

HAPPINESS IS CAMPING, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

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FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Happiness Is Camping, Inc.

I have audited the accompanying combined financial statements of Happiness Is Camping (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 and 2018, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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.

Auditor's Responsibility

My responsibility is to express an opinion on these combined financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In my opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Happiness Is Camping Inc. and its affiliate as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Thomas G. Randel

May 12, 2019

Hamburg, New Jersey

Happiness Is Camping, Inc.
Statements of Financial Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	\$ 307,073	\$ 266,053
Accounts Receivable	28,900	30,000
Grant Receivable	-	50,000
Prepaid Expenses	503	419
Deposits	2,500	-
Total Current Assets	338,976	346,472
Property & Equipment, net of Accumulated Depreciation of \$2,620,356	1,808,361	1,768,238
TOTAL ASSETS	<u>\$2,147,337</u>	<u>\$ 2,114,710</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable & Accrued Expenses	\$ 11,027	\$ 11,027
Other Current Liabilities	18,585	5,196
Accrued Interest	-	1,012
Current Portion of Mortgage Payable	-	22,897
Line-of-Credit	-	-
Total Current Liabilities	29,612	40,132
Mortgage Payable	-	46,033
TOTAL LIABILITIES	29,612	86,165
NET ASSETS		
Restricted Net Assets	-	100,000
Unrestricted Net Assets	2,117,725	1,928,545
TOTAL NET ASSETS	2,117,725	2,028,545
TOTAL LIABILITIES AND NET ASSETS	<u>\$2,147,337</u>	<u>\$ 2,114,710</u>

See accompanying notes to financial statements and auditor's report

Happiness Is Camping, Inc.
Statements of Activities
December 31, 2019 and 2018

	2019			2018		
	Operating	Restricted	Combined	Operating	Restricted	Combined
SUPPORT & REVENUE						
Outdoor Education & Group Camping	\$ 434,103		\$ 434,103	\$ 411,152		\$ 411,152
Camping - Program	850,000		850,000	800,000		800,000
Grant Income	304,676		304,676	256,500	100,000	356,500
Public Support - Individual	101,378		101,378	83,740		83,740
Public Support - Corporate	73,455		73,455	54,251		54,251
Contributed Services	33,831		33,831	26,690		26,690
Fund Raising	202,932		202,932	189,478		189,478
Gift in-kind	71,199		71,199	18,682		18,682
Interest Income	3,958		3,958	1,061		1,061
TOTAL SUPPORT & REVENUE	2,075,532	-	2,075,532	1,841,554	100,000	1,941,554
EXPENSES						
Program Services	1,702,353		1,702,353	1,775,645		1,775,645
Grants Paid		50,000	50,000			-
Management & General	60,092		60,092	68,207		68,207
Fund Raising	123,908		123,908	67,450		67,450
TOTAL EXPENSES	1,886,352	50,000	1,936,352	1,911,302		1,911,302
Excess of Revenue over Expenses	189,180	(50,000)	139,180	(69,748)	100,000	30,252
Transfers from Restricted Funds		(50,000)	(50,000)	-	-	-
Net Assets, Beginning of Year	1,928,545	100,000	2,028,545	1,998,293	-	1,998,293
Net Assets, End of Year	\$ 2,117,725	\$ -	\$ 2,117,725	\$ 1,928,545	\$ 100,000	\$ 2,028,545

See accompanying notes to financial statements and auditor's report

Happiness Is Camping, Inc.
Statements Functional Expenses
December 31, 2018

	Total Programs	Management & General	Fundraising	Total Expense
FUNCTIONAL EXPENSES				
Salaries	\$ 226,416	\$ 25,157		\$ 251,573
Payroll Taxes	28,148	3,127		31,275
Other Benefits	<u>18,114</u>	<u>2,013</u>		<u>20,127</u>
Total Personal Services	272,678	30,297		302,975
Food and Kitchen	154,854			154,854
International Staff	50,552			50,552
Contributed Services	23,000			23,000
Program - Free Camp	800,000			800,000
Office Expense	20,753	2,306	\$ 67,450	90,509
Vehicle Expenses	5,660	629		6,289
Advertising	11,400	-		11,400
Repairs and Maintenance	44,602			44,602
Utilities	49,931	5,548		55,479
Pool & Waterfront	8,641			8,641
Permits & Fees	1,244			1,244
Conferences & Dues	10,168			10,168
Meals & Entertainment		158		158
Taxes	419			419
Interest	5,762			5,762
Depreciation	131,439	14,604		146,043
Insurance	46,952	5,217		52,169
Contracted & Professional Fees	75,830	8,426		84,256
Camp Program Activity Expense	57,487			57,487
Donations		1,022		1,022
Medical Expenses	4,273			4,273
TOTAL FUNCTIONAL EXPENSES	\$ 1,775,645	\$ 68,207	\$ 67,450	\$ 1,911,302

See accompanying notes to financial statements and auditor's report

Happiness Is Camping, Inc.
Statements Functional Expenses
December 31, 2019

	Total Programs	Management & General	Fundraising	Total Expense
FUNCTIONAL EXPENSES				
Salaries & Wages	\$ 273,061	\$ 30,340		\$ 303,401
Payroll Taxes	<u>31,583</u>	<u>3,509</u>		<u>35,092</u>
Total Personal Services	304,644	33,849		338,493
Food and Kitchen	165,901			165,901
International Staff	12,797			12,797
Contributed Services	33,831			33,831
Program - Free Camp	850,000			850,000
Office Expense	14,605	1,623	\$ 15,348	31,575
Repairs and Maintenance	31,360			31,360
Utilities	46,878	5,209		52,086
Pool & Waterfront	11,761			11,761
Permits & Fees	1,791			1,791
Meals and Entertainment	-	697		697
Conferences & Dues	7,103			7,103
Interest	2,717			2,717
Depreciation	28,902	3,211		32,113
Insurance	69,215	7,691		76,905
Contracted & Professional Fees	60,039	6,671	77,037	143,747
Camp Program Activity Expense	44,713		25,142	69,855
Advertising	8,404		6,145	14,549
Taxes	430			430
Vehicle Expenses	6,675	742		7,416
Donations	-	400		400
Medical Expenses	590		236	826
TOTAL FUNCTIONAL EXPENSES	\$ 1,702,353	\$ 60,092	\$ 123,908	\$ 1,886,352

See accompanying notes to financial statements and auditor's report

Happiness Is Camping, Inc.
Statements of Cash Flows
December 31, 2019 and 2018

	2019			
	Operating	Restricted	Combined	Operating
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets	\$ 189,180	\$ (50,000)	\$ 139,180	\$ (69,748)
Adjustments to Reconcile Net Assets to				
Net Cash Provided (used) by Operating Activities				
Provision for Depreciation & Amortization	32,113		32,113	146,043
Increase/Decrease in:				
Accounts Receivable	1,100		1,100	(15,098)
Grant Receivable	-		-	-
Prepaid Expenses	(84)		(84)	(350)
Deposits	(2,500)		(2,500)	2,500
Accrued Interest	(1,012)		(1,012)	103
Accounts Payable	-		-	(103)
Other Current Liabilities	12,414		12,414	(10,286)
NET CASH FROM OPERATING ACTIVITIES	231,211	(50,000)	181,211	53,061
Cash Flows from Investing Activities				
Purchase of Property & Equipment	(71,261)		(71,261)	(88,351)
NET CASH FROM INVESTING ACTIVITIES	(71,261)	-	(71,261)	(88,351)
Cash Flows from Financing Activities				
Repayment of Mortgage payable	(68,930)		(68,930)	(109,785)
Transfers from Restricted funds			-	-
NET CASH FROM FINANCING ACTIVITIES	(68,930)	-	(68,930)	(109,785)
NET DECREASE/INCREASE IN CASH & CASH EQUIVALENTS	91,020	(50,000)	41,020	(145,075)
Cash & Cash Equivalents , Beginning of year	216,053	50,000	266,053	361,128
CASH & CASH EQUIVALENTS, END OF YEAR	\$ 307,073	\$ -	\$ 307,073	\$ 216,053
SUPPLEMENTAL DISCLOSURE				
Cash paid during the year for interest	\$ 2,717		\$ 2,717	\$ 5,659
Cash paid during the year for taxes	\$ 430		\$ 430	\$ -

See accompanying notes to financial statements and auditor's re

2018	
Restricted	Combined
\$ 100,000	\$ 30,252
	\$ 146,043
	(15,098)
(50,000)	\$ (50,000)
	\$ (350)
-	2,500
	\$ 103
	\$ (103)
	(10,286)
50,000	103,061
	(88,351)
	(88,351)
	(109,785)
	-
	(109,785)
50,000	(95,075)
-	361,128
\$ 50,000	\$ 266,053
	\$ 5,659
	\$ -

HAPPINESS IS CAMPING, INC.
Notes to Financial Statements
December 31, 2019 and 2018

NOTE A. NATURE OF ORGANIZATION

Happiness Is Camping, Inc. (the “Organization”) provides a camping facility for children with cancer. The Organization was founded in 1960. Approximately 400 children, boys and girls aged six through sixteen years, attend the overnight camp annually. There are five weekly sessions and children stay anywhere from one to all five sessions. The camp is free to all and is supported by donations, grants and revenues generated from running camp activities for other groups.

The medical staff, doctors, and nurses, from Memorial Sloan-Kettering, Montefiore, and other regional facilities, provides medical supervision of the highest quality. Some of the children will continue treatment, including chemotherapy, while at the camp and the medical staff attends to their needs.

Happiness Is Camping is a special place where the remarkable is routine. The Organization is a regular sleep away camp for normal kids, boys and girls who just happen to have cancer.

Happiness Is Camping (New York), founded in 1960, is primarily responsible for administration including fund raising; Happiness Is Camping (New Jersey), founded in 1978, is responsible for operating the campground located in Hardwick, New Jersey. In the fall of 2017, the New York Fundraising activities were transferred to Hardwick and the New York entity terminated operations in October 2017.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared in accordance with Generally Accepted Accounting Principles (“GAAP”). A summary of the relevant accounting policies follows:

Basis of Presentation

Happiness Is Camping, Inc. prepares its financial statements in accordance with Statement of Financial Accounting Standards ASC 958-310-50, “Accounting for Contributions Received and Made,” and ASC 958-210-50, “Financial Statements of Not-for-Profit Organizations.” ASC 958-210-45 establishes standards for external financial accounting and reporting purposes into the following three net asset categories according to externally (donor) imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. ASC 958-310-50 requires that unconditional promises to give be recorded as receivables and revenue and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

Basis of Accounting

The financial statements of Happiness Is Camping, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Reclassification

Certain amounts previously reported in the 2018 financial statements, have been reclassified to conform to the 2019 presentation. These reclassifications have no effect on the net assets of the Organization.

HAPPINESS IS CAMPING, INC.

Notes to Financial Statements

December 31, 2019 and 2018

Promises to Give

Promises to give are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases to unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporary or permanently restricted net assets depending upon the nature of the restrictions. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets.

Unrestricted net assets are resources representing the portion of expendable funds available for support of the Organization's programs and general operations. These resources are not subject to donor-imposed restrictions.

Temporarily restricted net assets are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Camp and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Revenue and Support Recognition

Contributions are recognized as revenue and receivables when they are received or unconditionally pledged. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is met during the accounting period in which the gift was received, the gifts are reported as unrestricted contributions in the statement of activities.

Income Taxes

The Organization has received an exemption from the Internal Revenue Service (IRS) from Federal income taxes under Section 501(a), as an entity described in Section 501(c)(3) of the Internal Revenue Code. The Organization is required to make the appropriate tax payments on any income considered unrelated to its exempt purpose.

The provisions of FASB ASC Topic 740-10, *Accounting for Income Taxes*, had no impact on the Organization's financial statements and, accordingly, no interest or penalties were accrued as of December 31, 2017. Management believes it has no material uncertain tax positions or any related penalties and interest to accrue for the years ended December 31, 2019 and 2018, and, accordingly, there is no liability for unrecognized tax benefits.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all short-term investments with a maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the report amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

HAPPINESS IS CAMPING, INC.
Notes to Financial Statements
December 31, 2019 and 2018

Fair Value of Financial Instruments

Unless otherwise indicated, the fair value of all reported assets and liabilities, which represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

Functional Allocation of Expenses

The costs of providing the various programs and activities for the Organization have been summarized on a functional basis in the combined statements of functional expenses. Accordingly, certain costs have been allocated among the programs, and supporting services benefited.

Property and Equipment

Property and equipment are recorded at cost when purchased or at fair market value at date of gift, when donated. Major renewal and betterments are also capitalized. Expenditures are capitalized in excess of \$5,000. Maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed. When equipment is retired or otherwise disposed of, the asset and accumulated depreciation accounts are adjusted accordingly and the gain or loss, if any, arising from disposition, is credited, or charged to income. Proceeds from the sale of fixed assets, if unrestricted, are transferred to unrestricted net assets or, if restricted, to defer amounts restricted for fixed asset acquisitions. Depreciation is provided for by the straight-line method over the estimated useful lives of the assets.

Contributed Services

Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair value at the time services are rendered. The organization also receives donated services that do not require specific expertise but are nonetheless central to the Organization's operations. See also Note D for the breakdown of the contributed services.

NOTE C. CAMPING - PROGRAM ACTIVITIES

Each summer the Organization provides approximately five one-week sessions of camping activities for children between six and sixteen years of age with cancer services provided, including sophisticated medical care treatment. The camp allows each camper to bring his/her siblings to experience the joys and freedom of a supervised summer camp and nature. The campers and their siblings are not charged a fee. The services provided include food, lodging, programs, and a wide range of camp activities. In 2019 a family camp week was added, and the estimated in-kind value was approximately \$50,000. The value of the service provided amounts to \$2,000 per camper and, in 2019 there were five weeks, or 400 campers. The total 2019 in-kind value, including the family camp week, was \$850,000. A corresponding amount of \$850,000 is charged to Program – free camp expense.

When the camp is not in use by children or teen campers, the facilities are rented to other non-profit organizations for retreats, meetings, and conferences. The fees are based on the number of days and the number of participants, which include fees for the use of the recreational equipment, room, and board.

HAPPINESS IS CAMPING, INC.

Notes to Financial Statements

December 31, 2019 and 2018

NOTE D. CONTRIBUTED SERVICES

Contributed services consist of cabin counselors, nurses, and doctors. The value of the services has been quantified and included in the financial statements. There are five volunteer camp counselors at a weekly rate of \$454 or \$11,350 annually. There are two volunteer nurses at a weekly rate of \$1,000 or \$10,000 annually. One physician is on call weekly at a rate of \$1,600 or \$8,000 annually. Finally, the nursing director is valued at a weekly rate of \$1,439 or \$7,195 annually. The total contributed services recorded for the years ended December 31, 2019 and 2018 were \$36,545 and \$36,545, respectively.

NOTE E. PROPERTY AND EQUIPMENT

Property and Equipment consist of:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Land	\$ 592,313	\$ 592,313
Leasehold Improvements	3,812,693	3,763,143
Equipment	<u>23,711</u>	<u>1,500</u>
Total Property & Equipment	4,428,717	4,356,956
Less: Accumulated Depreciation	<u>(2,620,356)</u>	<u>(2,588,718)</u>
Net Property & Equipment	<u>\$ 1,808,361</u>	<u>\$1,768,238</u>

Depreciation expense for the Center for the years ended December 31, 2019 and 2018 are \$32,919 and \$60,517, respectively. The construction-in-progress includes expenses relating the septic replacement and pool repairs.

NOTE F. RESTRICTED GRANT

In November 2017, the Organization received a pledge of \$100,000. The pledge is to be given in two installments of \$50,000. The first payment was received in February 2018 and the second payment occurred in February 2019. See also **Notes G. and L.**

NOTE G. GRANTS RECEIVABLE

A long-time contributor to the Organization has pledged \$100,000 to a sixth week of camping for the 2019 season. \$50,000 was received in 2018 and placed in a restricted account. The balance of the grant was received in March of 2019 (see also NOTE L). The intention of the grant is to compel the Organization to make a sixth week of camp an ongoing program. The donor believes this grant will inspire others to give to the expansion of the program.

HAPPINESS IS CAMPING, INC.

Notes to Financial Statements

December 31, 2019 and 2018

NOTE H. CONSERVATION OF LAND AND EASEMENTS

Conservation land is real property with significant ecological value. A conservation easement was granted May 23, 2001, between the Organization and the State of New Jersey, Department of Environmental Protection, in perpetuity, pursuant to the laws of New Jersey, for the exclusive purpose of assuring that the youth camping facility provides public trail access and that the open space character, wildlife habitat and scenic qualities of the Property will be conserved and maintained forever and that the uses of the land, which are inconsistent with these Conservation Values will be prevented or corrected.

Conservation easements are comprised of listed rights and /or restrictions over the owned property that are conveyed to the property owner, in perpetuity, in order to protect the owned property as a significant natural area, as defined in the federal tax regulations. The land may be sold or transferred to others as long as the assignee agrees to carry out, in perpetuity, the conservation purposes intended by the original grantor. Conservation easements, by their very nature, do not generate material amounts of cash flow annually.

NOTE H. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of temporary cash investments. The Organization places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. As of December 31, 2019, and 2018 the Organization had no significant concentrations of credit risk.

NOTE I. MORTGAGE PAYABLE

On November 6, 2010, the Organization entered a mortgage note with PNC Bank. The gross proceeds of the mortgage amount to \$300,000 with the first payment due December 6, 2010. The mortgage matures after 14 years on November 6, 2024. Interest on this mortgage is calculated utilizing the "interest calculation Method." The interest rate is fixed at 5.99%. The monthly payment of principal and interest is \$2,655.88. Effective September 1, 2016, the mortgage was refinance and the new interest rate is fixed at 5.00%. The new monthly payment of principal and interest is \$2,545.56. In 2019 and 2018, the Organization made additional principal payments reducing the mortgage payable to \$0 and \$68,930 as of December 31, 2019 and 2018, respectively. The Organization's real estate fully collateralizes the mortgage.

NOTE K. NOTES PAYABLE AND LINE-OF-CREDIT

On June 21, 2013, the Organization obtained a Line-of-Credit from PNC Bank. The credit line is \$50,000 at an interest rate of 7.80%. Payments are made monthly and the balances as of December 31, 2018 and 2017 were \$0.

HAPPINESS IS CAMPING, INC.

Notes to Financial Statements

December 31, 2019 and 2018

NOTE L. SUBSEQUENT EVENTS

The Covid 19 Virus pandemic has had a material impact on the Organization. The Board of Trustees met on April 25, 2020 to discuss the scheduled camping and fundraising events. All camping and fundraising events have been cancelled for the 2020 season. Management has obtained an SBA Loan to help provide funding for the staff to maintain the facility. The SBA loan is eligible for forgiveness under the Payroll Protection Program ("PPP"). Management believes they have sufficient funds to maintain the Camp for the remainder of 2020. There were no other events that require adjustments to or disclosure in the Organization's combined financial statements for the year ended December 31, 2019. The Organization has evaluated subsequent events through May 12, 2020, which is the date the financial statements were available to be issued.