

**CAMP ORCHARD HILL, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

AND

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

CAMP ORCHARD HILL, INC.
DALLAS, PENNSYLVANIA
DECEMBER 31, 2019 AND 2018

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Camp Orchard Hill, Inc.
Dallas, Pennsylvania 18612

We have reviewed the accompanying financial statements of Camp Orchard Hill, Inc. (a not-for-profit organization) which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, cash flows and functional expenses 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

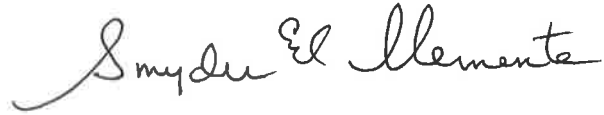
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements 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 accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' 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 accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Snyder & Clemente".

CAMP ORCHARD HILL, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 506,731	\$ 260,235
Accounts Receivable	33,880	19,555
Inventory	10,191	8,657
Prepaid Expenses	<u>10,993</u>	<u>4,288</u>
 TOTAL CURRENT ASSETS	 561,795	 292,735
 PROPERTY AND EQUIPMENT, NET	 3,159,004	 3,266,798
 DEFERRED FINANCING COSTS, NET	 <u>2,788</u>	 <u>2,928</u>
 TOTAL ASSETS	 <u>\$ 3,723,587</u>	 <u>\$ 3,562,461</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 21,078	\$ 20,253
Accounts Payable - Trade	24,128	24,206
Accrued Expenses	6,776	7,331
Deferred Revenue	<u>171,370</u>	<u>120,936</u>
 TOTAL CURRENT LIABILITIES	 223,352	 172,726
 NONCURRENT MATURITIES OF LONG-TERM DEBT	 <u>611,438</u>	 <u>632,516</u>
 TOTAL LIABILITIES	 <u>834,790</u>	 <u>805,242</u>
 NET ASSETS		
Net Assets without Donor Restrictions	2,714,538	2,750,126
Net Assets with Donor Restrictions	<u>174,259</u>	<u>7,093</u>
 TOTAL NET ASSETS	 <u>2,888,797</u>	 <u>2,757,219</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,723,587</u>	 <u>\$ 3,562,461</u>

See Notes to Financial Statements.

CAMP ORCHARD HILL, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>2019</u>	<u>2018</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES AND GAINS		
Summer Camp	\$ 636,775	\$ 688,505
Retreats and Rentals	712,971	676,031
Contributions	74,286	82,241
Apple Tree Store	63,204	65,476
Other Income	14,449	12,399
Interest Income	<u>3,076</u>	<u>1,851</u>
 TOTAL REVENUES AND GAINS WITHOUT DONOR RESTRICTIONS	 1,504,761	 1,526,503
 NET ASSETS RELEASED FROM RESTRICTIONS	 <u>156,704</u>	 <u>163,443</u>
 TOTAL REVENUES, GAINS AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	 <u>1,661,465</u>	 <u>1,689,946</u>
 EXPENSES		
Program Services	1,404,544	1,396,304
Management and General	204,742	209,673
Fundraising	<u>90,817</u>	<u>92,006</u>
 TOTAL EXPENSES	 <u>1,700,103</u>	 <u>1,697,983</u>
 INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	 <u>(38,638)</u>	 <u>(8,037)</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Support for Camp Scholarships	103,947	96,208
Support for Outreach Ministries	16,926	22,326
Support for Capital Assets and Group Projects	206,047	52,002
Net Assets Released from Restrictions	<u>(156,704)</u>	<u>(163,443)</u>
 INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	 <u>170,216</u>	 <u>7,093</u>
 CHANGE IN TOTAL NET ASSETS	 131,578	 (944)
NET ASSETS - BEGINNING	<u>2,757,219</u>	<u>2,758,163</u>
NET ASSETS - ENDING	<u>\$ 2,888,797</u>	<u>\$ 2,757,219</u>

See Notes to Financial Statements.

CAMP ORCHARD HILL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 131,578	\$ (944)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Donated Property and Equipment Included in Support	(1,694)	-
Depreciation and Amortization Expense	175,443	173,436
Contributions Restricted for Purchase of Capital Assets	(204,352)	(47,992)
Changes in Assets and Liabilities		
Accounts Receivable	(14,325)	1,618
Inventory	(1,534)	3,787
Prepaid Expenses	(6,705)	(2,028)
Accounts Payable	(78)	2,624
Accrued Expenses	(555)	(260)
Deferred Revenue	<u>50,434</u>	<u>12,506</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>128,212</u>	 <u>142,747</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	<u>(65,815)</u>	<u>(58,388)</u>
 NET CASH USED IN INVESTING ACTIVITIES	 <u>(65,815)</u>	 <u>(58,388)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of Long-Term Debt	(20,253)	(19,460)
Proceeds from Restricted Contributions	<u>204,352</u>	<u>47,992</u>
 NET CASH PROVIDED BY FINANCING ACTIVITIES	 <u>184,099</u>	 <u>28,532</u>
 NET INCREASE (DECREASE) IN CASH	 246,496	 112,891
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>260,235</u>	 <u>147,344</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 506,731</u>	 <u>\$ 260,235</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
Interest Paid	\$ 25,938	\$ 26,470

See Notes to Financial Statements.

CAMP ORCHARD HILL, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>2019</u>			Total
	Program	Supporting Services		
	Services	Management	Fundraising	
Salaries and Wages	\$ 480,553	\$ 85,375	\$ 42,500	\$ 608,428
Benefits	62,530	6,000	-	68,530
Payroll Taxes	37,131	6,532	3,251	46,914
Programs	161,899	-	-	161,899
Camp Scholarships	102,816	-	-	102,816
Advertising and Promotion	-	-	45,066	45,066
Food Service	160,201	-	-	160,201
Office Supplies and Expense	-	29,989	-	29,989
Repairs and Maintenance	40,477	-	-	40,477
Supplies and Utilities	81,727	-	-	81,727
Insurance	52,918	-	-	52,918
General Expense	11,354	46,860	-	58,214
Apple Tree Store Supplies and Expense	37,635	-	-	37,635
Consulting Expense	-	3,908	-	3,908
Interest Expense	-	25,938	-	25,938
Depreciation and Amortization	175,303	140	-	175,443
TOTAL EXPENSES	<u>\$ 1,404,544</u>	<u>\$ 204,742</u>	<u>\$ 90,817</u>	<u>\$ 1,700,103</u>

	<u>2018</u>			Total
	Program	Supporting Services		
	Services	Management	Fundraising	
Salaries and Wages	\$ 483,377	\$ 84,259	\$ 41,000	\$ 608,636
Benefits	64,254	6,000	-	70,254
Payroll Taxes	37,175	6,447	3,136	46,758
Programs	149,570	-	-	149,570
Camp Scholarships	93,156	-	-	93,156
Advertising and Promotion	-	-	47,870	47,870
Food Service	175,848	-	-	175,848
Office Supplies and Expense	-	27,325	-	27,325
Repairs and Maintenance	39,358	-	-	39,358
Supplies and Utilities	81,448	-	-	81,448
Insurance	49,173	-	-	49,173
General Expense	12,183	48,838	-	61,021
Apple Tree Store Supplies and Expense	37,466	-	-	37,466
Consulting Expense	-	10,194	-	10,194
Interest Expense	-	26,470	-	26,470
Depreciation and Amortization	173,296	140	-	173,436
TOTAL EXPENSES	<u>\$ 1,396,304</u>	<u>\$ 209,673</u>	<u>\$ 92,006</u>	<u>\$ 1,697,983</u>

See Notes to Financial Statements.

CAMP ORCHARD HILL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Operations and Organization:

Camp Orchard Hill, Inc. (the "Camp") is a not-for-profit corporation. The Camp began operations in 1973 and was incorporated in the Commonwealth of Pennsylvania in 2000. The Camp's purpose is to reach children and youth with the gospel of Jesus Christ and to challenge them to live a Christ-like life. The Camp carries out its purpose by operating a year round facility including summer residential and day camps, winter retreats and other church related groups. Programs involve campers in physical recreation, social interaction and spiritual growth. The Camp's operations are located in Dallas, Pennsylvania. Its primary service area includes Delaware, Maryland, New Jersey, Virginia, New York and Pennsylvania.

B. Basis of Accounting:

The Camp prepares its financial statements on the accrual method of accounting recognizing revenue when earned and expenses when incurred. Accordingly, the statements give effect to receivables, payables, deferrals, and accrued items.

C. Recognition of Donor Restrictions:

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

D. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

E. Cash and Cash Equivalents:

For purposes of the Statement of Cash Flows, the Camp considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

F. Promises to Give:

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

G. Inventory:

Inventory is valued using the specific identification method and is stated at cost and has been provided by management. Inventory consists primarily of camp store items held for resale.

CAMP ORCHARD HILL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

H. Property and Equipment:

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Camp reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Camp reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment is carried at historical cost or estimated historical cost provided by management. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. It is the Camp's current policy to capitalize property and equipment over \$1,000. Lesser amounts are generally expensed.

I. Donated Materials and Services:

Donated materials, equipment and services, when received, are reflected as contributions in the accompanying statements at their estimated fair values at date of receipt.

J. Deferred Financing Costs:

Costs associated with obtaining financing are amortized using the straight-line method over the term of the related loan. Amortization was \$140 and \$140 in 2019 and 2018, respectively.

K. Deferred Revenue:

Deferred revenue represents amounts which have met asset recognition criteria, but for which revenue recognition criteria have not been met.

L. Revenue Recognition:

The Camp derives its revenue primarily from the fees charged to participate in various programs offered by the Camp and from fees charged for the use of Camp facilities. The Camp also receives public and private donations for operating expenses or capital improvements. The Camp does not have any contracts with donors or other parties that would provide any adjustment of revenue between accounting periods.

M. Advertising:

Advertising costs are expensed as incurred. Advertising and promotional costs for the years ended December 31, 2019 and 2018 were \$32,993 and \$29,649, respectively.

CAMP ORCHARD HILL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

N. Statement of Functional Expenses:

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The following expenses are allocated on the basis of estimate of time and effort: salaries and wages: payroll taxes, health insurance, and retirement expense.

O. Income Taxes:

Effective July 3, 2014 the Camp is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Camp is subject to business income taxes on any unrelated business activity income. The Camp's Form 990, *Return of Organization Exempt from Income Tax*, for the years 2016 thru 2019 is subject to examination by the IRS, generally for three years after it was filed. Prior to 2014 the Camp was part of a group exemption with the Evangelical Free Church of America, which is exempt under Section 501(a) of the Internal Revenue Code.

P. Date of Management's Review:

Subsequent events were evaluated through April 14, 2020, which is the date the financial statements were available to be issued.

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production across a range of industries. The extent of the impact of COVID-19 on the operational and financial performance of the Company will depend on certain developments, including the duration and spread of the outbreak, the impact on our customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

Q. Reclassification:

Certain accounts relating to the prior year have been reclassified to conform to the current year presentation with no effect on previously reported change in net assets.

2. CONCENTRATIONS

- A. The Camp maintains its cash, including cash investments, with two financial institutions. The bank balances are insured up to Federal Deposit Insurance Corporation limits. Investment certificates deposited with Christian Investors Financial are not FDIC or SIDC insured. The Camp's uninsured cash and investment certificates balances at December 31, 2019 and 2018 were \$176,879 and \$140,803, respectively.

CAMP ORCHARD HILL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

3. AVAILABILITY OF RESOURCES AND LIQUIDITY

The Camp's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 506,731	\$ 260,235
Accounts Receivable	<u>33,880</u>	<u>19,555</u>
Financial Assets at Year-End	540,611	279,790
Less those Unavailable for General Expenditures Restricted by Donor with Time or Purpose Restrictions	<u>(174,259)</u>	<u>(7,093)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 366,352</u>	<u>\$ 272,697</u>

As part of the Camp's liquidity management, it has a policy to structure financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	\$ 149,327	\$ 149,327
Land Improvements	808,483	798,145
Buildings and Building Improvements	3,815,742	3,763,335
Major Moveable Equipment	106,283	106,103
Minor Moveable Equipment	<u>179,749</u>	<u>174,986</u>
TOTAL	5,059,584	4,991,896
Less: Accumulated Depreciation	<u>(1,900,580)</u>	<u>(1,725,098)</u>
PROPERTY AND EQUIPMENT, NET	<u>\$ 3,159,004</u>	<u>\$ 3,266,798</u>

CAMP ORCHARD HILL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

5. LONG-TERM DEBT

	<u>2019</u>	<u>2018</u>
Construction loan - Christian Investors Foundation secured by real property. The loan shall be in an amount not to exceed the principal sum of \$700,000 and shall bear interest on so much of the principal sum advanced for the construction of a dining hall facility. The note requires 12 monthly interest payments beginning January 1, 2015 with interest calculated on the unpaid principal balances at a rate of 4% per annum. Beginning January 1, 2016 the note requires 48 consecutive monthly payments of principal and interest at 4% and 240 monthly principal and interest payments beginning January 1, 2020 with interest based on the applicable index plus 3%. The note is due to mature December 1, 2039.	\$ 632,516	\$ 652,769
Less Current Portion	21,078	20,253
LONG-TERM DEBT	\$ 611,438	\$ 632,516

The aggregate amount of required principal payments as of December 31, 2019 is as follows:

<u>YEARS ENDING DECEMBER 31:</u>	
2020	\$ 21,078
2021	21,937
2022	22,831
2023	23,761
2024	24,729
Thereafter	518,180
TOTAL	\$ 632,516

Interest expense for the years ended December 31, 2019 and 2018 was \$25,938 and \$26,470, respectively:

CAMP ORCHARD HILL, INC.
NOTES TO FINANCIAL STATEMENTS
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6. OBLIGATIONS UNDER NONCANCELLABLE OPERATING LEASES

The Camp currently leases office equipment under a noncancellable operating lease. The lease is for sixty months with monthly payments of \$194 each and will expire September 2021.

Future minimum lease payments, by year and in the aggregate, under noncancellable operating leases with terms of one year or more consist of the following at December 31, 2019.

YEARS ENDING DECEMBER 31:

2020	\$ 2,332
2021	<u>1,749</u>
TOTAL MINIMUM LEASE PAYMENTS	<u>\$ 4,081</u>

Rental expense for the year ended December 31, 2019 and 2018 amounted to \$3,875 and \$3,761, respectively.

7. RESTRICTIONS ON ASSETS

Net assets with donor restrictions are available for the following purposes:

	<u>2019</u>
Facilities Growth - Cabin Project	<u>\$ 174,259</u>
TOTAL	<u>\$ 174,259</u>

8. PENSION PLAN

The Camp sponsors a SIMPLE-IRA retirement plan. Retirement plan expenses were \$2,596 and \$3,316 in 2019 and 2018, respectively.

CAMP ORCHARD HILL, INC.
NOTES TO FINANCIAL STATEMENTS
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9. EFFECTS OF NEW PRONOUNCEMENTS

The following pronouncement went into effect for the year ended December 31, 2019:

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") Number 2014-09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Camp adopted the new standard effective January 1, 2019, the first day of the Camp's fiscal year, using the full retrospective method.

The adoption of this ASU did not have any impact on the Camp's financial statements. The majority of the Camp's revenue arrangements generally consist of contributions from the general public and user fees which are recorded when received based on the Camp's evaluation process and review of its contracts with contributors. The timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of this adoption, nor was the statement of financial position affected by this adoption.