

Financial Statements

BRONX HOUSE - EMANUEL CAMPS, INC.
(D/B/A BERKSHIRE HILLS EISENBERG CAMP)

October 31, 2017

**BRONX HOUSE EMANUEL CAMPS, INC.
(D/B/A BERKSHIRE HILLS EISENBERG CAMP)
FOR THE YEAR ENDED
OCTOBER 31, 2017**

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INDEPENDENT AUDITORS' REPORT

**Bronx House - Emanuel Camps, Inc.
(D/B/A Berkshire Hills Eisenberg Camp)
To The Board of Directors**

We have audited the accompanying financial statements of Bronx House – Emanuel Camps, Inc. (a nonprofit organization D/B/A Berkshire Hills Eisenberg Camp), which comprise the statements of financial position as of October 31, 2017 and 2016, and the related statements of cash flows for the years then ended, and the related statements of activities and functional expenses for the year ended October 31, 2017, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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.

Bronx House – Emanuel Camps, Inc.
(D/B/A Berkshire Hills Eisenberg Camp)
To The Board of Directors

Auditors' Responsibility (Continued)

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 Bronx House – Emanuel Camps, Inc. as of October 31, 2017 and 2016, and the changes in its net assets for the year ended October 31, 2017 and its cash flows for the years ended October 31, 2017 and 2016 in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the 2016 statements of activities and functional expenses of Bronx House – Emanuel Camps, Inc. for the year ended October 31, 2016, and our report dated March 1, 2017 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein for the year ended October 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Leaf, Miele, Manganelli, Fortunato & Engel, PLLC
Certified Public Accountants

Fairfield, New Jersey
March 1, 2018

**BRONX HOUSE-EMANUEL CAMPS, INC.
(D/B/A BERKSHIRE HILLS EISENBERG CAMP)
STATEMENTS OF FINANCIAL POSITION
AT**

**OCTOBER 31,
2017 2016**

ASSETS

Cash and cash equivalents	\$ 816,875	\$ 961,871
Short term investments	506,569	301,673
Grants receivable	3,125	12,339
Unconditional promises to give	164,131	210,000
Camp enrollment fee receivable	17,831	13,300
Due from UJA pooled investment account	575,817	509,582
Prepaid expenses	7,955	38,927
Property and equipment, net of accumulated depreciation	<u>823,492</u>	<u>641,345</u>
TOTAL ASSETS	<u>\$ 2,915,795</u>	<u>\$ 2,689,037</u>

LIABILITIES

Accounts payable	\$ 32,788	\$ 100,304
Accrued expenses	17,778	15,663
Deferred revenue	<u>204,040</u>	<u>200,782</u>
TOTAL LIABILITIES	<u>254,606</u>	<u>316,749</u>

NET ASSETS

Unrestricted		
Undesignated	1,598,992	1,360,091
Board designated for reserve	<u>700,197</u>	<u>700,197</u>
Total unrestricted	2,299,189	2,060,288
Temporarily restricted	<u>362,000</u>	<u>312,000</u>
TOTAL NET ASSETS	<u>2,661,189</u>	<u>2,372,288</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,915,795</u>	<u>\$ 2,689,037</u>

The accompanying notes are an integral part of these financial statements.

BRONX HOUSE-EMANUEL CAMPS, INC.
(D/B/A BERKSHIRE HILLS EISENBERG CAMP)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2017
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED OCTOBER 31, 2016)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL 2017</u>	<u>TOTAL 2016</u>
Revenue and Support				
Grants	\$ 218,358	\$ -	\$ 218,358	\$ 290,534
Contributions - public support	187,882	50,000	237,882	511,698
Camp enrollment fees	1,928,952	-	1,928,952	1,917,620
Camper fees and other miscellaneous revenue	246,117	-	246,117	146,647
Total Revenue and Support	<u>2,581,309</u>	<u>50,000</u>	<u>2,631,309</u>	<u>2,866,499</u>
Expenses				
Program Services				
Summer Camp	1,421,246	-	1,421,246	1,318,261
Adult Vacation Center	458,297	-	458,297	467,783
Retreats	321,195	-	321,195	337,172
Total Program Services	2,200,738	-	2,200,738	2,123,216
Support Services				
Management and general	106,969	-	106,969	113,043
Fundraising	34,701	-	34,701	28,599
Total Expenses	<u>2,342,408</u>	<u>-</u>	<u>2,342,408</u>	<u>2,264,858</u>
Change in net assets	238,901	50,000	288,901	601,641
Net assets - beginning	<u>2,060,288</u>	<u>312,000</u>	<u>2,372,288</u>	<u>1,770,647</u>
Net assets - end	<u>\$ 2,299,189</u>	<u>\$ 362,000</u>	<u>\$ 2,661,189</u>	<u>\$ 2,372,288</u>

The accompanying notes are an integral part of these financial statements.

BRONX HOUSE-EMANUEL CAMPS, INC.
(D/B/A BERKSHIRE HILL EISENBERG CAMP)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED OCTOBER 31, 2017

(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED OCTOBER 31, 2016)

	Summer Camp	Adult Vacation Center	Retreats	Total Programs	Management & General	Fundraising	October 31,	
							2017 Total	2016 Total
Expenses								
Compensation	\$ 567,725	\$ 197,748	\$ 117,521	\$ 882,994	\$ 69,867	\$ 19,604	\$ 972,465	\$ 923,529
Payroll taxes	37,480	13,689	7,590	58,759	4,403	507	63,669	64,540
Employee benefits	81,231	18,388	6,546	106,165	7,024	3,927	117,116	110,662
Professional fees	7,123	5,843	1,205	14,171	14,000	-	28,171	28,069
Office expense	4,325	1,177	834	6,336	138	21	6,495	6,007
Office rent	14,165	2,235	1,243	17,643	6,461	746	24,850	24,850
Telephone, computer, and internet	17,107	7,753	1,303	26,163	158	6,890	33,211	30,580
Seasonal help expense	61,455	39,849	800	102,104	-	-	102,104	88,012
Camp programs and entertainment	223,033	52,381	8,639	284,053	69	190	284,312	288,915
Camp utilities	29,707	10,654	15,137	55,498	-	-	55,498	54,476
Camp supplies	164,203	37,524	90,057	291,784	-	-	291,784	296,677
Camp education and seminars	3,464	325	-	3,789	-	-	3,789	11,215
Bank and credit card fees	29,771	4,374	2,122	36,267	336	318	36,921	38,444
Travel and meals	16,516	2,854	2,622	21,992	391	1,703	24,086	21,534
Depreciation	36,337	16,715	16,715	69,767	2,180	727	72,674	58,668
Repairs and maintenance	68,079	24,414	16,646	109,139	-	-	109,139	113,020
Camp promotion	14,314	14	12,602	26,930	160	68	27,158	17,228
Dues, licenses, and miscellaneous	6,045	2,777	30	8,852	275	-	9,127	11,343
Insurance	39,166	19,583	19,583	78,332	1,507	-	79,839	77,089
Total Expenses	\$ 1,421,246	\$ 458,297	\$ 321,195	\$ 2,200,738	\$ 106,969	\$ 34,701	\$ 2,342,408	\$ 2,264,858

The accompanying notes are an integral part of these financial statements.

**BRONX HOUSE-EMANUEL CAMPS, INC.
(D/B/A BERKSHIRE HILLS EISENBERG CAMP)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED**

	OCTOBER 31,	
	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 288,901	\$ 601,641
Adjustments to Reconcile Change In Net Assets		
To Net Cash Provided By Operating Activities		
Depreciation	72,674	58,668
Investment income - UJA pooled investment account	(66,235)	(9,582)
(Increase) Decrease in:		
Grants receivable	9,214	12,526
Unconditional promises to give	45,869	(210,000)
Camp enrollment fee receivable	(4,531)	(6,473)
Prepaid expenses	30,972	3,893
Increase (Decrease) in:		
Accounts payable	(67,516)	70,031
Accrued expenses	2,115	(11,147)
Deferred revenue	3,258	37,086
Total Adjustments	<u>25,820</u>	<u>(54,998)</u>
Net Cash Provided By Operating Activities	<u>314,721</u>	<u>546,643</u>
Cash Flows From Investing Activities		
Purchase of short term investments	(204,896)	(301,673)
Purchase of property and equipment	(254,821)	(213,184)
Advances to UJA pooled investment account	-	(500,000)
Net Cash Used in Investing Activities	<u>(459,717)</u>	<u>(1,014,857)</u>
 Net decrease in cash and cash equivalents	 (144,996)	 (468,214)
Cash and cash equivalents - beginning of period	<u>961,871</u>	<u>1,430,085</u>
Cash and cash equivalents - end of period	<u><u>\$ 816,875</u></u>	<u><u>\$ 961,871</u></u>
 Supplementary Information:		
Interest paid during period	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid during period	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**BRONX HOUSE – EMANUEL CAMPS, INC.
(D/B/A BERKSHIRE HILLS EISENBERG CAMP)
NOTES TO FINANCIAL STATEMENTS
AT
OCTOBER 31, 2017 AND 2016**

NOTE 1 – NATURE OF ACTIVITIES

Founded in 1931, Bronx House Emanuel Camps, Inc. (the “Camp” or the “Organization” and D/B/A Berkshire Hills Eisenberg Camp) is a nonprofit charitable organization that owns and operates a camp located in the Berkshires on approximately 600 lakefront acres in Copake, New York for the purpose of enhancing camper personal development through its programs conducted in nature’s setting and emphasizing Jewish values. The Camp fulfills its mission through the wisdom of Jewish teaching and the experience of group living to build a community that reflects Jewish values, but welcomes persons of all faiths as campers.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The Camp maintains its accounts, as well as prepares its financial statements, on the accrual basis of accounting.

Basis of Presentation:

Financial statement presentation follows the provisions included in Financial Accounting Standards Board Accounting Standards Codification for “Not-For-Profit Entities”, which constitutes generally accepted accounting principles in the United States of America (“GAAP”) for non-profit entities such as the Organization. GAAP requires the Organization 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. At October 31, 2017 and 2016, the Organization had temporarily restricted net assets of \$362,000 and \$312,000, respectively, and no permanently restricted net assets.

Functional Allocation of Expenses:

The costs of providing the programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes:

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the charitable contribution deduction.

**BRONX HOUSE – EMANUEL CAMPS, INC.
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NOTES TO FINANCIAL STATEMENTS
AT
OCTOBER 31, 2017 AND 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates:

The preparation of financial statements in accordance with GAAP 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 dates of the financial statements, and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash Equivalents:

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid debt instruments with initial maturities of three months or less to be cash equivalents.

Short Term Investments:

Investments in certificates of deposits with original maturities exceeding three months are classified as short term investments and are presented at cost plus accrued interest.

Revenue and Support Recognition:

Contributions and grants received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions and grants are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 reported in the statement of activities as net assets released from restrictions. Contributions and grants that have met donor-imposed restrictions in the same reporting period, if any, are reported as unrestricted.

Unconditional promises to give which occurred before year-end are recorded as receivables and are recognized as support in the statement of activities on a net realizable value basis.

Camp enrollment fees, camper fees and other event fees are recognized as revenue for the specific summer or event for which the fees are received. Such fees received in advance are recognized as deferred revenue.

BRONX HOUSE – EMANUEL CAMPS, INC.
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NOTES TO FINANCIAL STATEMENTS
AT
OCTOBER 31, 2017 AND 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fair Value Measurements:

The provisions included in GAAP concerning “Fair Value Measurements and Disclosures”, define fair value, establish a framework for measuring fair value and expand disclosures about fair value measurements. These provisions apply to the Organization’s balance due from UJA pooled investment account, which is presented at fair value.

Investment Income:

The Organization’s investment income is reported as an increase in unrestricted net assets unless a donor or law temporarily or permanently restricts its use. For the years ended October 31, 2017 and 2016, all investment income has been classified as unrestricted.

Donated Services:

The Board of Directors donates significant amounts of their time in program activities. The value of this contributed time is not reflected in the accompanying financial statements because it does not meet the criteria for recognition provided in GAAP. In addition, no objective basis is available to measure the value of such services.

Summarized Comparative Data:

The amounts shown for the year ended October 31, 2016 in the accompanying statements of activities and functional expenses are included to provide a basis for comparison with October 31, 2017 and present summarized totals only. Accordingly, the October 31, 2016 totals are not intended to present all information necessary for a fair presentation in conformity with GAAP. Such information should be read in conjunction with the Organization’s financial statements for the year ended October 31, 2016 from which the summarized information was derived.

Compensated Absences:

The Organization provides for the carryover of up to 5 days of unused vacation time beyond the year. Management’s policy is to recognize this cost as paid rather than accrue for it at the statement of financial position dates because the amount is not considered material.

**BRONX HOUSE – EMANUEL CAMPS, INC.
(D/B/A BERKSHIRE HILLS EISENBERG CAMP)
NOTES TO FINANCIAL STATEMENTS
AT
OCTOBER 31, 2017 AND 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Recently Issued Accounting Standard Updates Not Presently Effective:

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU require not-for-profit organizations to improve their presentation and disclosures to provide more relevant information about their resources (and the changes in those resources) to their donors, grantors, creditors, and other users as applicable. This update stipulates qualitative and quantitative requirements in a number of areas, including net asset classes, investment return, expenses, liquidity and availability of resources, and presentation of operating cash flows. The amendments will be effective for the fiscal year ending October 31, 2019. The Organization is currently in the process of evaluating the impact of the adoption of this ASU on the financial statements.

On May 28 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers. The standard's core principle is that an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard will be effective for the fiscal year ending October 31, 2020. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the fiscal year ending October 31, 2021. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. The standard requires a financial asset (including accounts receivable) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of activities will reflect the measurement of credit losses for newly-recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the fiscal year ending October 31, 2022. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Management does not believe that any other recently issued, but not yet effective, accounting standard if currently adopted would have a material effect on the accompanying financial statements.

BRONX HOUSE – EMANUEL CAMPS, INC.
(D/B/A BERKSHIRE HILLS EISENBERG CAMP)
NOTES TO FINANCIAL STATEMENTS
AT
OCTOBER 31, 2017 AND 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Reclassification:

Certificates of deposit with original maturities exceeding three months that had been included in cash equivalents in the prior year financial statements have been reclassified as short term investments in accordance with the Organization's policy. As a result, cash and cash equivalents originally reported as \$1,263,544 at October 31, 2016 are now reported for comparative purposes as \$961,871, with the \$301,673 difference classified as short term investments, and adjusted accordingly on the October 31, 2016 statement of cash flows as well.

Subsequent Events:

The Organization has evaluated all subsequent events through March 12, 2018, the date the financial statements were available to be issued. No significant subsequent events were identified by management.

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

The Camp maintains its cash and cash equivalents and short term investments in accounts with various financial institutions. Such accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation at each financial institution. Balances of cash and cash equivalents and short term investments in excess of federally insured limits at October 31, 2017 and 2016 approximated \$817,000 and \$850,000, respectively. The Camp has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on those accounts.

Management does not believe the balance due from the United Jewish Appeal – Federation of Jewish Philanthropies of New York, Inc. ("UJA") pooled investment account is subject to substantial credit risk because of UJA's large net asset base and history of financial stability; however, as discussed in Note 5, the balance of the receivable is subject to the performance of UJA's investment portfolio which itself is subject to interest rate, credit and market risk.

**BRONX HOUSE – EMANUEL CAMPS, INC.
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NOTES TO FINANCIAL STATEMENTS
AT
OCTOBER 31, 2017 AND 2016**

NOTE 4 – PROMISES TO GIVE

Unconditional promises to give consists of the following at October 31, 2017 and 2016:

Amounts due in:	<u>2017</u>	<u>2016</u>
Less than one year	\$ 49,000	\$ 63,000
One to five years	<u>115,131</u>	<u>147,000</u>
Total	<u>\$ 164,131</u>	<u>\$ 210,000</u>

Unconditional promises to give due in more than one year have not been discounted and recognized at fair value because management deems the difference between cost and fair value as immaterial.

NOTE 5 – DUE FROM UJA POOLED INVESTMENT ACCOUNT AND FAIR VALUE MEASUREMENTS

The Organization has a balance receivable at October 31, 2017 and 2016 from the UJA advanced for the purpose of obtaining an investment return. The Organization and the UJA have agreed that the amount of UJA's repayment obligation to the Organization is derived from the performance of an investment portfolio which includes funds pooled from multiple participating organizations. Since the value of the balance receivable is based on the amount of funds advanced to UJA, as adjusted by the performance of UJA's investment portfolio from the date advanced, the balance receivable is subject to fair value measurement.

The Financial Accounting Standards Board (FASB) issued guidance on fair value measurements which establishes a framework for measuring fair value and requires additional disclosures about fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and requires that assets and liabilities carried at fair value be classified and disclosed in the following three levels of inputs, with Level 1 having the highest priority:

- Level 1 - Inputs based on quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar instruments in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The UJA's investment portfolio, in addition to investments valued at quoted prices, includes significant investments in asset classes such as hedge funds, private equity and real estate, which may be subject to unobservable valuation techniques. As a result, the Organization categorizes the balance receivable from the UJA, the value of which is based on the performance of the UJA's investment portfolio, as Level 3, as follows:

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NOTES TO FINANCIAL STATEMENTS
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**NOTE 5 – DUE FROM UJA POOLED INVESTMENT ACCOUNT AND FAIR VALUE
MEASUREMENTS (CONTINUED):**

	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
October 31, 2017	\$ <u>575,817</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>575,817</u>
October 31, 2016	\$ <u>509,582</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>509,582</u>

The Organization recognizes transfers of assets in and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels during the years ended October 31, 2017 and 2016.

The reconciliation of the opening and ending balances of this Level 3 asset valued at fair value on a recurring basis is as follows for the years ended October 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Balance receivable, beginning of year	\$ 509,582	\$ -0-
Advances to UJA	-0-	500,000
Allocated net investment return (included in camper fees and other miscellaneous revenue on statements of activities)	<u>66,235</u>	<u>9,582</u>
Balances receivable, end of year	\$ <u>575,817</u>	\$ <u>509,582</u>

The value of the receivable due from the UJA pooled investment account is exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with this balance, it is at least reasonably possible that changes in its value will occur in the near term, and that such changes could materially affect the balance of unrestricted net assets.

In addition, the UJA has agreed to repay any portion of the balance owed to the Organization by the end of the month following the Organization's stipulated request, subject to liquidity restrictions pertaining proportionately to the underlying investment portfolio and interim investment results.

BRONX HOUSE – EMANUEL CAMPS, INC.
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NOTES TO FINANCIAL STATEMENTS
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NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment acquired is stated at cost. Donated property and equipment is recognized at fair value as of the date donated. Additions, renewals and improvements of property and equipment over \$1,000 are capitalized. Expenditures for maintenance and repairs are expensed as incurred. The cost of property and equipment retired or sold, together with the related accumulated depreciation is removed from the appropriate accounts, and the resulting gain or loss is included in the statement of activities. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the related assets, and is not recorded until the related asset has been placed into service.

The value of the approximately 600 acres of land owned by the Camp in addition to the value of various residential, recreational, entertainment and dining facilities originally erected on the Camp's property were never capitalized in the Organization's financial statements, which is a departure from GAAP. However, management does not believe that the unrecognized remaining book value of the land and the facilities built thereon at the statement of financial position dates would be material to the financial statements given the 80 plus years the Camp has owned the land and the significant length of time that has elapsed from the time the facilities were erected. Moreover, the Organization's capitalization policy has been implemented to recognize the cost of recent renovation activity.

A summary of the Camp's property and equipment recognized in the financial statements is as follows at October 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>	<u>Estimated Useful Lives</u>
Vehicles	\$ 37,263	\$ 31,263	5 Years
Building	350,614	350,614	27 Years
Camp fixtures	220,091	220,091	7 - 10 Years
Building and property improvements	167,503	73,980	10 - 15 Years
Machinery and equipment	115,050	82,079	5 Years
Website	33,500	33,500	5 Years
Construction in progress	<u>122,327</u>	<u>-</u>	n/a
	1,046,348	791,527	
Less: accumulated depreciation	<u>222,856</u>	<u>150,182</u>	
Total property and equipment	<u>\$ 823,492</u>	<u>\$ 641,345</u>	

Construction in progress at October 31, 2017 consists largely of amounts relating to the construction of a pool and ballfield expected to be completed in 2018.

Depreciation expense for the years ended October 31, 2017 and 2016 amounted to \$72,674 and \$58,668, respectively.

**BRONX HOUSE – EMANUEL CAMPS, INC.
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NOTE 7 – NET ASSETS – TEMPORARILY RESTRICTED

Temporarily restricted net assets are restricted for the following purposes at October 31:

	<u>2017</u>	<u>2016</u>
Capital improvements to camp and/or special projects	\$ <u>362,000</u>	\$ <u>312,000</u>

NOTE 8 – RELATED PARTY TRANSACTIONS

During the years ended October 31, 2017 and 2016, the Organization received contributions approximating \$160,000 and \$350,000, respectively, from members of the Organization's board of directors and their affiliates.

NOTE 9 – INVESTMENT INCOME

Investment income is included in camper fess and other miscellaneous revenue in the statements of activities and consists of the following for the years ended October 31:

	<u>2017</u>	<u>2016</u>
Net investment return from UJA balance receivable	\$ 66,235	\$ 9,582
Interest income from short term investments	<u>4,896</u>	<u>1,470</u>
Total	<u>\$ 71,131</u>	<u>\$ 11,052</u>

NOTE 10 – RENT AND LEASE EXPENSE

The Organization leases office space on a month-to-month basis at approximately \$2,000 per month. Rent expense for the office space for the years ended October 31, 2017 and 2016 amounted to \$24,850.

In addition, the Organization leases an automobile. Vehicle lease expense for the years ended October 31, 2017 and 2016 approximated \$4,300 and \$2,800, respectively. The future minimum payments on the lease for each of the next three years and in the aggregate amount to the following:

October 31, 2018	\$ 3,854
2019	3,854
2020	<u>963</u>
	<u>\$ 8,671</u>

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NOTE 11 – ADVERTISING EXPENSE

Advertising is expensed as incurred and amounted to \$27,158 and \$17,228 for the years ended October 31, 2017 and 2016, respectively.

NOTE 12 – MULTIEMPLOYER PENSION PLAN

The Organization participates in the “Retirement Plan for Employees of United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. and Affiliated Agencies and Institutions (Part A)” (the “Plan”), which is a multiemployer pension plan. Contributions to the Plan are included in employee benefits on the statement of functional expenses, and amounted to \$35,068 and \$30,708 for the years ended October 31, 2017 and 2016, respectively.

The Employer Identification Number of the Plan is 51-0172429 and the three-digit plan number is 333. The Organization is not required to file an annual zone certification under the Pension Protection Act of 2006 (PPA) and disclosures concerning a financial improvement plan or a rehabilitation plan are not applicable. The Plan is at least 80% funded using the most recent financial information as of October 1, 2016, the beginning of the Plan year.

The risks of participating in multiemployer pension plans are different from single-employer plans. Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the Plan, the unfunded obligations of the Plan may be borne by the remaining participating employers.

In addition to regular contributions, the Organization could be obligated to pay additional amounts known as a withdrawal liability, if the multiemployer pension plan has unfunded vested benefits and the Organization decreases or ceases participation in that plan. The Organization has not recognized any estimated withdrawal liability expense at October 31, 2017 and 2016.

NOTE 13 – MAJOR DONORS

Of the grants reported in the Organization’s statements of activities for the years ended October 31, 2017 and 2016, approximately 92% and 97%, respectively, are attributable to grants made by the United Jewish Appeal – Federation of Jewish Philanthropies of New York, Inc.

In addition, approximately 32% and 24% of the Organization’s public support was attributable to one donor (a Camp board member) for the years ended October 31, 2017 and 2016, respectively.

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NOTE 14 – CAMP ENROLLMENT FEES

The components of camp enrollment fees are as follows for the years ended October 31:

	<u>2017</u>	<u>2016</u>
Summer camp	\$ 1,271,652	\$ 1,190,512
Adult vacations	315,201	336,307
Retreats	<u>342,099</u>	<u>390,801</u>
	<u>\$ 1,928,952</u>	<u>\$ 1,917,620</u>