

Camping Unlimited for the Developmentally Disabled

Financial Statements &

Independent Accountant's Review Report

for the Year Ended

December 31, 2018

**COOK &
COMPANY**

A PROFESSIONAL ACCOUNTANCY CORPORATION

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS	2
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets.....	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements.....	6

COOK & COMPANY

A PROFESSIONAL ACCOUNTANCY CORPORATION

Independent Accountant's Review Report

To the Board of Directors
Camping Unlimited for the Developmentally Disabled
Boulder Creek, California

We have reviewed the accompanying financial statements of Camping Unlimited for the Developmentally Disabled (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



A Professional Accountancy Corporation
March 17, 2020

Camping Unlimited for the Developmentally Disabled

Statement of Financial Position

December 31, 2018

ASSETS

Current Assets:

Cash & cash equivalents	\$ 536,565
Accounts receivable, net (Note 3)	120,353
Prepaid expenses & other current assets	<u>25,215</u>
Total current assets	682,133

Property & equipment, net (Note 4)	<u>1,377,616</u>
------------------------------------	------------------

TOTAL ASSETS	<u><u>\$ 2,059,749</u></u>
--------------	----------------------------

LIABILITIES & NET ASSETS

Current Liabilities:

Accounts payable	\$ 45,237
Payroll liabilities	13,541
Security deposit	<u>22,000</u>

TOTAL LIABILITIES	80,778
-------------------	--------

Net Assets

Without donor restrictions	1,978,971
With donor restrictions	<u>-</u>

TOTAL NET ASSETS	<u>1,978,971</u>
------------------	------------------

TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 2,059,749</u></u>
--------------------------------	----------------------------

See accompanying notes to financial statements
and independent accountant's review report.

Camping Unlimited for the Developmentally Disabled

Statement of Activities and Changes in Net Assets for the Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue & Support:			
Program fees	\$1,277,785		\$1,277,785
Program fees - prior period adjustment	148,415		148,415
Rental income	197,783		197,783
Grants & contributions	184,859		184,859
Net assets released from restriction:			
Satisfaction of donor restrictions	44,000	\$ (44,000)	-
Other	<u>7,757</u>		<u>7,757</u>
 Total support & revenue	 1,860,599	 (44,000)	 1,816,599
 Expenses:			
Program services	1,183,214		1,183,214
General & administrative	282,426		282,426
Fundraising	<u>16,718</u>		<u>16,718</u>
 Total expenses	 1,482,358	 -	 1,482,358
 CHANGE IN NET ASSETS	 378,241	 (44,000)	 334,241
 NET ASSETS, January 1			
As previously stated	1,653,290	44,000	1,697,290
Prior period adjustment (Note 5)	<u>(52,560)</u>		<u>(52,560)</u>
As restated	<u>1,600,730</u>	44,000	<u>1,644,730</u>
 NET ASSETS, December 31	 <u><u>\$1,978,971</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$1,978,971</u></u>

See accompanying notes to financial statements
and independent accountant's review report.

Camping Unlimited for the Developmentally Disabled

Statement of Functional Expenses for the Year Ended December 31, 2018

	Program Services	General & Administrative	Fundraising	Total
Salaries	\$ 498,998	\$ 129,513	\$ 8,619	\$ 637,130
Payroll taxes	56,288	8,877	590	65,755
Employee benefits	68,936	17,117	1,045	87,098
Accounting fees	-	24,615	-	24,615
Other consultants & contractors	24,880	-	168	25,048
Utilities	40,330	9,972	663	50,965
Equipment rental, repairs & maintenance	38,696	20,803	648	60,147
Office supplies	6,348	1,523	101	7,972
Postage & printing	194	771	500	1,465
Telephone	9,182	2,266	446	11,894
Travel, conferences & meetings	4,151	24,822	5	28,978
Advertising	15,020	3,694	777	19,491
Program supplies, materials & services	292,810	-	-	292,810
Insurance, fees & permits	16,129	16,880	265	33,274
Depreciation	76,441	18,898	1,258	96,597
Bank charges	20,248	952	-	21,200
Bad debt expense	2,113	136	-	2,249
Other	12,450	1,587	1,633	15,670
Total	\$ 1,183,214	\$ 282,426	\$ 16,718	\$ 1,482,358

See accompanying notes to financial statements
and independent accountant's review report.

Camping Unlimited for the Developmentally Disabled

Statement of Cash Flows for the Year Ended December 31, 2018

Cash flows from operating activities:

Change in net assets	\$ 334,241
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation expense	96,597
Other non-cash items	(4,302)
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	39,152
(Increase) decrease in prepaid expenses	(25,215)
Increase (decrease) in accounts payable	3,535
Increase (decrease) in payroll liabilities	7,873
Increase (decrease) in deposits	22,000
Increase (decrease) in deferred revenue	<u>(73,189)</u>
Cash provided (used) by operating activities:	400,692

Cash flows from investing activities:

Cash expenditures on property & equipment	<u>(127,456)</u>
Cash provided (used) by investing activities:	(127,456)
	<hr/>
Cash provided (used) during year	273,236
Cash & cash equivalents, beginning of year	<u>263,329</u>
Cash & cash equivalents, end of year	<u><u>\$ 536,565</u></u>

See accompanying notes to financial statements
and independent accountant's review report.

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2018

1. The Organization

Nature of activities

Camping Unlimited for the Developmentally Disabled (the Organization) operates summer camps and year-round educational/recreational activities for persons with developmental disabilities. The Organization was established in 1961 and is exempt under Internal Revenue Code Section 501(c)(3).

The Organization's facility, Camp Krem, is located in the Santa Cruz Mountains near the town of Boulder Creek. It provides campers with a place where they can enjoy many interesting and fun activities in a safe, nurturing environment. Clients include persons living with a variety of disabilities, including Down Syndrome, Autism, ADHD, Cerebral Palsy, and many others. The camp facility includes ten rustic cabins, an activity center / dining hall, an arts and crafts center, a special swimming pool designed for accessibility, a campfire area with a stage and playground, basketball, and sports areas. In addition to its summer camps, Camping Unlimited's year-round program offers camping and backpacking trips, as well as outings to museums, cultural fairs, film, theatrical and sporting events.

Funding

The Organization receives the majority of its funding through fees charged for program activities. The Organization also receives contributions from individuals and grants from charitable organizations.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, support is recognized when it is awarded, revenue is recognized when it is earned and realizable, and expenses are recognized when they are incurred.

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions, which includes resources not subject to, or no longer subject to, donor-imposed stipulations.

Net assets with donor restrictions, which includes resources whose use is limited by donor-imposed time and/or purpose restrictions. There were no net assets with donor restriction as of December 31, 2018.

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2018

Revenue and support are reported as increases in *net assets without donor restrictions* unless use of the contributed assets is limited by donor-imposed stipulations. All expenses, including those funded by restricted contributions, are reported as decreases in *net assets without donor restrictions*. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in *net assets without donor restrictions* unless they are encumbered by explicit donor stipulation or by law. Expirations of donor-restrictions (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time-period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash & Cash Equivalents

Cash and cash equivalents primarily includes deposits held in bank checking and savings accounts.

Accounts Receivable

Accounts receivable are uncollateralized obligations of clients for program fees. Accounts receivable are stated at the amount billed and are generally due immediately. An allowance for doubtful accounts has been established based on the estimated amount of uncollectible amounts.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables, and accounts payable approximate fair value because of the short maturity of these instruments.

Fixed Assets

Fixed assets consist of land, building and improvements, equipment, and vehicles, and are stated at cost. Items with an initial cost (or fair value if donated) exceeding \$500 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from five to thirty years.

In-kind Support

In-kind contributions of goods are recorded at their estimated fair market value as of the date of receipt.

Contributed services are recorded only if a) they create or enhance the Organization's nonfinancial assets or b) they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Due to the fact that certain assumptions must be made when calculating and recording estimates, it is at least reasonably possible that the actual value of services received differs from the amount recorded in the financial statements.

Unearned Revenue

Unearned revenue includes amounts received from customers (or their agents) that have not yet been earned by the Organization. Such amounts shall be earned through the provision of future services or refunded.

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2018

Functional Expenses

The Organization presents its expenses by function and natural category. The compensation expense for certain employees is allocated to various functions according to management's estimate of time and effort.

<u>Position(s)</u>	<u>Functions Expensed</u>
Executive Director	Program 70%, Management & General 20%, Fundraising 10%
Program Coordinators	Program 93%, Management & General 5%, Fundraising 2%
Administrative Director	Program 50%, Management & General 50%
Counselors/Administrative Assistants	Program 90%, Management & General 10%

Facilities staff and the bookkeeper are charged entirely to *management & general*. All other positions are charged entirely to *program services*.

Shared facility expenses are allocated based on overall time and effort expended on each function.

Other expenses are charged directly to the appropriate function based on specific identification.

Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. All advertising costs are expensed as incurred.

Income Taxes

As a public charity, the Organization is exempt from income taxes except on activities unrelated to its mission. As the Organization believes that all of its activities are directly related to its mission, no provision has been made for income tax expense. The Organization's federal *Return of Organization Exempt from Income Tax* (Form 990) filings for the tax year ending in 2016 through 2018 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. The Organization's California *Exempt Organization Annual Information Return* (Form 199) filings for the tax year ending in 2015 through 2018 are subject to examination by Franchise Tax Board, generally for four years after they were filed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncement

These financial statements reflect the provisions of Accounting Standards Update No. 2016-14—*Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14), which was issued by the Financial Accounting Standards Board (FASB) in August 2016 and effective for calendar years ending in 2018 and beyond.

This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return amongst not-for-profit entities. A key change required by ASU 2016-14 is the net asset class captions

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2018

displayed in not-for-profit financial statements. Amounts previously reported as *unrestricted net assets* are now reported as *net assets without donor restrictions*, and amounts previously reported as *temporarily restricted net assets* and *permanently restricted net assets* are now reported as *net assets with donor restrictions*. A footnote on liquidity has also been added (Note 9).

3. Accounts Receivable

Accounts receivable, face value	\$144,353
Less: allowance for doubtful accounts	<u>(24,000)</u>
Accounts receivable, net	\$120,353

4. Property & Equipment

Land	\$241,114
Buildings & improvements	2,862,639
Equipment	71,020
Vehicles	<u>185,268</u>
	3,360,041
Less: accumulated depreciation	<u>(1,982,425)</u>
Property & equipment, net	\$1,377,616

5. Prior Period Adjustment – Correction of Errors

An adjustment has been made to beginning net assets to correct revenues that were recognized in the wrong year.

6. Long-Term Contractual Obligation

In 2017, the Organization entered into an agreement to permit a third party to install and maintain solar panels on Camping Unlimited's property. Camping Unlimited shall purchase the electricity generated from the solar panels for a period of ten years (at the rate of twenty-five cents per kWh), during which time the third party shall retain ownership of the solar panels. At the conclusion of the ten-year term, the owner of the solar panels shall have the option of removing the equipment from Camping Unlimited's property.

Because Camping Unlimited does not hold any form of ownership interest in the equipment, it is not reflected as an asset on the Organization's statement of financial position. The total amount paid for electricity, and reflected as expense in these financial statements, during 2018 was \$13,920.

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2018

7. Related Party Transactions

The daughter of a board member was compensated approximately \$50,800 in wages for services rendered as the Organization's program coordinator.

8. Contingencies

Funding Source Requirements

The Organization receives contributions and grants that are restricted for specific programs or purposes. If such restrictions are not met in accordance with the funding source agreement, there is the possibility that funds would have to be returned to the donor. It is management's opinion that all grant conditions have been met for grants that have been either recorded as unrestricted or for which donor restrictions have been released.

Concentration of Revenue & Support

Approximately 70% of the Organization's client fee revenue is received through Regional Centers funded by the State of California. Should state budget allocations change, the Organization could experience a reduction in revenue.

9. Management's Liquidity Disclosure

Camping Unlimited regularly monitors liquidity required to meet its operating needs and other contractual commitments. It has two sources of liquidity at its disposal: cash and a bank credit card with a limit of \$80,000.

Cash flows have seasonal variations during the year attributable to the annual cash receipts from the larger summer program, the spring and winter donation appeal and unsolicited contributions received year round. To manage liquidity, Camping Unlimited also maintains a bank credit card with a limit of \$80,000.

For purposes of analyzing resources available to meet general expenditures over a 12 month period, Camping Unlimited considers all expenditures related to its year round activities as well as the expenditures needed for its larger summer program.

In addition to financial assets available to meet general expenditures over the next 12 months, the organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Financial assets available to meet cash needs for general expenditures within one year are as follows:

Cash & equivalents	\$536,565
Accounts receivable	<u>120,353</u>
Total	\$656,918

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2018

10. Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through March 17, 2020, the date the financial statements were available to be issued.