The Louis August Jonas Foundation

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

LOUIS AUGUST JONAS FOUNDATON, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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Independent Auditor's Report

To the Board of Directors
Louis August Jonas Foundation, Inc.

We have audited the accompanying financial statements of Louis August Jonas Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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

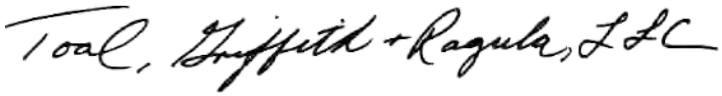
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 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 Louis August Jonas Foundation, Inc. as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



December 1, 2016

LOUIS AUGUST JONAS FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2016 AND 2015

	2016	2015
ASSETS		
Current Assets:		
Cash	$ 474,717	$ 471,570
Receivables	1,520	-
Prepaid Expenses	29,951	19,350
Investments	10,136,284	9,941,125
Total Current Assets	10,642,472	10,432,045
Fixed Assets:		
Land, Buildings and Equipment	2,584,422	2,494,004
Accumulated Depreciation	(1,708,492)	(1,668,877)
Net Fixed Assets	875,930	825,127
Other Assets:		
Security Deposits	15,760	12,295
Pledges Receivable, Non-Current	288,793	798,587
Total Other Assets	304,553	810,882
Total Assets	$ 11,822,955	$ 12,068,054
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	$ 29,492	$ 1,754
Total Current Liabilities	29,492	1,754
Total Liabilities	29,492	1,754
Net Assets:		
Unrestricted	10,499,764	10,309,065
Temporarily Restricted	890,199	1,353,735
Permanently Restricted	403,500	403,500
Total Net Assets	11,793,463	12,066,300
Total Liabilities and Net Assets	$ 11,822,955	$ 12,068,054

See auditor's report and accompanying notes to financial statements.

LOUIS AUGUST JONAS FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUES								
Contributions and Grants	$ 377,567	$ 249	$	$ 377,816	$ 563,401	$ 482,030	$ -	$ 1,045,431
Investment Income (Loss)	625,368	-	-	625,368	(1,081,921)	-	-	(1,081,921)
Net Assets Released from Restrictions	203,983	(203,983)	-	-	92,721	(92,721)	-	-
Total Support and Revenue	1,206,918	(203,734)	-	1,003,184	(425,799)	389,309	-	(36,490)
EXPENSES								
Program Services:								
Camp Rising Sun	780,432	-	-	780,432	851,893	-	-	851,893
Alumni Affairs	79,779	-	-	79,779	142,049	-	-	142,049
Total Program Expenses	860,211	-	-	860,211	993,942	-	-	993,942
Support Services:								
Management and Administrative	67,229	-	-	67,229	140,757	-	-	140,757
Fundraising	88,779	-	-	88,779	70,369	-	-	70,369
Total Support Services	156,008	-	-	156,008	211,126	-	-	211,126
Total Expenses	1,016,219	-	-	1,016,219	1,205,068	-	-	1,205,068
CHANGE IN NET ASSETS FROM OPERATIONS	190,699	(203,734)	-	(13,035)	(1,630,867)	389,309	-	(1,241,558)
Refund of Previously Recorded Pledges	-	(259,802)	-	(259,802)	-	-	-	-
INCREASE (DECREASE) IN NET ASSETS	190,699	(463,536)	-	(272,837)	(1,630,867)	389,309	-	(1,241,558)
NET ASSETS - BEGINNING OF YEAR	10,309,065	1,353,735	403,500	12,066,300	11,939,932	964,426	403,500	13,307,858
NET ASSETS - END OF YEAR	$ 10,499,764	$ 890,199	$ 403,500	$ 11,793,463	$ 10,309,065	$ 1,353,735	$ 403,500	$ 12,066,300

See auditor's report and accompanying notes to financial statements.

LOUIS AUGUST JONAS FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	Program Services	Management and Administrative	Fund Raising	2016 Total	Program Services	Management and Administrative	Fund Raising	2015 Total
Salaries	$ 363,268	$ 16,364	$ 50,916	$ 430,548	$ 503,866	30,987	30,714	565,567
Payroll Taxes	25,991	1,034	3,661	30,686	36,628	1,755	2,199	40,582
Deferred Contribution Plan	10,326	(1,363)	-	8,963	14,683	6,352	-	21,035
Workmen's Compensation	14,115	860	2,210	17,185	12,895	1,181	868	14,944
Total Salaries and Related Expenses	413,700	16,895	56,787	487,382	568,072	40,275	33,781	642,128
Alumni Affairs Expense	4,572	20	20	4,612	8,909	-	-	8,909
ARISE	591	-	-	591	1,500	-	-	1,500
Automobile Expense	4,760	4	4	4,768	20,419	1,069	-	21,488
Camper Related Expenses	79,552	171	43	79,766	66,554	312	-	66,866
Computer Expense	7,748	1,407	1,594	10,749	8,051	1,043	3,623	12,717
Food and Kitchen Supplies	41,682	338	338	42,358	41,090	-	-	41,090
Fundraising Events	4,720	103	10,984	15,807	329	-	13,078	13,407
GEJF	14,000	-	-	14,000	14,000	-	-	14,000
Insurance Expense	70,128	18,418	942	89,488	66,774	18,604	1,608	86,986
Office Expense	6,853	4,573	1,292	12,718	5,585	3,122	1,111	9,818
Postage	743	142	695	1,580	2,798	438	2,178	5,414
Printing	186	-	7	193	-	-	-	-
Professional Development	-	-	-	-	360	4,676	340	5,376
Professional Fees	49,759	11,627	8,491	69,877	38,084	37,133	5,750	80,967
Rent Expense	29,182	3,030	3,546	35,758	27,899	20,615	3,986	52,500
Repairs and Maintenance	56,322	-	-	56,322	39,748	-	-	39,748
Telephone	4,782	430	443	5,655	5,156	1,630	1,137	7,923
Travel Expense	3,979	210	1,303	5,492	9,760	5,095	1,561	16,416
Transaction Fees	1,351	8,296	2,027	11,674	-	4,142	1,890	6,032
Utilities	26,053	1,498	263	27,814	25,667	1,738	326	27,731
Total Expenses Before Depreciation Expense	820,663	67,162	88,779	976,604	950,755	139,892	70,369	1,161,016
Depreciation Expense	39,548	67	-	39,615	43,187	865	-	44,052
Total Expenses	$ 860,211	$ 67,229	$ 88,779	$ 1,016,219	$ 993,942	$ 140,757	$ 70,369	$ 1,205,068

See auditor's report and accompanying notes to financial statements.

LOUIS AUGUST JONAS FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	(272,837)	$ (1,501,360)
Adjustments to Reconcile Increase in Net Assets to		
Net Cash Used by Operating Activities:		
Depreciation Expense	39,615	44,052
Loss (Gain) on Investments	(438,362)	1,285,281
(Increase) Decrease in:		
Receivables	508,274	(37,958)
Prepaid Expenses	(10,601)	(1,127)
Security Deposits	(3,465)	-
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	27,738	(27,764)
Net Cash Used by Operating Activities	(149,638)	(238,876)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(14,925,189)	(3,011,264)
Purchases of Fixed Assets	(90,418)	-
Proceeds From Investments	15,168,392	3,553,989
Net Cash Provided By Investing Activities	152,785	542,725
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net Increase in Cash	3,147	303,849
Cash at Beginning of Year	471,570	167,721
Cash at End of Year	474,717	$ 471,570
Supplemental Information:		
Interest Paid	-	$ -
Taxes Paid	-	$ -

See auditor's report and accompanying notes to financial statements.

LOUIS AUGUST JONAS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Louis August Jonas Foundation, Inc. ("Foundation") is a New York based non-profit educational organization that was chartered in 1930 and has an 80-year history of successfully inspiring and developing young leaders to build a better world. To deliver its mission, the Foundation operates Camp Rising Sun ("CRS") a summer leadership program for promising young students from around the world. There is a boys program and a girls program, both in Rhinebeck, New York.

There is no tuition associated with participation in the program and no one can pay to attend. Boys and girls, ages 14 - 16, are selected, independently of financial means. Since its inception, The Foundation has awarded full scholarships to over 5,000 students representing 25 countries and 12 states.

The mission of the Foundation is supported through annual withdrawals from the portfolio and solicitation of contributions from alumni, parents of alumni, and other outside sources.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Basis of Presentation

The Foundation records unconditional promises to give (pledges) as receivables and revenues. The Foundation's reporting classifies resources for accounting and reporting purposes into three asset categories according to external (donor) restrictions. A description of the three net asset categories follows.

- Permanently Restricted - the portion of the net assets resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled and removed by actions of the Foundation pursuant to those stipulations.

- Temporarily Restricted - the portion of the net assets resulting from contributions or other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

- Unrestricted - the portion of the net assets that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

See Note 7 for further information on restricted net assets as of September 30, 2016 and 2015.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

Contributed non-cash assets are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as temporarily restricted support; in the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

In 2015, the Foundation recorded $452,745 in pledges towards a capital campaign to undertake substantial upgrades to one of the Foundation's Camp facilities. The capital project was cancelled due to substantially higher than expected costs and unfulfilled pledges. Of the donors, 41 requested a refund, and thus $259,802 was returned. The remaining funds are restricted to provide maintenance to that facility until further notice.

Land, Buildings, and Equipment

Fixed assets are recorded at cost, if purchased or fair market value at the date of donation. The Foundation capitalizes all fixed asset additions over $400. Depreciation expense charged to operations for the years ended September 30, 2016 and 2015 was $39,615 and $44,052, respectively. Depreciation is provided on the straight line method over the estimated useful lives of the assets as follows:

Vehicle	5 Years
Equipment	5-20 Years
Building and Improvements	5-50 Years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements 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.

Income Taxes

The Foundation has been granted tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code. It is classified by the Internal Revenue Service as other than a private foundation. There was no net unrelated business taxable income; consequently, no provision for income tax is reflected in the financial statements.

The Foundation informational return filings are subject to audit by the Internal Revenue Service, generally for three years after filing.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the changes in unrestricted net assets unless the donor or law restricts the income or loss.

Investment Risks

The Foundation's investment portfolios are professionally managed and contain preferred and common shares and bonds of publicly traded companies, corporate bonds, U.S. government obligations, mutual funds, and money market funds. Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that market conditions would materially affect investment balances and the amounts reported in the financial statements.

Statement of Cash Flows

For purposes of the statements of cash flows, cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

NOTE 2 - FAIR VALUE MEASUREMENTS

Subsequent Events

The Foundation evaluated subsequent events through the date that the financial statements were available to be issued. The Foundation is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to December 1, 2016 that would have a material impact on the financial statements.

The following table presents the Foundation's fair value hierarchy for the assets and liabilities measured at fair value on a recurring basis as of September 30, 2016:

2016	Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Cash and Cash Equivalents	$ 48,499	$ ---	$ ---	$ 48,499
Bonds – Corporate	---	52,151	---	52,151
Equities	205,593	---	---	205,593
Mutual Funds:				
Fixed Income	3,237,622	---	---	3,237,622
Domestic Stock	3,780,864	---	---	3,780,864
International Stock	2,526,679	---	---	2,526,679
Private Equity	---	---	284,876	284,876
Total Investments	$ 9,799,257	$ 52.151	$ 284,876	$ 10,136,284

The following table presents the Foundation's fair value hierarchy for the above assets and liabilities measured at fair value on a recurring basis as of September 30, 2015:

2015	Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Cash and Cash Equivalents	$ 461,620	$ ---	$ ---	$ 461,620
Bonds – Corporate	---	894,849	---	894,849
Bonds - Government	---	1,487,929	---	1,487,929
Mutual Funds	2,508,524	---	---	2,508,524
Equities	4,173,303	---	---	4,173,303
Private Equity	---	---	414,899	414,899
Total Investments	$ 7,143,447	$ 2,382,778	$ 414,899	$ 9,941,124

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

All assets are valued based on the market approach. Financial assets and liabilities valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using level 3 inputs were primarily valued using the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied. There have been no changes in valuation techniques and related inputs.

September 30, 2016

Beginning Balance	$	414,899
Total Gains or Losses (Realized and Unrealized)		5,239
Issuances and Settlements (Net)		(135,262)
Ending Balance	$	284,876

September 30, 2015

Beginning Balance	$	511,241
Total Gains or Losses (Realized and Unrealized)		47,158
Management Fees		(3,500)
Issuances and Settlements (Net)		(140,000)
Ending Balance	$	414,899

Realized and unrealized gains (losses) are included in investment income in the statements of activities and changes in net assets.

NOTE 3 - EMPLOYEE BENEFIT PROGRAMS

The Foundation offers a 401(k) voluntary employee deferred tax savings plan.

The Foundation also annually pays 5% of all full time employees' salaries into the plan. Plan expenses incurred by the Foundation for the years ended September 30, 2016 and 2015 were $8,964 and $21,035, respectively.

The Foundation also funds one deferred compensation plan. The Foundation has an agreement to pay the former executive director or his beneficiary $10,000 annually. This is included as an expense in the accompanying statements of functional expenses.

NOTE 4 - LAND, BUILDINGS, AND EQUIPMENT

A summary of land, buildings and equipment at September 30, 2015 and 2014 is as follows:

	2016	2015
Land	$ 262,668	$ 262,668
Buildings and Improvements	1,995,731	1,866,046
Equipment	305,826	299,762
Truck	20,197	20,197
Construction in Progress	---	45,331
	2,584,422	2,494,004
Less Accumulated Depreciation	(1,708,492)	(1,668,877)
Net Land, Building and Equipment	$ 875,930	$ 825,127

NOTE 5 - CONCENTRATIONS OF CREDIT RISK

The Foundation maintains a bank account at an institution that is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At September 30, 2016, the Foundation had no uninsured cash balances.

NOTE 6 - LEASE OBLIGATION

Effective February 15, 2016, the Foundation entered into a five year and two week lease for office space. This agreement expires February 28, 2021. The lease provides for no rent until May 1, 2016 at which point monthly rent payments are $2,387 with annual escalation. Rent expense for the years ended September 30, 2016 and 2015 was $35,758 and $52,500, respectively.

Future minimum lease payments required for the leases are as follows:

2017	$ 29,145
2018	30,018
2019	30,916
2020	31,843
2021	13,431
Total	$ 147,286

NOTE 7 - RESTRICTED NET ASSETS

Temporarily restricted net assets as of September 30, 2016 and 2015 are available for the following purposes:

	2016	2015
Scholarship Fund:		
Mascia Family	$ 26,092	$ 26,092
Mellins	280,494	280,494
Minnesota	81,492	69,435
Pavel Hristov	65,341	65,191
ARISE	6,613	6,613
Funds for the Arts	41,100	41,000
Camper – Travel	10,000	10,000
United For Kenya	10	10
Camp	90,264	452,745
Time Restricted	288,793	402,154
Total Temporarily Restricted Net Assets	$ 890,199	$ 1,353,734

The Foundation has permanently restricted net assets as of September 30, 2016 and 2015 of $403,500, respectively. The income derived from these monies is restricted for scholarships.