped with roll bars and restraint devices.

PD-26 ATV Safety: ATVs must have size and speed restrictions for younger drivers.

No passengers allowed on ATVs, and ATVs must not be operated on paved or public roads.

*PD-27 Boarding and Skating Safety Apparel: Camps must require campers and staff involved in all boarding, in-line skating, and hockey activities to wear a helmet.

Camps should require campers and staff in these same activities to wear knee and elbow pads.

PD-28 Public Providers of Specialized Activities: Camp must select public providers for specialized activities that provide an adequate number of qualified instructors/leaders and use equipment that is appropriately sized and in good repair.

(D/R/ST)

PD-29 Camper Supervision Off Site or with Public Providers: Staff accompanying campers to activity sites away from camp must be trained in their supervisory roles and responsibilities. (D/R/ST)

PA—Program/Aquatics

PA-1 Aquatics Supervisor Qualifications: The overall supervisor of the aquatic facility, staff and program must be a person who is appropriately certified, has experience or training in managing/supervising a similar aquatic area, and is at least 21 years old.

PA-2 Supervision of Activity Leaders: Camps must document regular observations of aquatic activity leaders.

PA-3 Lookouts: Lookouts must be oriented to responsibilities and are able to demonstrate elementary forms of non swimming rescue.

PA-4 Supervision Ratios: Camps must specify ratios of aquatic-certified persons and lookouts on duty at each aquatic area, with a minimum of one adult and one other staff member. Certified persons and lookouts must be attentive to their responsibilities and located in appropriate positions for observation and assistance.

PA-5 Safety Regulations: Camps must orient participants of aquatic activities to safety rules and regulations.

PA-6 Emergency Procedures: Aquatic staff must rehearse emergency procedures.

PA-7 First Aid Kits: Every aquatic area must have an appropriately stocked first aid kit.

PA-8 Impaired Mobility Procedures: Camps must remove seatbelts or ties from persons in wheelchairs while in boats, and must provide a physical barrier to keep wheelchairs from accidentally rolling into the water from docks or water's edge.

PA-9 Safety Systems: Camp must have a system in place to quickly account for all participants in each aquatic activity.

PA-10 Participant Classification: Camp must evaluate and classify participants' swimming abilities and assign them to appropriate swimming areas, equipment, facilities, and activities.

PA-11 Swimming Pools: Pools must have a fence to control access, water depths clearly marked, posted rules, available rescue equipment, and adequate maintenance procedures for sanitation and safety.

PA-12 Natural Bodies of Water: Natural bodies of water used in camp for aquatic activities must have controlled access, designated activity areas, and posted rules for use. Known hazards must be eliminated. Equipment must be maintained. Rescue equipment must be available.

PA-13 Aquatic Sites Away from Camp: Camp staff must orient participants to rules and boundaries, assess conditions, and limit camper access. Equipment must be maintained. Rescue equipment must be available. Staff are trained on their roles and responsibilities regarding supervision.

*PA-14 Swim Lifeguard Qualifications: Camp must have an appropriately certified lifeguard for each swimming activity.

*PA-15 Swim Lifeguard Skills: Camps must have written documentation that every lifeguard has demonstrated skill in rescue and emergency procedures specific to the aquatic area and activities guarded.

*PA-16 Staff Swimming: Camp must require certified lifeguards be present for staff swimming times.

*PA-17 First Aid/CPR: Camp must have an appropriately certified first aid/CPR person at each separate swimming location.

*PA-18 SCUBA Diving Activities: Camp must have an appropriately certified SCUBA instructor to supervise SCUBA diving activities.

PA-19 Swimming Lessons: Swimming lessons must be conducted by an appropriately certified swim instructor and be guarded by someone who is out of the water.

*PA-20 Watercraft Guard Certification: Camps must have an appropriately certified instructor or lifeguard for boating activities.

*PA-21 Watercraft Rescue skills: Camp must have written documentation that every camp watercraft guard had demonstrated skill in water rescue and emergency procedures specific to the type of water and activities being conducted

*PA-22 Watercraft Safety for Staff, All-Adult Groups and Families: Camps must have written evidence that participants are supervised by certified personnel or instructed on written procedures that specify to wear a PFD at all times, the safety regulations to be followed, and that a checkout system must be used.

*PA-23 First Aid/CPR: Camp must have an appropriately certified first aid/CPR

person at each separate boating location.

*PA-24 PFDs: All persons in watercraft must wear safe and appropriate PFDs.

PA-25 Personal Watercraft: Use must be prohibited by anyone under age 16.

PA-26 Watercraft Activity Orientation: Participants must know how to enter and exit a boat, use PFDs, and how to react if boat capsizes.

PA-27 Watercraft Instruction: Boating instructors must be appropriately trained and certified.

PA-28 Motorized Watercraft Training: Boat drivers must be trained on laws, rules of the road, safe loading and unloading of passengers, mechanical failure, and refueling. On-the-water training also required.

PA-29 Watercraft Maintenance: Camp has written evidence that boats have safety checks and regular maintenance.

*PA-30 Public Providers of Swimming: Camp must use only staffed public facilities that provide persons with appropriate certification in lifeguarding, first aid, and CPR. (D/R/ST)

*PA-31 Public Providers of Boating: Camp must use only staffed public facilities that provide persons with appropriate certification for watercraft instruction, lifeguarding, first aid, and CPR. (D/R/ST)

*PA-32 PFDs at Public Aquatic Facilities: All persons in watercraft must wear safe and appropriate PFDs. (D/R/ST)

PA-33 Watercraft Activity Orientation with Public Facilities or Providers:

Participants must know how to enter and exit a boat, use PFDs, and how to react if boat capsizes. (D/R/ST)

PA-34 Aquatic Sites Away from Camp: Camp staff must orient participants to rules and boundaries, assess conditions, and limit camper access. Equipment must be maintained. Rescue equipment must be available. (D/R/ST)

PA-35 Camper Supervision at Public Aquatic Facilities: Staff accompanying campers to aquatic sites away from camp must be trained in their supervisory roles and responsibilities. (D/R/ST)

PA-36 Personal Watercraft at Staffed Public Aquatic Facilities: Use must be prohibited by anyone under age 16. (D/R/ST)

PC—Program/Adventure Challenge (e.g., Climbing, Rappelling, Ropes Courses)

PC-1 Adventure/Challenge Supervisor: The overall supervisor for adventure/challenge activities must be an adult with certification or documented training and experience in those activities.

PC-2 Supervisor Qualifications: The overall supervisor for adventure/challenge activities must have at least 6 week's experience supervising similar types of programs.

PC-3 Staff Skill Verification: Staff teaching adventure/challenge activities must have their skills verified and evaluated prior to leading activities.

PC-4 Supervision of Activity Leaders: Camp must document regular observations of adventure/challenge leaders.

PC-5 Operating Procedures: Camp must have operating procedures (i.e., eligibility requirements, ratios, safety regulations, emergency procedures) for every adventure/challenge activity in camp, based on recommendations from authoritative sources.

PC-6 Adventure/Challenge Equipment: Equipment used must be appropriate to the size and ability of users, and be stored to safeguard effectiveness.

PC-7 Equipment Maintenance: Equipment and elements must be safety checked prior to each use and regularly inspected and maintained.

PC-8 Activity Supervision: Adventure/challenge equipment is available for use by participants only when a qualified leader is present and actively supervising the activity, and safety rules are in practice.

PC-9 Spotters and Belayers: Must be trained and supervised, and must be located in positions to observe and assist.

PC-10 Access Control: Camp must control access to adventure/challenge activity areas.

PC-11 Annual Inspection: Camp must have annual inspection by qualified personnel of all adventure/challenge elements.

PC-12 First Aider: Camp must have an appropriately certified first aid person on duty at adventure/challenge activities.

PC-13 Safety Orientation: Participants must be given a safety orientation before participating.

PC-14 Competency Demonstration: Participants must be strictly monitored until

competency is demonstrated with appropriate activity equipment.

*PC-15 Protective Headgear: Camp must require use of helmets by all participants when rock climbing, rappelling, spelunking, or using high ropes elements.

PC-16 Public Providers of Adventure/Challenge Activities: Camp must select only public providers that provide an adequate number of qualified instructors/leaders and must use equipment that is appropriately sized and in good repair. (D/R/ST)

PC-17 Camper Supervision Off Site or with Public Providers: Staff accompanying campers to adventure/challenge activity sites away from camp must be trained in their supervisory roles and responsibilities. (D/R/ST)

PH—Program/Horseback Riding

*PH-1 Pony Rides: Camps must have procedures for pony rides that require protective headgear, adequate number of qualified persons available to assist riders, and use of ponies and horses that are sound with equipment that is appropriate and in good repair.

PH-2 Supervisor Qualifications: The overall supervisor of horseback riding facility, staff, and program must be appropriately certified, experienced in managing/supervising at a horseback riding facility, and be at least 21 years old.

PH-3 Supervision of Riding Staff: Camp must document regular observations of riding leaders.

PH-4 Staff Skill Verification: Camps must have written evidence that the skills of each staff member teaching or assisting in horseback riding activities are verified and evaluated by the area director or supervisor.

PH-5 Supervision Ratios: Camp must specify ratios of trained riding staff on duty at each type of horseback riding activity, with a minimum of one adult and one other staff member.

PH-6 Riding Equipment: Riding equipment must be safety checked prior to each use, and removed if not in good repair.

PH-7 Classifying Horses: Before use by participants, riding staff must classify horses for rider skill levels.

PH-8 Horse Suitability: Riding staff must daily check physical soundness of each horse and remove unsound horses from the riding program.

PH-9 Riding Facilities: Stables, corrals, paddocks, and rings must be located away from camp living areas, have access controlled, and be clean with a supply of fresh water.

PH-10 Horse Medication: Camp should require that all horse medications are handled only by persons trained or experienced in their safe use, and secured in an area away from camper access and locked up when not in use.

PH-11 Safety Regulations and Emergency Procedures: Camp must specify safety rules for horseback riding activities.

PH-12 Safety Orientation: Participants must be given a safety orientation before riding.

PH-13 First Aider: An appropriately certified first aider must be on duty at each horseback riding activity.

PH-14 Rider Classification: Camp must evaluate and classify riding abilities and assign participants to appropriate horses, equipment, and activities.

*PH-15 Rider Apparel: Riders must wear riding helmets, and except for adult-led pony rides, riders must wear boots or appropriate shoes and long trousers.

PH-16 Public Providers of Horseback Riding: Camp must select only public providers that provide an adequate number of qualified riding staff, physically sound horses, and use equipment that is appropriately sized and in good repair. (D/R/ST)

PH-17 Camper Supervision with Public Providers: Staff accompanying campers to horseback riding activities at sites away from camp must be trained in their supervisory roles and responsibilities. (D/R/ST)

PT—Program/Trip and Travel

*PT-1 Trip Orientation: All participants must be oriented to safety regulations, emergency procedures, first aid procedures, health/sanitation practices, environmental protection, off limits areas, rendezvous times/places, and how to obtain medical and emergency assistance. (D/R)

*PT-2 Aquatic Supervisor Qualifications: Aquatic staff must have appropriate certification and be trained in water rescue and emergency procedures specific to the location and activity. (D/R)

PT-3 Trip Leader Qualifications: Trip leader must have skills relevant to the trip

activities, good judgment, experience in handling camper behavior, experience on similar trips, and be at least 21 years old.

PT-4 Supervision Ratios: Each trip group must have at least one staff member in addition to the leader, and sufficient staff to meet camp's established ratios. (D/R)

PT-5 Trip Staff Training: Trip staff must be trained to assess safety concerns, enforce safety regulations, handle emergencies, etc. (D/R)

PT-6 Evaluations of Trip Leaders: Camp must evaluate leaders and document their performance. (D/R)

PT-7 Trip Requirements: Camp must specify eligibility requirements, inform campers and parents about trip details, and establish procedures to follow if a participant cannot continue with the trip or travel program.

PT-8 Trip Procedures: Camp must specify safety, emergency, and rescue procedures for the trip/travel program. (D/R)

PT-9 Pre-trip Health Screening: Participants must be screened within 18 hours of departure on the trip, and trip staff must be advised of any medications to be administered or other concerns or restrictions. (D/R)

PT-10 Trip Documentation and Emergency Information: Trip leader must carry emergency information for each group member, including health forms and permission-to-treat forms, in addition to documents that fully identify the group, its leadership, insurance, and a home base contact. (D/R)

PT-11 Trip Itinerary: A written trip itinerary must be filed with the base camp or office. (D/R)

PT-12 Equipment Maintenance: Camp must safety check, maintain, and replace equipment used on trips. (D/R)

PT-13 Travel Camp Procedures: Transportation procedures must specify emergency procedures, provision for non-travel days, and guidelines for acceptable travel times, conditions, etc. (D/R)

PT-14 Camper Supervision with Public Providers: Staff accompanying campers to activity sites away from camp must be trained in their supervisory roles and responsibilities. (D/R/ST)

PT-15 Aquatic Supervision Ratios: Camp must specify ratios for lifeguards specific to activity, area, and characteristics of participants. (D/R)

PT-16 Aquatic Procedures: Camp staff must orient participants rules and boundaries, assess conditions, and limit camper access. Equipment must be maintained. Rescue equipment must be available. (D/R)

PT-17 Camper Supervision at Aquatic Activities and Areas: Staff accompanying campers to aquatic activities on trips must be trained in their supervisory roles and

responsibilities. (D/R)

*PT-18 PFDs: All persons in watercraft must wear safe and appropriate PFDs. (D/R)

PT-19 Watercraft Training: Persons using watercraft must be trained in the specific craft to handle, trim, load, and move on the craft, use life jackets, and self-rescue. (D/R)

APPENDIX B

Comparison of Basic Financial Measures of 5 U.S. Hole in the Wall Camps

| Charity Name | The Hole in the Wall Gang Fund | Camp Boggy Creek | The Painted Turtle | Victory Junction Gang | Double H Ranch |
|-------------------------|---------------------------------------|-------------------------|---------------------------|------------------------------|-----------------------|
| Location | New Haven, CT | Eustis, FL | Santa Monica, CA | Randleman, NC | Lake Luzerne, NY |
| Program Expenses | 82.50% | 74.60% | 76.70% | 70.30% | 74.10% |
| Admin Expenses | 4.50% | 8.90% | 12.10% | 14.90% | 7.70% |
| Fund Expenses | 12.90% | 16.30% | 11.10% | 14.60% | 18.10% |
| Fund Efficiency | \$0.11 | \$0.18 | \$0.10 | \$0.15 | \$0.16 |
| Revenue Growth | 7.80% | 5.80% | 8.00% | 5.60% | 8.30% |
| Program Growth | 10.70% | 6.50% | 5.10% | 24.20% | 12.20% |
| Working Capital | 6.16 | 3.27 | 5.09 | 3.92 | 0.87 |
| Total Revenue | \$9,494,376 | \$5,140,163 | \$7,123,779 | \$10,665,743 | \$3,775,562 |
| Total Expenses | \$9,249,434 | \$5,122,701 | \$5,724,160 | \$11,018,165 | \$3,356,289 |
| Net Assets | \$58,392,371 | \$24,573,783 | \$29,501,012 | \$44,249,951 | \$10,072,392 |
| Working Capital | 6.16 years | 3.27 years | 5.09 years | 3.92 years | 0.87 years |
| CEO Compensation | \$165,305 | \$139,605 | \$244,744 | \$229,337 | \$158,824 |
| % of Expenses | 1.78% | 2.72% | 4.27% | 0.42% | 4.73% |

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