

**MT. GRETNA CAMPMEETING ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND 2015**

MT. GRETNA CAMPMEETING ASSOCIATION, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

<u>TABLE OF CONTENTS</u>	<u>PAGE NO.</u>
Independent Accountants' Review Report	1 – 2
Statements of Assets, Liabilities and Net Assets – Modified Cash Basis	3
Statements of Revenues, Expenses, and Changes in Net Assets – Modified Cash Basis	4
Statements of Functional Expenses – Modified Cash Basis	5 – 6
Statements of Cash Flows – Modified Cash Basis	7
Notes to the Financial Statements	8 – 11



Vincent M. Garcia, CPA  
Matthew P. Garman, CPA  
Angela K. Shea, CPA  
William D. Oyster, CPA

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Managers  
Mt. Gretna Campmeeting Association, Inc.  
Mt. Gretna, Pennsylvania

We have reviewed the accompanying financial statements of Mt. Gretna Campmeeting Association, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of December 31, 2016 and 2015, and the related statements of revenues, expenses, and other changes in net assets – modified cash basis, functional expenses – modified cash basis and cash flows – modified cash basis for the years 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 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 American Institute of Certified Public Accountants. 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 reviews, 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.

Board of Managers  
Mt. Gretna Campmeeting Association, Inc.  
Page 2 of 2

**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.

*Garcia Garman & Shea, PC*

Lebanon, Pennsylvania  
April 12, 2017

MT. GRETNA CAMPMEETING ASSOCIATION, INC.  
 STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS  
 DECEMBER 31, 2016 AND 2015

ASSETS

	2016	2015
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 327,174	\$ 288,246
Inventory	263	807
	<b>\$ 327,437</b>	<b>\$ 289,053</b>
Total current assets	<b>\$ 327,437</b>	<b>\$ 289,053</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Credit cards payable (credit)	\$ -	\$ (66)
Payroll tax liability	1,879	1,635
	1,879	1,569
Total current liabilities	1,879	1,569
<b>NET ASSETS</b>		
Unrestricted		
Board designated	\$ 123,546	\$ 117,493
Other	179,074	148,095
Temporarily restricted	22,938	21,896
	325,558	287,484
Total net assets	325,558	287,484
Total liabilities and net assets	<b>\$ 327,437</b>	<b>\$ 289,053</b>

See accompanying notes and independent accountants' review report.

MT. GRETNA CAMPMEETING ASSOCIATION, INC.  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS -  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
<b>UNRESTRICTED NET ASSETS SUPPORT AND REVENUE</b>		
Assessments, net	\$ 370,782	\$ 348,553
Rentals	17,071	16,899
Community activities	270	15
Contributions	3,001	4,012
Easement	5,850	2,390
Sale of equipment	750	-
Interest income	250	242
	<b>397,974</b>	<b>372,111</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>		
Restrictions satisfied by expiration of time or purpose restriction	4,795	3,278
	<b>402,769</b>	<b>375,389</b>
<b>EXPENSES</b>		
Program	327,340	318,867
Management and general	38,069	36,539
Fundraising	328	308
	<b>365,737</b>	<b>355,714</b>
	<b>37,032</b>	<b>19,675</b>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Community activities	5,831	3,270
Interest income	6	6
Restriction satisfied by expiration of time or purpose restriction	(4,795)	(3,278)
	<b>1,042</b>	<b>(2)</b>
	<b>38,074</b>	<b>19,673</b>
Net assets, beginning (as previously reported)	287,484	268,823
Prior period restatement	-	(1,012)
	<b>287,484</b>	<b>267,811</b>
Net assets, ending	<b>\$ 325,558</b>	<b>\$ 287,484</b>

See accompanying notes and independent accountants' review report.

MT. GRETNA CAMPMEETING ASSOCIATION, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services	Administrative	Fund Raising	Total
<b>EXPENSES</b>				
Payroll expenses	\$ 30,298	\$ 24,513	\$ 275	\$ 55,086
Payroll taxes and processing	3,144	2,544	29	5,717
Employee health insurance	2,200	1,780	20	4,000
Utilities	194,670	-	-	194,670
Capital purchases	5,086	-	-	5,086
Grounds and maintenance	51,498	-	-	51,498
Insurance	14,503	763	-	15,266
Tabernacle building expense	4,628	-	-	4,628
Administrative costs	-	5,962	-	5,962
Property taxes	4,995	-	-	4,995
Truck and tractor costs	8,079	-	-	8,079
Community activities	5,050	-	-	5,050
Accounting fees	-	2,500	-	2,500
Contributions	2,300	-	-	2,300
Legal fees, net of recovery	-	-	-	-
Garage expenses	439	-	-	439
Playground	233	-	-	233
Communications	158	-	-	158
Newsletter	59	7	4	70
<b>Total expenses</b>	<b>\$ 327,340</b>	<b>\$ 38,069</b>	<b>\$ 328</b>	<b>\$ 365,737</b>

See accompanying notes and independent accountants' review report.

MT. GRETNA CAMPMEETING ASSOCIATION, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Services	Administrative	Fund Raising	Total
<b>EXPENSES</b>				
Payroll expenses	\$ 28,993	\$ 23,459	\$ 264	\$ 52,716
Payroll taxes and processing	3,114	2,520	28	5,662
Employee health insurance	1,742	1,409	16	3,167
Utilities	197,340	-	-	197,340
Capital purchases	29,750	-	-	29,750
Grounds and maintenance	21,947	-	-	21,947
Insurance	12,939	681	-	13,620
Tabernacle building expense	7,193	-	-	7,193
Administrative costs	-	4,845	-	4,845
Property taxes	4,730	-	-	4,730
Truck and tractor costs	4,341	-	-	4,341
Community activities	3,716	-	-	3,716
Accounting fees	-	2,990	-	2,990
Contributions	2,452	-	-	2,452
Legal fees, net of recovery	-	635	-	635
Garage expenses	411	-	-	411
Playground	-	-	-	-
Communications	199	-	-	199
Newsletter	-	-	-	-
<b>Total expenses</b>	<b>\$ 318,867</b>	<b>\$ 36,539</b>	<b>\$ 308</b>	<b>\$ 355,714</b>

See accompanying notes and independent accountants' review report.



MT. GRETNA CAMPMEETING ASSOCIATION, INC.  
 STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS  
 FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 38,074	\$ 19,673
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
(Increase) decrease in		
Inventory	544	60
Increase (decrease) in		
Credit cards payable (credit)	66	(713)
Payroll tax liability	244	507
	38,928	19,527
Net cash provided by operating activities	38,928	19,527
Net increase (decrease) in cash	38,928	19,527
Cash, beginning	288,246	268,719
Cash, ending	\$ 327,174	\$ 288,246

See accompanying notes and independent accountants' review report.

MT. GRETNA CAMPMEETING ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Business Activity

Mt. Gretna Campmeeting Association, Inc. (the Association) was established in 1892 in Mt. Gretna, Pennsylvania. The Association provides and maintains a proper, convenient, desirable and permanent residential community. The Association's revenue is comprised mainly of assessments on homeowners in the Campmeeting. The Association also rents out garages, storage shed and parking spots. Additional sources of revenue are from rental of space to a library as well as rental of the Tabernacle building to the public and revenue from community activities.

Basis of Accounting

The accompanying financial statements have been prepared using the modified cash basis of accounting. Revenue is recorded when received rather than when earned, expenses are recorded when paid rather than when incurred. Modifications from the cash basis of accounting include the recording of inventory, credit cards payable and payroll tax liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in FASB ASC 958-210-45. Under FASB ASC 958-210-45, the Association 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.

Revenue Recognition

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases 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 received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. There were no permanently restricted net assets as of December 31, 2016 or 2015.

Cash and Cash Equivalents

The Association considers all unrestricted highly liquid instruments purchased with maturity of three months or less at the time of acquisition, including all no-penalty certificates of deposit, to be cash equivalents.

Inventory

Inventory consists of commemorative picture books available for sale to the general public. Inventories are stated at lower of cost determined by the first-in, first-out (FIFO) method or market.

See independent accountants' review report.

MT. GRETNA CAMPMEETING ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Property and Equipment

The Association owns land, buildings, garages, a playground, water and sewer lines, a water tower and maintenance equipment. The Association also owns and operates certain nonresidential, noncommercial properties of the type normally owned and maintained by municipal governments. These include roadways, parklands, sidewalks and street lights. Access to or use and enjoyment of these infrastructure items is extended to the general public and is not restricted to members only. The Association has not maintained a record of its capital or infrastructure assets.

Compensated Absences

Employees of the Association are not entitled to paid vacation or sick days. Accordingly, the Association has no accrual for compensated absences.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Tax Exempt Status

The Association is exempt from state and federal income taxes under Internal Revenue Code Section 501(c)(4) as a civic league. Accordingly, no provision for income taxes is made in the financial statements. The Association's open audit periods are 2013 through 2015. The Financial Accounting Standards Board issued FASB ASC 740-10, (formerly, FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*), which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose uncertain tax positions taken on its tax return. The Association believes that it has appropriate support for tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements. The Association has qualified as a "Community" because it meets the following criteria:

- Serves a community which bears a reasonable relationship to an area ordinarily identified as governmental.
- Does not conduct activities directed to the exterior maintenance of private residences.
- It has common areas or facilities for the use by the general public.

Use of Estimates

The preparation of financial statements required management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Risk

The Federal Deposit Insurance Corporation (FDIC) insures accounts at financial institutions up to \$250,000 per institution. The Association has accounts at a financial institution that from time to time may exceed the insurance obtained through FDIC.

See independent accountants' review report.

MT. GREтна CAMPMEETING ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Donated Services

The Association receives a substantial amount of services donated by individuals in carrying out its programs. In accordance with requirements of Financial Accounting Standards Board FASB ASC 958-605-25-16 (formerly Statement No. 116, *Accounting for Contributions Received and Contributions Made*), no amounts have been reflected in the financial statements for those services because the requisite specialized skills are not present.

**NOTE 2 – BOARD DESIGNATED NET ASSETS**

The Board designated various funds for future capital projects. Net assets were board designated as of December 31, for the following purposes:

	2016	2015
Seiders	\$ 42,117	\$ 42,096
Capital improvement project fund	73,189	68,188
Motor vehicle	-	4,819
Tree maintenance	8,240	2,390
	\$ 123,546	\$ 117,493

**NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS**

Net assets were temporarily restricted as of December 31, for the following purposes:

	2016	2015
Heritage Festival	\$ 7,244	\$ 6,274
Campmeeting Heritage Park	15,694	15,622
	\$ 22,938	\$ 21,896

**NOTE 4 – ASSESSMENTS AND RENTS**

Homeowner assessments are billed either annually (due by April 1<sup>st</sup>) or in three installments (due on February 15<sup>th</sup>, May 15<sup>th</sup> and August 15<sup>th</sup>) during the year. If the second payment in a three installment arrangement is missed, the entire balance becomes due on June 30<sup>th</sup>. In a few cases, the Association invoices homeowners on a monthly basis. Assessments are recorded net of a 2% discount if paid by April 1<sup>st</sup>, and a 10% penalty if paid after June 30<sup>th</sup> for the single installment option or after August 15<sup>th</sup> for the three installment option. A 20% penalty is assessed on payments after September 30<sup>th</sup>. Annual homeowner assessments were \$1,550 for 2016 and \$1,450 for 2015 on 240 household units.

Garage, shed, library space and parking is rented and invoiced on an annual basis. A \$50 security deposit is required on garage and shed rentals. The Tabernacle and pavilion are rented for special events. The Association does not issue leases for any of its rental activities.

See independent accountants' review report.

MT. GREтна CAMPMEETING ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

**NOTE 5 – SUBSEQUENT EVENTS**

The Association's management has evaluated subsequent events through April 12, 2017, the date of this report, which is the date the financial statements were available to be issued.

See independent accountants' review report.