

MID-STATES HABONIM CAMPING ASSOCIATION, INC.

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2015

MID-STATES HABONIM CAMPING ASSOCIATION, INC.

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*Cupersmith, Wilensky,
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CERTIFIED PUBLIC ACCOUNTANTS

Neal A. Cupersmith, CPA (PA, NJ)
Martin B. Wilensky, CPA (PA, NJ, FL)
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To the Board of Directors
Mid-States Habonim Camping Association, Inc.
146 Red Hill Road
Ottsville, PA 18942

We have reviewed the accompanying financial statements of MID-STATES HABONIM CAMPING ASSOCIATION, INC.(a non-profit organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

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

Accountant's Conclusion

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

Report on Financial Statements and Supplementary Information

The 2014 financial statements were audited by us and we expressed an unmodified opinion on them in our report dated August 10, 2015. In addition, the 2014 supplementary information contained in Schedule I was subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Our report stated that the information was fairly stated in all material respects in relation to the financial statements as a whole. We have not performed any auditing procedures on either the financial statements or on the supplementary information since August 10, 2015.

Supplementary Information

The supplementary information included in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information, and accordingly, do not express an opinion on such information.

Cupersmith, Wilensky, Steiger, Stempler & Company, LLP

CUPERSMITH, WILENSKY, STEIGER, STEMPLER & COMPANY, LLP
Certified Public Accountants
Pennsauken, New Jersey

August 5, 2016

MID-STATES HABONIM CAMPING ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2014)

ASSETS

	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 669,215	\$ 686,889
Accounts receivable	21,129	41,301
Prepaid expenses	35,447	32,666
TOTAL CURRENT ASSETS	725,791	760,856
PROPERTY AND EQUIPMENT		
Land	30,000	30,000
Building and improvements	2,914,959	2,861,138
Machinery, equipment, furniture and fixtures	389,107	385,086
Vehicles	22,212	7,470
	3,356,278	3,283,694
Accumulated depreciation	1,121,586	1,030,018
	2,234,692	2,253,676
OTHER ASSETS		
Loan receivable - Na'aleh	15,000	15,000
Marketable securities	88,441	88,396
	103,441	103,396
	\$ 3,063,924	\$ 3,117,928
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 50,000	\$ 100,000
Accounts payable and accrued expenses	20,521	24,910
Deferred revenue	14,748	11,595
TOTAL CURRENT LIABILITIES	85,269	136,505
LONG-TERM DEBT, net of current portion	-	50,000
COMMITMENTS		
NET ASSETS		
Unrestricted	2,978,655	2,931,423
	\$ 3,063,924	\$ 3,117,928

See notes to financial statements.

MID-STATES HABONIM CAMPING ASSOCIATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE				
Tuition income	\$ 947,443	\$ -	\$ -	\$ 947,443
Less scholarships and discounts	(77,515)	-	-	(77,515)
Kupah income	3,150	-	-	3,150
HDNA dues	5,725	-	-	5,725
Contributions and donations	56,405	-	-	56,405
Miscellaneous income	3,785	-	-	3,785
Unrealized gain (loss) on fair value of investments	(2,933)	-	-	(2,933)
Interest and dividend income	3,956	-	-	3,956
TOTAL SUPPORT AND RECLASSIFICATIONS	940,016	-	-	940,016
EXPENSES				
Program services	739,549	-	-	739,549
Management and general	121,848	-	-	121,848
Fundraising	31,387	-	-	31,387
TOTAL EXPENSES	892,784	-	-	892,784
CHANGE IN NET ASSETS	47,232	-	-	47,232
BEGINNING NET ASSETS	2,931,423	-	-	2,931,423
ENDING NET ASSETS	\$ 2,978,655	\$ -	\$ -	\$ 2,978,655
				\$ 2,931,423

See notes to financial statements.

MID-STATES HABONIM CAMPING ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2014)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 47,232	\$ 217,673
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	94,538	91,642
Unrealized (gain) loss on marketable securities	2,933	(305)
<i>(Increase) decrease in:</i>		
Accounts receivable	20,172	11,855
Prepaid expenses	(2,781)	2,090
<i>Increase (decrease) in:</i>		
Accounts payable and accrued expenses	(4,389)	529
Deferred revenue	3,153	1,495
Total adjustments	113,626	107,306
 <i>Net cash provided by operating activities</i>	 160,858	 324,979
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in certificate of deposit	-	95,000
Capital expenditures	(75,655)	(49,168)
Purchase of marketable securities	(2,977)	(2,548)
<i>Net cash provided (used) by investing activities</i>	(78,632)	43,284
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(100,000)	(100,000)
Repayment of note payable	-	(21,365)
<i>Net cash used by financing activities</i>	(100,000)	(121,365)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,774)	246,898
CASH AND CASH EQUIVALENTS - BEGINNING	686,989	439,991
CASH AND CASH EQUIVALENTS - ENDING	\$ 669,215	\$ 686,889
 Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for:		
Interest	\$ -	\$ 479
Income taxes	\$ -	\$ -

See notes to financial statements.

MID-STATES HABONIM CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE A. Summary of Significant Accounting Policies

Nature of Activities

Mid-States Habonim Camping Association, Inc. ("Organization") was organized on August 17, 1950 as a private, non-profit corporation to operate a camp, athletic fields and swimming pools, recreational, lodging and boarding facilities for children and to conduct an educational, recreational and social organization for promotion and propagation of the ideals of American Jews. The Organization's revenue and support is primarily derived through tuition, private and corporate donations, government and other type grants.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Mid-States Habonim Camping Association, Inc. is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

The financial statements include certain prior year summarized comparative information in total but not by asset class. 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 Mid-States Habonim Camping Association, Inc.'s financial statements for the year ended September 30, 2014, from which the summarized information was derived.

Estimates

The preparation of financial statements in conformity with 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 those estimates.

Promises to Give

Contributions 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 in 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 temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

MID-STATES HABONIM CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE A. Summary of Significant Accounting Policies (continued)

Net Assets

Net assets are categorized according to externally (donor) imposed restrictions. A description of the net asset categories is as follows:

Unrestricted Net Assets - are those assets that are available for the support of operations and whose use is not externally restricted.

Temporarily Restricted Net Assets - are those assets whose use by the Organization has been limited by donors to a specific time period or purpose.

Permanently Restricted Net Assets - are those assets that the donor stipulates must be maintained by the Organization in perpetuity.

Cash and Cash Equivalents

Cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of three months or less. The Organization places its temporary cash investments with high credit quality financial institutions. At times such balances may be in excess of insurance limits.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Property and equipment are depreciated over their estimated useful lives using the straight-line method. Repairs and maintenance are expensed as incurred. Gains or losses on disposition of property and equipment are included as a change to net assets.

The estimated useful lives of property and equipment for depreciation purposes are:

Buildings and improvements	27½-39 years
Machinery, equipment, furniture and fixtures	5-7 years
Vehicles	5 years

Investments

The Organization follows the Not-For-Profit Entities subtopic of the FASB Accounting Standards Codification with respect to investments. Under this subtopic, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

MID-STATES HABONIM CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE A. Summary of Significant Accounting Policies (continued)

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the students and the Organization, but these services do not meet the criteria for recognition as contributed services.

Deferred Revenue

Deferred revenue includes deposits and tuition payments collected in advance of the summer camp season. The amount will be recognized ratably over the summer camp season periods.

Advertising

Advertising costs are expensed as incurred. Total advertising cost was \$2,967 for the year ended September 30, 2015.

Income Tax Status

The Organization is a non-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Organization is not a private foundation.

Functional Expenses

The costs of providing the various programs and other activities are reported on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and support services benefited.

Date of Management's Review

Management has evaluated subsequent events through August 5, 2016, the date on which the financial statements were available to be issued.

MID-STATES HABONIM CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE B. Fair Value Measurements

The Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs would be used only when Level 1 or Level 2 inputs were not available.

The fair value of investments at September 30, 2015 are summarized in the table below:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 83,002	\$ 83,002	\$ -	\$ -
Domestic equity securities	4,439	4,439	-	-
Israel bond	1,000	1,000	-	-
	<u>\$ 88,441</u>	<u>\$ 88,441</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE C. Note Payable

The Organization has a revolving line of credit with a bank with a total borrowing capacity of \$250,000. Interest is payable monthly at the Wall Street Journal prime rate, with a floor of 4.25%. The note is secured by a mortgage on real property in Ottsville, Pennsylvania. At September 30, 2015, the rate was 4.25%. Interest expense amounted to \$0 for the year ended September 30, 2015. There were no outstanding advances at September 30, 2015.

NOTE D. Long-Term Debt

Note payable, in the original amount of \$500,000, to construct an activities and administration building. The note is payable in equal quarterly installments of \$25,000, bears no interest and is secured by a standby letter of credit.

MID-STATES HABONIM CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE E. Income Taxes

In accordance with accounting pronouncements, the Organization has adopted the recognition requirements for uncertain income tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return only when it is determined that the income tax position will more likely than not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filings with federal and state jurisdictions where it operates. The Organization believes that the income tax filing positions will be sustained upon examination and does not anticipate any material adjustments that would result in a material effect on the Organization's financial statements. Accordingly, the Organization has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at September 30, 2015. The forms 990, *Returns of Organizations Exempt From Income Tax*, are subject to examination by federal and state taxing authorities, generally three years for federal and varying periods for states. The Organization's policy is to record income tax related interest and penalties, if any, in operating expenses.

NOTE F. Financial Statement Presentation

For the fiscal year ended September 30, 2015, the Organization reclassified a number of expenses, as well as expanding its expense account categories. The Organization believes that while this creates differences in comparing expenses with the prior year on the Schedule of Functional Expenses, it more appropriately reflects the use of the Organization's funds.

SUPPLEMENTARY INFORMATION

MID-STATES HABONIM CAMPING ASSOCIATION, INC.
SCHEDULE I - SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2014)

	2015				2014
	Program Services	Management and General	Fundraising	Total	Total
Advertising	\$ 2,374	\$ 297	\$ 296	\$ 2,967	\$ 13,197
Bad debt expense	1,080	-	-	1,080	-
Bank and credit card charges	18,934	191	-	19,125	23,149
Computer and internet expenses	9,830	-	-	9,830	-
Contributions	2,450	-	-	2,450	877
Depreciation expense	94,052	486	-	94,538	91,642
Dues, fees and inspections	2,539	940	-	3,479	11,203
Food	74,271	-	-	74,271	60,945
Fundraising	-	-	1,520	1,520	2,719
HDNA dues	35,932	-	-	35,932	35,225
Insurance	53,671	3,317	3,316	60,304	44,757
Interest	-	-	-	-	479
Kupah expenses	20,617	-	-	20,617	14,892
Medical services	6,123	-	-	6,123	2,867
Miscellaneous expenses	11,351	-	-	11,351	3,703
Office expenses	647	918	918	2,483	2,204
Outside services	63,641	-	-	63,641	29,438
Payroll	150,354	102,588	20,026	272,968	263,408
Payroll taxes	11,521	7,860	1,535	20,916	20,443
Postage and delivery expenses	1,711	-	-	1,711	-
Printing and reproduction	1,914	-	-	1,914	1,172
Professional fees	9,709	2,080	2,080	13,869	18,926
Program costs	29,487	-	-	29,487	29,111
Rent	1,560	1,559	1,559	4,678	5,395
Repairs and maintenance	64,889	-	-	64,889	40,105
Seminars and meetings	7,983	-	-	7,983	13,248
Staff training and procurement fees	14,245	-	-	14,245	-
Supplies	12,744	-	-	12,744	27,182
Telephone	4,308	138	137	4,583	4,451
Travel	7,063	-	-	7,063	10,703
Utilities	19,004	-	-	19,004	25,107
Vehicle expenses	5,545	1,474	-	7,019	8,919
	<u>\$ 739,549</u>	<u>\$ 121,848</u>	<u>\$ 31,387</u>	<u>\$ 892,784</u>	<u>\$ 805,467</u>

See notes to financial statements.