

**JEWISH COMMUNITY CAMP
AND RETREAT CENTER, INC.
dba CAMP MOUNTAIN CHAI**
Audited Financial Statements
December 31, 2017 and 2016

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 - 10

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Jewish Community Camp and Retreat Center, Inc. dba Camp Mountain Chai

We have audited the accompanying financial statements of Camp Mountain Chai (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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, we 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camp Mountain Chai as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Camp Mountain Chai's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 12, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Santee, CA
November 30, 2018

Ariel Kagan
Kagan and Associates, CPAs

JEWISH COMMUNITY CAMP AND RETREAT CENTER, INC.

dba CAMP MOUNTAIN CHAI

STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

Assets

Operating assets	2017	2016
Cash and cash equivalents	\$ 220,422	\$ 328,785
Accounts receivable	18,750	42,736
Current Pledge Receivable	216,034	207,080
Employee Loans/Advances	775	11,283
Inventory	16,585	20,725
Prepaid expenses and deposits	32,537	23,313
Total operating assets	<u>505,103</u>	<u>633,922</u>

Long Term Assets

Long Term Pledges Receivable	200,000	400,000
Less: discount on pledges receivable	(25,000)	(30,000)
Total Long Term assets	<u>175,000</u>	<u>370,000</u>

Fixed assets

Camp facility	6,600,089	6,600,089
Camp equipment	176,284	152,905
Vehicles	50,946	32,642
Capital improvements	157,685	156,493
Office equipment	39,369	34,874
Less: accumulated depreciation	(2,391,124)	(2,197,720)
Net fixed assets	<u>4,633,249</u>	<u>4,779,283</u>
Total assets	<u>\$ 5,313,352</u>	<u>\$ 5,783,205</u>

Liabilities and net assets

Current Liabilities

Accounts payable	\$ 173,809	\$ 124,335
Due JCF Endowment Fund		36,000
Line of credit	250,000	150,000
Current Portion of Notes Payable	75,333	104,973
Deposits - Deferred Revenue	367,895	358,752
Total Current Liabilities	<u>867,037</u>	<u>774,060</u>

Long Term Liabilities

Accrued vacation	28,512	28,654
Notes payable		96,443
Total Long Term Liabilities	<u>28,512</u>	<u>125,097</u>
Total liabilities	<u>895,549</u>	<u>899,157</u>

Net assets

Unrestricted	4,038,803	4,310,048
Temporarily restricted	379,000	574,000
Total net assets	<u>4,417,803</u>	<u>4,884,048</u>
Total liabilities and net assets	<u>\$ 5,313,352</u>	<u>\$ 5,783,205</u>

The accompanying notes are an integral part of these financial statements

JEWISH COMMUNITY CAMP AND RETREAT CENTER, INC.

dba CAMP MOUNTAIN CHAI

STATEMENTS OF ACTIVITIES

December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Total	Temporarily Restricted	Total
Revenue and support						
Conference center revenue	\$ 661,912	\$	\$ 661,912	\$ 848,043	\$	\$ 848,043
Summer camp revenue	1,142,831		1,142,831	1,187,290		1,187,290
Contribution/Donation	221,055		221,055	77,984		77,984
Fundraising/Auction	61,687		61,687	84,692		84,692
Scholarships	9,525		9,525	36,162		36,162
Grants				1,500	4,000	5,500
Discount on pledges receivable		5,000	5,000		10,000	10,000
Miscellaneous	763		763	939		939
Net assets released from restriction	200,000	(200,000)		200,000	(200,000)	
Total revenue and support	<u>2,297,773</u>	<u>(195,000)</u>	<u>2,102,773</u>	<u>2,436,610</u>	<u>(186,000)</u>	<u>2,250,610</u>
Expenses						
Program services	2,179,547		2,179,547	2,173,700		2,173,700
Management and general	335,730		335,730	237,796		237,796
Fundraising	54,222		54,222	75,413		75,413
Total expenses	<u>2,569,499</u>	<u>-</u>	<u>2,569,499</u>	<u>2,486,909</u>	<u>-</u>	<u>2,486,909</u>
Change in net assets	(271,726)	(195,000)	(466,726)	(50,299)	(186,000)	(236,299)
Beginning net assets	<u>4,310,048</u>	<u>574,000</u>	<u>4,884,048</u>	<u>4,360,347</u>	<u>760,000</u>	<u>5,120,347</u>
Prior period adjustments	<u>480</u>		<u>480</u>			
Ending net assets	<u>\$ 4,038,803</u>	<u>\$ 379,000</u>	<u>\$ 4,417,803</u>	<u>\$ 4,310,048</u>	<u>\$ 574,000</u>	<u>\$ 4,884,048</u>

The accompanying notes are an integral part of these financial statements

JEWISH COMMUNITY CAMP AND RETREAT CENTER, INC.
dba CAMP MOUNTAIN CHAI
STATEMENTS OF FUNCTIONAL EXPENSES
December 31, 2017 and 2016

	2017				2016			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 733,279	242,126		\$ 975,406	\$ 622,169	165,271	41,444	\$ 828,884
Payroll taxes	60,082	28,126		88,208	61,250	16,189	4,076	81,515
Employee benefits	80,731	41,390		122,121	161,744	9,925	9,035	180,704
Total personnel costs	<u>874,092</u>	<u>311,643</u>	<u>-</u>	<u>1,185,734</u>	<u>845,163</u>	<u>191,385</u>	<u>54,555</u>	<u>1,091,103</u>
Advertising	85,701	67	3,922	89,690	56,307			56,307
Auto	65,820	112	-	65,932	73,847	6,101		79,948
Bad Debt Write Off	225	-	7,893	8,118	2,994			2,994
Bank Fees	34,091	579	275	34,944	38,935	32	293	39,260
Contractors - counselors	8,632			8,632	32,981			32,981
Depreciation	193,404			193,404	185,071			185,071
Direct expenses - program	220,483	(15,835)	41,909	246,557	215,000		20,087	235,087
Dues and subscriptions	10,240	811	-	11,051	11,104	164		11,268
Equipment and maintenance	97,368	2,803	-	100,171	90,935			90,935
Fire	11,776			11,776	(40,422)			(40,422)
Food	260,870	39	-	260,908	265,214	8		265,222
Insurance	52,080			52,080	47,987			47,987
Interest	13,236	17	-	13,253	15,316			15,316
Laundry	17,554			17,554	25,111			25,111
Loss on Disposal of Asset				-	6,550			6,550
Meetings	2,092	919	55	3,066	2,161	977	83	3,221
Miscellaneous	10			10	-	205		205
Office supplies	5,627	1,006	19	6,651	5,258	530	103	5,891
Postage	2,269	51	-	2,321	5,981	7	272	6,260
Printing	19,379	386	-	19,765	35,839	1,068		36,907
Professional fees and outside labor	16,495	7,547	-	24,042	80,214	9,794		90,008
Taxes, licenses, and permits	28,302	160	-	28,462	4,496	160		4,656
Technology	25,741	3,575	149	29,465	20,385	8,611		28,996
Telephone	12,083	597	-	12,680	9,830	1,906	20	11,756
Travel and entertainment	16,094	1,754	-	17,847	25,252	1,296		26,548
Occupancy/Utilities	105,885	19,500	-	125,384	112,191	15,552		127,743
Total expenses	<u>\$ 2,179,547</u>	<u>\$ 335,730</u>	<u>\$ 54,222</u>	<u>\$ 2,569,499</u>	<u>\$ 2,173,700</u>	<u>\$ 237,796</u>	<u>\$ 75,413</u>	<u>\$ 2,486,909</u>

The accompanying notes are an integral part of these financial statements

JEWISH COMMUNITY CAMP AND RETREAT CENTER, INC.

dba CAMP MOUNTAIN CHAI

STATEMENTS OF CASH FLOWS

December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ (466,726)	\$ (236,299)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	193,404	185,071
(Increase) decrease in assets:		
Accounts receivable	23,986	45,164
Employee Loans/Advances	10,508	(9,083)
Inventory	4,140	4,334
Pledges receivable	191,046	192,920
Discount on pledges receivable	(5,000)	(10,000)
Prepaid expenses and deposits	(9,224)	(6,555)
Increase (decrease) in liabilities:		
Accounts payable	49,474	25,683
Deposits payable	9,143	100,274
Accrued vacation	(142)	4,911
Net cash provided (used) by operating activities	609	296,420
 Cash flows from investing activities:		
Purchase of equipment	(47,370)	(114,019)
Net cash provided (used) by investing activities	(47,370)	(114,019)
 Cash flows from financing activities:		
Draw/(Payments) on line of credit	100,000	(100,000)
Funds due Foundation	(36,000)	25,000
Payments on notes payable	(126,083)	(106,380)
Net cash provided (used) by financing activities	(62,083)	(181,380)
 Net increase (decrease) in cash and cash equivalents	(108,844)	1,021
 Prior period adjustment	480	
 Beginning cash and cash equivalents	328,785	327,764
 Ending cash and cash equivalents	\$ 220,421	\$ 328,785

The accompanying notes are an integral part of these financial statements

JEWISH COMMUNITY CAMP AND RETREAT CENTER, INC.
dba CAMP MOUNTAIN CHAI
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

Note 1. Organization and Purpose

The Jewish Community Camp and Retreat Center, Inc. (the Camp) was incorporated on August 16, 2001. The Camp's purpose is to provide a camping and recreational retreat in an environment that supports and encourages Jewish values. The Camp operates two programs throughout the year: a conference center and a summer camp for Jewish children entering grades 3 through 12.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The Camp's financial statements have been prepared on the accrual basis of accounting. To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Camp are maintained in accordance with the principles of fund accounting. Under such principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

Financial Statements

The Camp reports information regarding its financial position and activities following U.S. generally accepted accounting principles. These standards require recording three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based on the existence or absence of donor-imposed restrictions. Unrestricted net assets are all resources over which the Board of Directors and management have discretion to use in carrying on unrestricted activities of the Camp in accordance with its by-laws. Temporarily or permanently restricted net assets are expendable only for purposes specified by the donor or grantor and/or 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. Temporarily restricted contributions which are received and expended during the year are included in unrestricted net assets at the Camp's fiscal year-end.

Summarized Prior Year Information

The financial statements include certain prior-year summarized information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Camp's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Accounts Receivable

Accounts receivable are recorded primarily for rental group revenues stated at estimated realizable value. The allowance for doubtful accounts, if any, is based on an analysis of expected collection rates determined from the Camp's history.

JEWISH COMMUNITY CAMP AND RETREAT CENTER, INC.
dba CAMP MOUNTAIN CHAI
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

Cash and Cash Equivalents

The Camp has defined cash and cash equivalents as cash in banks and certificates of deposits with an original maturity of three months or less.

Contributions

Contributions, including pledges recorded at estimated net realizable value, are recognized as revenues in the period received. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions.

When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction.

Credit Risk

Financial instruments that potentially subject the Camp to credit risk consist principally of cash and cash equivalents at financial institutions. At times, the balances in cash accounts may be in excess of the Federal Depository Insurance Corporation's (FDIC) insurance limits. Management continuously monitors the Camp's balances at financial institutions and has not incurred any losses in these accounts.

Management Review

Management has evaluated subsequent events through November 30, 2018, the date the financial statements were available to be issued.

Impairment of Long-lived (Fixed) Assets

The Camp evaluates its investment in long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use or disposition of an asset are less than the carrying value, a write-down will be recorded to reduce the related asset to its estimated fair value. To date, no such write-downs have occurred.

Income Tax Status

The Camp is a California not-for profit corporation exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California State Tax Code 23701(d), respectively, whereby only unrelated business income, as defined by Section 509(a)(1) of the Internal Revenue Code is subject to federal income tax. The Camp currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

Inventory

Inventory, if any, is stated at the lower of cost or fair value, cost being determined on a first-in, first-out basis.

JEWISH COMMUNITY CAMP AND RETREAT CENTER, INC.
dba CAMP MOUNTAIN CHAI
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

Donated Materials and Services

Donated materials and services are recognized as contributions if the materials or services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Camp. Volunteers provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Camp providing these services.

Property and Equipment (Fixed Assets)

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$1,000 and the useful life is greater than one year.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Note 3. Pledges Receivable

Pledges receivable are recorded as support income when pledged. Pledges that are to be collected in more than one year, or in multiple years, are recorded at discounted present value at the date they are pledged. They are revalued on a recurring, annual basis and the amortized discount adjustment is recorded as support income each year.

Pledges receivable at December 31, 2017 was \$416,034 with an unamortized discount of 25,000, resulting in a carrying value of \$391,034. \$200,000 will be paid by a donor by December 31 of each year-end for the years of 2018 through 2019 until paid in full. The additional \$16,034 is expected to be received in 2019.

JEWISH COMMUNITY CAMP AND RETREAT CENTER, INC.
dba CAMP MOUNTAIN CHAI
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
At December 31, 2016 -				
Pledges receivable	\$ <u>577,080</u>	\$ <u> </u>	\$ <u>577,080</u>	\$ <u> </u>
At December 31, 2017 -				
Pledges receivable	\$ <u>416,034</u>	\$ <u> </u>	\$ <u>416,034</u>	\$ <u> </u>

The discount rate used in the aforementioned present value calculation is the weighted average of the Camp’s incremental borrowing rates on line of credit, private notes, and bank notes payable (see Note 4 and 5), which meets the definition of a Level 2 input.

Note 4. Line of Credit

The Camp has a revolving line of credit with a bank in the amount of \$250,000, secured by the Camp’s business assets. On November 6, 2013 the Camp signed a new line of credit with Bank of America, renewed annually. Payment is due as a lump sum with an interest rate equal to the bank’s variable Prime rate plus 1.75%. The LOC was renewed in September 2018 with a new due date of November 1, 2019. At December 31, 2017 and 2016, the outstanding balance on the line of credit was \$250,000 and \$150,000 respectively. Interest paid was \$9,276 in 2017 and \$2,739 in 2016.

Note 5. Notes Payable

Notes payable at December 31, 2017 and 2016 consist of the following:

	<u>2017</u>	<u>2016</u>
Note payable refinanced with Bank of America on November 6, 2013, secured by business assets, currently bearing interest of 4.71%. 60 equal principal payments of \$7,027 are due beginning December 1 2013, which pays the \$375,000 original balance in total.	\$ 75,333	\$ 147,647

JEWISH COMMUNITY CAMP AND RETREAT CENTER, INC.
dba CAMP MOUNTAIN CHAI
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

Note payable to a related party (see Note 7), unsecured, bearing interest of 5% per annum, originally due November 2009, on extension. The remaining outstanding balance was forgiven as of March, 2017.

	0	53,769
	0	53,769
Total notes payable	\$ 75,333	\$ 201,416

Total interest paid in 2017 and 2016 totaled \$13,253 and \$15,316, respectively.

Note 6. Temporarily Restricted Net Assets

Prior temporarily restricted net assets consisted of pledges receivable outstanding, which were restricted for use in capital improvement projects by the donor. The assets were released from restriction upon receipt. Amortized discounts on pledges receivable are considered released from restriction in the year recognized. There was \$379,000 in temporarily restricted net assets as of December 31, 2017. Restrictions consist of half for camper tuition, half for capital improvements.

Additionally, the Camp receives significant contributions restricted to camper scholarships each year. These amounts are treated as temporarily restricted contributions and are generally released and expended in the year of receipt.

Note 7. Related Party Transactions

The Camp had no notes payable to related parties (see Note 5) as of December 31, 2017.

Note 8. Subsequent Events

The Camp evaluated subsequent events through November 30, 2018, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.