

Camping Unlimited for the Developmentally Disabled

Financial Statements &

Independent Accountant's Review Report

for the Year Ended

December 31, 2019

**COOK &
COMPANY**

A PROFESSIONAL ACCOUNTANCY CORPORATION

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A PROFESSIONAL ACCOUNTANCY CORPORATION

Independent Accountant's Report

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

We have reviewed the accompanying statement of financial position of Camping Unlimited for the Developmentally Disabled (a nonprofit organization) as of December 31, 2019, and the related statements of activities & changes in net assets, functional expenses and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's personnel. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. 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 conformity with accounting principles generally accepted in the United States of America.

Summarized Prior Year Information

The summarized prior year comparative information was derived from Camping Unlimited for the Developmentally Disabled's financial statements for the year ended December 31, 2018. In our report dated August 12, 2020, we stated that based on our procedures, we were not aware of any material modifications that should be made to the 2018 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information for it to be consistent with the reviewed financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 10, the Organization's camp facilities in Boulder Creek were destroyed by a wildfire during the summer of 2020. Our report on the 2019 financial statements is not modified with respect to this matter.

A handwritten signature in blue ink that reads "Cook & Company". The signature is written in a cursive, flowing style.

A Professional Accountancy Corporation
San Francisco, California
December 1, 2020

Camping Unlimited for the Developmentally Disabled

Statement of Financial Position

December 31, 2019

| | <u>12/31/2019</u> | <u>12/31/2018</u> <u>(Note 2)</u> |
|---|-------------------|--------------------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash & cash equivalents | \$ 1,159,681 | \$ 536,565 |
| Accounts receivable, net (Note 3) | 21,791 | 120,353 |
| Prepaid expenses & other current assets | 28,531 | 25,215 |
| Total current assets | 1,210,003 | 682,133 |
| Property & equipment, net (Note 4) | 1,367,890 | 1,377,616 |
| TOTAL ASSETS | \$ 2,577,893 | \$ 2,059,749 |
| LIABILITIES & NET ASSETS | | |
| Current Liabilities: | | |
| Accounts payable | \$ 29,009 | \$ 45,237 |
| Payroll liabilities | 8,627 | 13,541 |
| Security deposit | - | 22,000 |
| Unearned revenue | 2,495 | - |
| TOTAL LIABILITIES | 40,131 | 80,778 |
| Net Assets | | |
| Without donor restrictions | 2,488,982 | 1,978,971 |
| With donor restrictions (Note 5) | 48,780 | - |
| TOTAL NET ASSETS | 2,537,762 | 1,978,971 |
| TOTAL LIABILITIES & NET ASSETS | \$ 2,577,893 | \$ 2,059,749 |

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, 2019

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>2019 Total</u> | <u>2018 (Note 2)</u> |
|---------------------------------------|---|--|-----------------------|--------------------------|
| Revenue & Support: | | | | |
| Program fees | \$ 1,428,720 | | \$ 1,428,720 | \$ 1,334,962 |
| Rental income | 151,795 | | 151,795 | 197,783 |
| Grants & contributions | 423,228 | \$ 48,780 | 472,008 | 184,859 |
| Net assets released from restriction: | | | | |
| Satisfaction of donor restrictions | - | - | - | - |
| Other | 20,557 | | 20,557 | 5,503 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total support & revenue | 2,024,300 | 48,780 | 2,073,080 | 1,723,107 |
| Expenses: | | | | |
| Program services | 1,237,594 | | 1,237,594 | 1,183,214 |
| General & administrative | 249,108 | | 249,108 | 282,426 |
| Fundraising | 27,587 | | 27,587 | 16,718 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenses | 1,514,289 | - | 1,514,289 | 1,482,358 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| CHANGE IN NET ASSETS | 510,011 | 48,780 | 558,791 | 240,749 |
| NET ASSETS, January 1 | 1,978,971 | - | 1,978,971 | 1,738,222 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| NET ASSETS, December 31 | <u>\$ 2,488,982</u> | <u>\$ 48,780</u> | <u>\$ 2,537,762</u> | <u>\$ 1,978,971</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, 2019

| | Program Services | Management & General | Fundraising | 2019 Total | 2018 Total (Note 2) |
|--|---------------------|-------------------------|------------------|---------------------|---------------------------|
| Salaries | \$ 622,733 | \$ 121,615 | \$ 16,265 | \$ 760,613 | \$ 638,345 |
| Payroll taxes | 48,653 | 9,821 | 1,313 | 59,787 | 65,755 |
| Employee benefits | 49,617 | 12,115 | 1,620 | 63,352 | 85,883 |
| Accounting fees | - | 10,786 | - | 10,786 | 24,615 |
| Other consultants & contractors | 27,514 | 445 | - | 27,959 | 25,048 |
| Utilities | 29,670 | 9,635 | 1,288 | 40,593 | 50,965 |
| Equipment rental, repairs & maintenance | 20,682 | 16,094 | 770 | 37,546 | 60,147 |
| Office supplies | 4,119 | 1,338 | 179 | 5,636 | 7,972 |
| Postage & printing | 1,134 | 368 | 49 | 1,551 | 1,465 |
| Telephone | 10,263 | 3,333 | 446 | 14,042 | 11,894 |
| Travel, conferences & meetings | 11,014 | 8,033 | - | 19,047 | 28,978 |
| Advertising | 17,565 | 5,705 | 762 | 24,032 | 19,491 |
| Program supplies, materials & services | 281,757 | - | - | 281,757 | 292,810 |
| Insurance, fees & permits | 16,936 | 23,893 | 736 | 41,565 | 33,274 |
| Depreciation | 62,390 | 20,261 | 2,710 | 85,361 | 96,597 |
| Bank charges | 12,458 | 342 | - | 12,800 | 21,200 |
| Bad debt expense | 17,891 | - | - | 17,891 | 2,249 |
| Other | 3,198 | 5,324 | 1,449 | 9,971 | 15,670 |
| Total | \$ 1,237,594 | \$ 249,108 | \$ 27,587 | \$ 1,514,289 | \$ 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, 2019

| | <u>2019</u> | <u>2018</u> <u>(Note 2)</u> |
|---|---------------------|--------------------------------|
| <i>Cash flows from operating activities:</i> | | |
| Change in net assets | \$ 558,791 | \$ 240,749 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation expense | 85,361 | 96,597 |
| Other non-cash items | - | (4,302) |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts receivable | 98,562 | 39,152 |
| (Increase) decrease in prepaid expenses | (3,316) | (25,215) |
| Increase (decrease) in accounts payable | (16,228) | 3,535 |
| Increase (decrease) in payroll liabilities | (4,914) | 7,873 |
| Increase (decrease) in deposits | (22,000) | 22,000 |
| Increase (decrease) in deferred revenue | 2,496 | 20,303 |
| | 698,752 | 400,692 |
| Cash provided (used) by operating activities: | 698,752 | 400,692 |
| <i>Cash flows from investing activities:</i> | | |
| Cash expenditures on property & equipment | (75,636) | (127,456) |
| Cash provided (used) by investing activities: | (75,636) | (127,456) |
| Cash provided (used) during year | 623,116 | 273,236 |
| Cash & cash equivalents, beginning of year | 536,565 | 263,329 |
| Cash & cash equivalents, end of year | \$ 1,159,681 | \$ 536,565 |

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

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2019

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.

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2019

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 \$2,500 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, 2019

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 at the year-end.

| <u>Position(s)</u> | <u>Functions Expensed</u> |
|--------------------------------------|--|
| Executive Director | Program 10%, Management & General 55%, Fundraising 35% |
| 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*. Substantially all other positions are charged entirely to *program services*.

Shared facility expenses are allocated based on each function's proportionate share of compensation expense.

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 2017 through 2019 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 2016 through 2019 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.

Upcoming Accounting Pronouncement

Accounting Standards Update No. 2014-09— *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09) was issued by the Financial Accounting Standards Board (FASB) in May 2014 and is effective for nonpublic entities in calendar years ending in 2020 and beyond.

This update supersedes or replaces nearly all GAAP revenue recognition guidance for reciprocal transactions. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue.

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2019

This pronouncement will be reflected in the Organization's financial statements for the year ended December 31, 2020.

New Accounting Pronouncement in Effect

These financial statements reflect the provisions Accounting Standards Update No. 2018-08—*Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Made and Contributions Received* (ASU 2018-08), which the FASB enacted in June 2018 in response to concerns and questions relating to the applicability of ASU 2014-09 to nonprofit organizations.

This update provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal) or exchange transactions (reciprocal) and (2) determining whether a contribution is conditional. The update will result in more governmental contracts being accounted for as contributions and may delay recognition for certain grants and contributions that no longer meet the definition of unconditional.

This pronouncement is effective for calendar years ending in 2019 and beyond. There is no effect on the Organization's net assets in connection with the enactment of ASU 2018-08.

Prior Year Totals

Prior year totals are presented for comparative purposes only. For a full presentation of 2018, please refer to the prior year financial statements.

3. Accounts Receivable

| | |
|---------------------------------------|----------------|
| Accounts receivable, face value | \$30,291 |
| Less: allowance for doubtful accounts | <u>(8,500)</u> |
| Accounts receivable, net | \$21,791 |

4. Property & Equipment

| | |
|--------------------------------|--------------------|
| Land | \$241,114 |
| Buildings & improvements | 2,924,561 |
| Equipment | 76,387 |
| Vehicles | <u>188,807</u> |
| | 3,430,869 |
| Less: accumulated depreciation | <u>(2,062,979)</u> |
| Property & equipment, net | \$1,367,890 |

5. Net Assets with Donor Restrictions

Net assets with donor restrictions represent contributions that have been restricted by donors for specific projects or activities, as follows:

| | |
|--|---------------|
| Permitting work for health center redesign | \$30,000 |
| Fire safety upgrade | <u>18,780</u> |
| Total | \$48,780 |

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2019

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 under this agreement, and reflected as expense in these financial statements, during 2019 was \$15,440.

7. Related Party Transactions

The daughter of a board member was compensated approximately \$73,000 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 68% 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.

Cash Deposits

From time to time, the Organization's cash balances may exceed FDIC insurance limits. As of December 31, 2019, Camping Unlimited held approximately \$743,000 in one bank, exceeding FDIC insurance limits by approximately \$493,000.

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.

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2019

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 | \$1,159,681 |
| Accounts receivable | <u>21,791</u> |
| Total | \$1,181,472 |

10. Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 1, 2020, the date the financial statements were available to be issued.

Camping Unlimited experienced a disruption to its services in early 2020 as a result of the spread of the COVID-19 coronavirus. This closure was followed by a wildfire in August 2020 which destroyed the Organization's Boulder Creek camp facilities. During the rebuilding process, the Organization is soliciting contributions but unable to generate fee revenue from camp services.