

**MT. GRETNNA CAMPMEETING ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

MT. GRETNNA CAMPMEETING ASSOCIATION, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2015

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## 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 statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2015, and the related statement 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 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 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 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.

Board of Managers  
Mt. Gretna Campmeeting Association, Inc.  
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**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  
March 31, 2016

MT. GRETNNA CAMPMEETING ASSOCIATION, INC.  
 STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS  
 DECEMBER 31, 2015

ASSETS

**CURRENT ASSETS**

Cash and cash equivalents	\$ 288,246
Inventory	<u>807</u>
	<u><u>807</u></u>
Total current assets	<u><u>\$ 289,053</u></u>

LIABILITIES AND NET ASSETS

**CURRENT LIABILITIES**

Credit cards payable (credit)	\$ (66)
Payroll tax liability	<u>1,635</u>
	<u><u>1,635</u></u>
Total current liabilities	<u><u>1,569</u></u>

**NET ASSETS**

Unrestricted	
Board designated	\$ 117,493
Other	148,095
Temporarily restricted	<u>21,896</u>
	<u><u>21,896</u></u>
Total net assets	<u><u>287,484</u></u>
Total liabilities and net assets	<u><u>\$ 289,053</u></u>

See accompanying notes and independent accountants' review report.

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

**UNRESTRICTED NET ASSETS SUPPORT AND REVENUE**

Assessments, net	\$ 348,553
Rentals	16,899
Community activities	15
Contributions	4,012
Easement	2,390
Interest income	<u>242</u>
	<u>372,111</u>

**NET ASSETS RELEASED FROM RESTRICTIONS**

Restrictions satisfied by expiration of time or purpose restriction	<u>3,278</u>
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Total unrestricted support, revenue and other support	375,389
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**EXPENSES**

Program	318,867
Management and general	36,539
Fundraising	<u>308</u>
Total expenses	<u>355,714</u>

Increase (decrease) in unrestricted net assets	<u>19,675</u>
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**TEMPORARILY RESTRICTED NET ASSETS**

Community activities	3,270
Interest income	6
Restriction satisfied by expiration of time or purpose restriction	<u>(3,278)</u>
Increase (decrease) in temporarily restricted net assets	<u>(2)</u>

Change in net assets	<u>19,673</u>
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Net assets, beginning (as previously reported)	268,823
Prior period restatement	<u>(1,012)</u>

Net assets, beginning (as restated)	<u>267,811</u>
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Net assets, ending	<u>\$ 287,484</u>
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See accompanying notes and independent accountants' review report.

**MT. GRETNA CAMPMEETING ASSOCIATION, INC.**  
**STATEMENT 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 activites	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
Communications	199	-	-	199
 Total expenses	 \$ 318,867	 \$ 36,539	 \$ 308	 \$ 355,714

See accompanying notes and independent accountants' review report.

**MT. GRETNNA CAMPMEETING ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 19,673
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
(A) decrease in	
Inventory	60
Increase (decrease) in	
Credit cards payable (credit)	(713)
Payroll tax liability	<u>507</u>
Net cash provided by operating activities	<u>19,527</u>
Net increase (decrease) in cash	19,527
Cash, beginning	<u>268,719</u>
Cash, ending	<u>\$ 288,246</u>

See accompanying notes and independent accountants' review report.

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

MT. GRETNNA CAMPMEETING ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 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 2012 through 2014. 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. GRETNA CAMPMEETING ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 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, 2015, for the following purposes:

	<u>2015</u>
Seiders	\$ 42,096
Capital improvement project fund	68,188
Motor vehicle	4,819
Tree maintenance	<u>2,390</u>
 Total board designated funds	 <u>\$ 117,493</u>

**NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS**

Net assets were temporarily restricted as of December 31, 2015, for the following purposes:

	<u>2015</u>
Heritage Festival	\$ 6,274
Campmeeting Heritage Park	<u>15,622</u>
 Total temporarily restricted net assets	 <u>\$ 21,896</u>

**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 \$1,450 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. GRETNNA CAMPMEETING ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**NOTE 5 – RESTATEMENT**

The prior period has been restated to increase cash by \$116 for a prior period error and to increase payroll tax liability by \$1,128 to record the prior period ending balance.

**NOTE 6 – SUBSEQUENT EVENTS**

The Association's management has evaluated subsequent events through March 31, 2016, the date of this report, which is the date the financial statements were available to be issued.