Financial Statements
September 30, 2018

Lions Camp Tatiyee, Inc.

Independent Accountant's Review Report

To the Board of Directors
Lions Camp Tatiyee, Inc.
Lakeside, Arizona

We have reviewed the accompanying financial statements of Lions Camp Tatiyee, Inc. (the Organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of September 30, 2018, and the related statements of support, revenue, and expenses – modified cash basis, and functional expenses – modified cash basis 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 Organization 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 these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

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 the modified cash basis of accounting. 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 the modified cash basis of accounting.

Basis of Accounting
We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Eide Bailly LLP

Phoenix, Arizona
December 1, 2018

Assets		
Cash	$	116,522
Related party note receivable		100,000
Property and equipment, net		526,542
Total assets	$	743,064
Liabilities and Net Assets		
Net Assets		
Unrestricted	$	622,490
Temporarily restricted		100,574
Permanently restricted		20,000
Total net assets		743,064
Total liabilities and net assets	$	743,064

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue				
Contributions	$ 594,158	$ 37,000	$ -	$ 631,158
Fundraising events	28,292	-	-	28,292
Miscellaneous revenue	8,401	-	-	8,401
Net assets released from restriction	11,426	(11,426)	-	-
Total Support and Revenue	642,277	25,574	-	667,851
Expenses				
Camp services	589,716	-	-	589,716
Administrative	35,134	-	-	35,134
Fundraising	29,323	-	-	29,323
Total Expenses	654,173	-	-	654,173
Change in Net Assets	(11,896)	25,574	-	13,678
Net Assets, Beginning of Year	634,386	75,000	20,000	729,386
Net Assets, End of Year	$ 622,490	$ 100,574	$ 20,000	$ 743,064

	Camp Services	Administrative	Fundraising	Total
Salaries	$ 255,277	$ 8,175	$ 19,075	$ 282,527
Payroll Taxes	31,235	1,000	2,334	34,569
Cost of direct benefit to donors	-	-	7,914	7,914
Accounting and Other Professional Fees	-	17,955	-	17,955
Supplies	29,202	-	-	29,202
Telephone	5,585	-	-	5,585
Postage and Printing	4,866	-	-	4,866
Rentals and Maintenance	21,606	-	-	21,606
Meals	39,725	-	-	39,725
Dues and Subscriptions	-	8,004	-	8,004
Utilities	38,435	-	-	38,435
Mileage	4,269	-	-	4,269
Lodging	331	-	-	331
Depreciation	47,826	-	-	47,826
Insurance	63,442	-	-	63,442
Other expense	24,238	-	-	24,238
Camp supplies	14,557	-	-	14,557
Travel	43	-	-	43
Recruitment and Training	9,079	-	-	9,079
	$ 589,716	$ 35,134	$ 29,323	$ 654,173

Note 1 - Nature of Operations and Significant Accounting Policies

Nature of Operations

Lions Camp Tatiyee, Inc. (the Organization) was formed as a nonprofit organization in December 1957. The Organization is structured to operate and maintain a summer camp in Eastern Arizona for special needs individuals.

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. That basis differs from generally accepted accounting principles in that certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation incurred. Consequently, the financial statements do not reflect such items as accounts receivable, prepaid expenses, accounts payable, and accrued expenses. Modifications to the cash basis of accounting include the capitalization of property and equipment and related depreciation expense and the recognition of notes receivable.

Notes Receivable

Notes receivable consist of amounts due from related parties (See Note 2) for the purchase of additional land for the camp. The carrying amount of accounts receivable may be reduced by a valuation allowance that reflects management's best estimate of uncollectable amounts. Management reviews receivable balances monthly and estimates the portion, if any, of the balances that will not be collected. As of September 30, 2018, management believes all accounts were collectible. Accordingly, no allowance for doubtful accounts was recorded.

Property and Equipment

Property and equipment are stated at cost and depreciated over their estimated useful lives. Donated assets are valued at their estimated fair value on the date donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years. The Organization has established a threshold of $1,000 for capitalization of depreciable assets.

The Organization reviews its property and equipment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recorded when the sum of the future cash flows is less than the carrying amount of the asset. An impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. No impairment loss was recorded for the year ended September 30, 2018.

Financial Statement Presentation

The Organization reports 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) based upon the existence or absence of donor-imposed restrictions.

Unrestricted Net Assets – Net assets available for use in general operations.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions of the Organization and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by the Organization's board of directors.

The Organization reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 reported in the statement of support, revenue, and expenses as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Organization. The restrictions stipulate that resources be maintained permanently but permit the Organization to expend the income generated in accordance with the provisions of the agreements.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Organization’s program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by the modified cash basis of accounting. Contributed goods are recorded at fair value at the date of donation. During the year ended September 30, 2018, the Organization received no in kind donations.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of support, revenue, and expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is organized as an Arizona nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and has been determined not to be a private foundation under Section 509(a)(1). Accordingly, contributions to it qualify for the charitable contribution deduction under Section 170(b)(1)(A)(vi). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is generally subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization has determined it has no taxable unrelated business income and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS, or its Arizona equivalent, Form 99-T.

Management believes that it has appropriate support for any income tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Use of Estimates

The preparation of financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Recent Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14 to improve presentation of financial statements for nonprofit entities. The ASU affects all nonprofit entities. The main provisions of this Update that will impact the Organization include:

- Present on the face of the statement of financial position amounts for two classes of net assets at the end of the period, rather than for the currently required three classes. The nonprofits will report amounts for net assets with donor restrictions and net assets without donor restrictions. They will also be required to present on the face of the statement of activities the amount of the change in each of the two classes of net assets rather than that of the currently required three classes.

- All nonprofits will now be required to disclose an analysis of expenses by both functional and natural classifications.

- All nonprofits will have to add disclosures regarding how they manage liquidity and information that communicates the availability of financial assets to meet cash needs for general expenditures.

- Changes in reporting underwater endowments.

This new standard will be effective for years beginning after December 15, 2017, or July 1, 2018 for the Organization. The standard requires retrospective application.

Subsequent Events

The Organization has evaluated subsequent events through December 1, 2018, the date which the financial statements were available to be issued.

Note 2 - Related Party Transactions

During the year ended September 30, 2009, the Organization entered into a note receivable with a related party. The principal balance of the note is $100,000 with an interest rate of 5%. The entire amount of the unpaid principal and interest was due and payable on December 31, 2014. Negotiations regarding a note extension are ongoing. The balance remaining outstanding at September 30, 2018 was $100,000.

The Organization has also pledged its dining hall as collateral on a $75,000 note between a related party and another nonprofit organization. The balance on the note payable at September 30, 2018 was $75,000.

Note 3 - Property and Equipment

Property and equipment consisted of the following at September 30, 2018:

Buildings and structures	$ 1,208,453
Furniture and fixtures	381,219
Leasehold improvements	668,860
Construction in progress	11,459
	2,269,991
Accumulated depreciation	(1,743,449)
	$ 526,542

Depreciation expense totaled $47,826 for the year ended September 30, 2018.

Note 4 - Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at September 30, 2018. The funds are to be used for future construction of a dormitory for the Camp. There were no time restricted net assets for the year ended September 30, 2018.

Restricted by donors for Camp dormitory	$ 100,574

For the year ended September 30, 2018, $11,426 net assets had been released from restriction for the purpose of the Camp dormitory.

Note 5 - Endowments

The Organization’s endowment (the Endowment) consists of a $20,000 contribution. Interest and dividend income generated from the Endowment is to be used for the Organization’s summer camp program. Net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions

- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

The Organization has adopted investment and spending policies for Endowment assets that attempt to provide a predictable stream of funding to programs supported by its Endowment while seeking to maintain the purchasing power of the Endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of directors, the Endowment assets are invested in money market funds to assume a low level of investment risk. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through current yield (interest and dividends). The Organization targets an asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

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Permanently restricted net assets are the portion of perpetual Endowment assets that are required to be retained permanently, either by explicit donor stipulation or by SPMIFA. Endowment assets are composed entirely of donor permanently restricted funds at September 30, 2018.

Changes in Endowment net assets for the year ended September 30, 2018 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance, September 30, 2017	$ (417)	$ -	$ 20,000	$ 19,583
Interest income (loss)	(1,537)	-	-	(1,537)
Appropriation of endowment assets for expenditure	-	-	-	-
Balance, September 30, 2018	$ (1,954)	$ -	$ 20,000	$ 18,046

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor of SPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets. In accordance with the modified cash basis of accounting, deficiencies of this nature that are reported in unrestricted net assets were $1,954 as of September 30, 2018.

Note 6 - Commitments and Contingencies

United States Forest Service Permit

The Organization has a permit with the United States Forest Service to operate the Camp. For the year ended September 30, 2018, the Organization did not renew the permit with the United States Forest Service and operated on a month to month agreement due to a land exchange transaction. The United States Forest Service exchanged the land where the Camp resides with a related party and subsequent to year end the Organization entered into an operating agreement with the related party to use the land for Camp purposes.

Legal Actions

The Organization may be a party to various legal actions arising from the normal course of business. In management's opinion, the Organization has adequate legal defenses and/or insurance coverage and does not believe the outcome of such legal actions will materially affect the Organization's operation and/or financial position.