

Camping Unlimited for the Developmentally Disabled

Financial Statements &

Independent Accountant's Review Report

for the Year Ended

December 31, 2020

**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, 2020, 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.

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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, 2019. In our report dated December 1, 2020, we stated that based on our procedures, we were not aware of any material modifications that should be made to the 2019 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 Matters

We draw your attention to Notes 1, 6, 8 and 10 of the financial statements, which discuss a business interruption caused by the COVID-19 pandemic and a subsequent wildfire. Our report on the 2020 financial statements is not modified with respect to these matters.

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
February 7, 2022

Camping Unlimited for the Developmentally Disabled

Statement of Financial Position December 31, 2020 with Comparative Totals for December 31, 2019

	12/31/2020	12/31/2019 (Note 2)
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 2,345,635	\$ 1,159,681
Insurance proceeds receivable	2,727,355	-
Accounts receivable, net (Note 3)	63	21,791
Prepaid expenses & other current assets	30,468	28,531
Total current assets	5,103,521	1,210,003
Property & equipment, net (Note 4)	808,798	1,367,890
TOTAL ASSETS	\$ 5,912,319	\$ 2,577,893
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 55,310	\$ 29,009
Payroll liabilities	15,396	8,627
Unearned revenue	285	2,495
Total current liabilities	70,991	40,131
Forgivable government loan (Note 2)	188,806	-
TOTAL LIABILITIES	259,797	40,131
Net Assets		
Without donor restrictions	5,561,973	2,488,982
With donor restrictions (Note 5)	90,549	48,780
TOTAL NET ASSETS	5,652,522	2,537,762
TOTAL LIABILITIES & NET ASSETS	\$ 5,912,319	\$ 2,577,893

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, 2020 with Comparative Totals for December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 (Note 2)
Revenue, Support & Gains:				
Program fees	\$ 101,307	\$ -	\$ 101,307	\$ 1,428,720
Rental income	-		-	151,795
Grants & contributions	609,237	71,769	681,006	472,008
Net assets released from restriction:				
Satisfaction of donor restrictions	30,000	(30,000)	-	-
Other	9,592		9,592	20,557
Total revenue and support before unusual item	<u>750,136</u>	<u>41,769</u>	<u>791,905</u>	<u>2,073,080</u>
Unusual item - Gain from involuntary conversion of assets (Note 6)	<u>3,025,369</u>	<u>-</u>	<u>3,025,369</u>	<u>-</u>
Total revenue, support & gains	3,775,505	41,769	3,817,274	2,073,080
Expenses:				
Program services	208,053	-	208,053	1,237,594
Management & general	392,682	-	392,682	249,108
Fundraising	101,779	-	101,779	27,587
Total expenses	<u>702,514</u>	<u>-</u>	<u>702,514</u>	<u>1,514,289</u>
CHANGE IN NET ASSETS	3,072,991	41,769	3,114,760	558,791
NET ASSETS, January 1	<u>2,488,982</u>	<u>48,780</u>	<u>2,537,762</u>	<u>1,978,971</u>
NET ASSETS, December 31	<u><u>\$ 5,561,973</u></u>	<u><u>\$ 90,549</u></u>	<u><u>\$ 5,652,522</u></u>	<u><u>\$ 2,537,762</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, 2020 with Comparative Totals for the Year Ended December 31, 2019

	Program Services	Management & General	Fundraising	2020 Total	2019 Total (Note 2)
Salaries	\$ 99,815	\$ 187,425	\$ 56,137	\$ 343,377	\$ 760,613
Payroll taxes	8,229	15,260	4,571	28,060	59,787
Employee benefits	15,312	30,135	9,027	54,474	63,352
Accounting fees	-	9,137	-	9,137	10,786
Other consultants & contractors	663	23,975	-	24,638	27,959
Utilities	3,663	6,823	2,044	12,530	40,593
Equipment rental, repairs & maintenance	11,888	14,521	3,919	30,328	37,546
Office supplies	668	1,244	373	2,285	5,636
Postage & printing	242	451	135	828	1,551
Information technology	4,265	7,944	2,379	14,588	14,042
Vehicle expenses	1,145	2,747	-	3,892	19,047
Advertising	3,422	6,373	1,908	11,703	23,848
Program supplies, materials & services	22,341	-	-	22,341	281,757
Insurance, fees & permits	3,679	26,897	2,052	32,628	41,565
Depreciation	17,041	31,741	9,507	58,289	85,361
Bank charges	3,424	1,310	-	4,734	12,800
Bad debt expense	-	170	-	170	17,891
Other	12,256	26,529	9,727	48,512	10,155
Total	\$ 208,053	\$ 392,682	\$ 101,779	\$ 702,514	\$ 1,514,289

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, 2020 with Comparative Totals for the Year Ended December 31, 2019

	2020	2019 (Note 2)
<i>Cash flows from operating activities:</i>		
Change in net assets	\$ 3,114,760	\$ 558,791
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	58,289	85,361
Gain from involuntary conversion of assets	(3,025,369)	-
Other non-cash items	(24,128)	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	21,728	98,562
(Increase) decrease in prepaid expenses	(1,937)	(3,316)
Increase (decrease) in accounts payable	26,301	(16,228)
Increase (decrease) in payroll liabilities	6,769	(4,914)
Increase (decrease) in deposits	-	(22,000)
Increase (decrease) in deferred revenue	(2,210)	2,496
Cash provided (used) by operating activities:	174,203	698,752
<i>Cash flows from investing activities:</i>		
Insurance proceeds for damaged/destroyed property	1,000,000	-
Cash expenditures on property & equipment	(177,055)	(75,636)
Cash provided (used) by investing activities:	822,945	(75,636)
<i>Cash flows from financing activities:</i>		
Cash proceeds from forgivable government loan	188,806	-
Cash provided (used) by financing activities:	188,806	-
Cash provided (used) during year	1,185,954	623,116
Cash & cash equivalents, beginning of year	1,159,681	536,565
Cash & cash equivalents, end of year	\$ 2,345,635	\$ 1,159,681

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

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2020

1. The Organization

Nature of activities

Camping Unlimited for the Developmentally Disabled (Camping Unlimited or 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 from income taxes 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. Over the past several decades, it has provided campers with a place to 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. 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.

Camping Unlimited experienced a business interruption in 2020 as a result of the COVID-19 pandemic and a wildfire that partially destroyed the Boulder Creek facility. These matters are discussed further in Notes 6, 8 and 10.

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.

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

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements

December 31, 2020

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

The balance of 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.

Forgivable Government Loan

In May 2020, the Organization received a forgivable loan from the Paycheck Protection Program (PPP) through the U.S. Small Business Administration. The loan accrues interest at an annual rate of 1% and must be repaid (if not forgiven) in 2022. Nonprofit organizations have the option of treating the funding from this program as a conditional government grant in accordance with ASC 958 or as debt in accordance with ASC 470. Because the Organization has elected the latter method, the total amount received is presented as a long-term liability on the statement of financial position.

Of the \$188,806 borrowed, \$156,573 was subsequently forgiven in June 2021. This amount will appear as revenue in the Organization's 2021 financial statements. The remaining balance of \$32,233 and \$351 of interest were paid in full by October 2021.

Contracts with Customers

Revenues from contracts with customers (as defined by FASB ASC 606) are presented under the *program fees* caption of the *statement of activities and changes in net assets*. These include amounts received for camps. Performance obligations consist of units of service relating to camp attendance. Amounts for each of the Organization's consumers are typically contracted through the San Andreas Regional Center, which serves as agent for the California Department of Developmental Services. The Organization bills for such services using rates specified in purchase orders for services issued by the regional center. Some amounts are contracted through private parties, such as family members of consumers. Revenue is recognized and invoiced on a monthly basis at the point in time when units of service are completed. Amounts that have been recognized as revenue but not yet received from the consumer, or their agent, are reflected as accounts receivable on the *statement of financial position*. Conversely, amounts received in advance for unsatisfied performance obligations are reflected as an unearned revenue liability. Payment is typically collected within a month of being invoiced. Although unfulfilled purchase

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Notes to Financial Statements December 31, 2020

orders may have expiration dates in the future, they are not considered contract assets because the occurrence of future services and the rates for such services are contingent upon a variety of factors that are beyond the Organization's control.

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.

Functional Expenses

The Organization presents its expenses by function and natural category. *Program services* include the direct conduct and direct supervision of specific program activities. *Fundraising / development* includes efforts to solicit monetary and nonmonetary contributions. *Management & general* includes general oversight, the solicitation and administration of earned income, recordkeeping, regulatory compliance, governance, financial management, and all other activities that do not constitute the direct conduct or direct supervision of specific program services or fundraising activities.

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 Services 1%, Management & General 80%, Fundraising 19%
Program Coordinator	Program Services 30%, Management & General 20%, Fundraising 50%
Administrative Director	Program Services 10%, Management & General 80%, Fundraising 10%
Administrative Assistant	Program Services 5%, Management & General 95%
Assistant Program Coordinator #1	Program Services 95%, Management & General 5%
Assistant Program Coordinator #2	Program Services 85%, Management & General 15%
Bookkeeper	Management & General 80%, Fundraising 20%

The facilities managers 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 2018

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2020

through 2020 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 2017 through 2020 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 Pronouncements

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 five-step 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.

The enactment of this pronouncement is reflected in the Organization's financial statements for the year ended December 31, 2020. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

These financial statements also 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 was effective for calendar years ending in 2019 and beyond.

Prior Year Totals

Prior year totals are presented for comparative purposes only. For a full presentation of 2019, please refer to the prior year financial statements.

3. Accounts Receivable

Accounts receivable, face value	\$3,119
Less: allowance for doubtful accounts	(3,056)
Accounts receivable, net	\$63

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2020

4. Property & Equipment

Land	\$241,114
Buildings & improvements	1,299,256
Equipment, furnishings & technology	24,454
Vehicles	<u>120,108</u>
	1,684,932
Less: accumulated depreciation	<u>(876,134)</u>
Property & equipment, net	\$808,798

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:

Fire recovery and rebuild	\$58,500
Fire safety upgrade	18,780
Camperships	<u>13,269</u>
Total	\$90,549

6. Unusual Item – Involuntary Conversion of Assets

In August 2020, a wildfire partially destroyed the Organization's camp facilities in the Santa Cruz Mountains near Boulder Creek. A claim was filed with the Organization's insurance carrier and approximately \$3.7 million was ultimately received. Amounts recovered from insurance are detailed as follows:

Insurance proceeds	
Building / property	\$3,148,332
Business income loss	454,000
Other	<u>125,023</u>
Total insurance proceeds	3,727,355
Less: net book value of damaged/destroyed property	(682,358)
Less: fire recovery expenses	<u>(19,628)</u>
Net gain on involuntary conversion	\$3,025,369

Of the total insurance proceeds, \$1 million was received in September 2020 and the remainder was received in early 2021.

As discussed in Note 10, the Organization has purchased a second facility, which will house the Organization's programs while the Boulder Creek camp is rebuilt. It is the Organization's intent to eventually operate program services at both sites.

7. Related Party Transactions

The daughter of a board member was compensated approximately \$56,500 in wages for services rendered as the Organization's program coordinator.

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2020

8. Contingencies

COVID-19

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the Organization's ability to conduct program activities or raise contributions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. As such, the financial impact of this situation cannot be reasonably estimated at this time.

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 67% 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

As of December 31, 2020, Camping Unlimited bank deposits exceeded federal insurance limits by approximately \$1.744 million.

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.

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	\$2,345,635
Accounts receivable	63
Less: purpose-restricted net assets	(77,280)
Total	\$2,268,418

Camping Unlimited for the Developmentally Disabled

Notes to Financial Statements December 31, 2020

10. Subsequent Events

Purchase of Second Facility

In 2021, the Organization purchased a camp facility located in Ahwahnee, California, for approximately \$1.75 million.

Financial Statement Preparation

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through February 7, 2022, the date the financial statements were available to be issued.