

CAMP HILL VILLAGE KIMBERTON HILLS, INC.

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2022

CAMP HILL VILLAGE KIMBERTON HILLS, INC.

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Camphill Village Kimberton Hills, Inc.
Kimberton, Pennsylvania

Opinion

We have audited the accompanying financial statements of Camphill Village Kimberton Hills, Inc. (a non-profit organization), which comprise the statement of financial position as of March 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camphill Village Kimberton Hills, Inc. as of March 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Camphill Village Kimberton Hills, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Camphill Village Kimberton Hills, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Camphill Village Kimberton Hills, Inc. internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Camphill Village Kimberton Hills, Inc. ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

McCarthy & Co., P.C.

October 31, 2022
Blue Bell, PA

CAMP HILL VILLAGE KIMBERTON HILLS, INC.

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2022

ASSETS

ASSETS

Cash and Cash Equivalents	\$	951,389
Investments		6,289,001
Accounts Receivable		33,901
Grants Receivable		202,000
Prepaid Expenses		18,183
Inventory		103,116
Property and Equipment		<u>8,174,863</u>

TOTAL ASSETS	\$	<u>15,772,453</u>
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LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$	30,365
Sales Tax Payable		179
Deferred Revenues		84,197
Payroll Liabilities		1,765
Security Deposits		7,926
Conditional Contribution Payable		<u>57,276</u>

TOTAL LIABILITIES		181,708
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NET ASSETS

Without Donor Restrictions		
Designated by the Governing Board		4,790,707
No Restrictions		1,491,579
Net Investment in Property and Equipment		8,174,863
With Donor Restrictions		<u>1,133,596</u>

TOTAL NET ASSETS		<u>15,590,745</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u>15,772,453</u>
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See independent auditors' report and notes to financial statements.

CAMPBILL VILLAGE KIMBERTON HILLS, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Eliminations</u>	<u>TOTAL</u>
REVENUE				
Contributions	\$ 1,455,107	\$ 312,862	\$ -	\$ 1,767,969
Resident Fees	1,449,617	-	-	1,449,617
Product Sales	458,179	-	(103,599)	354,580
Rental Income	98,382	-	-	98,382
Special Events, Net of Expenses	80,074	-	-	80,074
Investment Income	100,864	-	-	100,864
Loss on Investments	(80,583)	-	-	(80,583)
Net Assets Released From Restrictions	<u>420,479</u>	<u>(420,479)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE	3,982,119	(107,617)	(103,599)	3,770,903
EXPENSES				
Program Fees				
Farm	359,767	-	-	359,767
Processed Goods	48,484	-	-	48,484
Residential Program	<u>1,983,806</u>	<u>-</u>	<u>(103,599)</u>	<u>1,880,207</u>
	2,392,057	-	(103,599)	2,288,458
Supporting Services				
Management and General	291,414	-	-	291,414
Development	<u>218,755</u>	<u>-</u>	<u>-</u>	<u>218,755</u>
	<u>510,169</u>	<u>-</u>	<u>-</u>	<u>510,169</u>
TOTAL EXPENSES	<u>2,902,226</u>	<u>-</u>	<u>(103,599)</u>	<u>2,798,627</u>
CHANGES IN NET ASSETS	1,079,893	(107,617)	\$ -	\$ 972,276
NET ASSETS BEGINNING OF YEAR	<u>13,377,256</u>	<u>1,241,213</u>		
NET ASSETS END OF YEAR	<u>\$ 14,457,149</u>	<u>\$ 1,133,596</u>		

See independent auditors' report and notes to financial statements.

CAMPHILL VILLAGE KIMBERTON HILLS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED MARCH 31, 2022

	<u>Farm</u>	<u>Processed Goods</u>	<u>Residential</u>	<u>Management and General</u>	<u>Development</u>	<u>Total Before Eliminations</u>	<u>Eliminations</u>	<u>Total</u>
Salaries	\$ -	\$ -	\$ 61,448	\$ 188,649	\$ 153,165	\$ 403,262	\$ -	\$ 403,262
Payroll Taxes	-	-	4,944	15,134	12,332	32,410	-	32,410
Employee Benefits	-	-	5,331	39,930	20,428	65,689	-	65,689
Total Salaries and Payroll Taxes	-	-	71,723	243,713	185,925	501,361	-	501,361
Co-workers' Expense	-	-	472,405	-	-	472,405	221	472,184
Dues and Subscriptions	4,950	(264)	1,298	1,776	2,698	10,458	-	10,458
Education and Training	3,532	-	13,575	702	-	17,809	-	17,809
Food	-	-	217,939	-	-	217,939	65,138	152,801
Insurance	6,507	3,618	55,676	4,336	2,907	73,044	-	73,044
Occupancy	3,000	-	-	-	-	3,000	3,000	-
Operational Supplies	146,912	9,864	123,558	3,478	1,009	284,821	13,043	271,778
Medical	-	-	112,562	-	-	112,562	15,049	97,513
Professional Services	39,383	385	200,470	28,600	14,573	283,411	-	283,411
Public Relations	4,191	-	7,839	202	306	12,538	-	12,538
Real Estate Taxes	2,000	-	1,326	-	-	3,326	-	3,326
Repairs and Maintenance	24,419	11,240	94,680	-	-	130,339	1,577	128,762
Telephone	4,892	314	32,634	4,813	1,235	43,888	-	43,888
Travel, Meetings and Cultural Activity	-	-	15,297	-	5,750	21,047	4,621	16,426
Utilities	13,338	4,481	116,133	3,757	1,653	139,362	950	138,412
Vehicle Expense	39,649	-	83,902	37	2,699	126,287	-	126,287
Inventory Change	(22,525)	-	-	-	-	(22,525)	-	(22,525)
Total Expenses Before Depreciation and Amortization	270,248	29,638	1,621,017	291,414	218,755	2,431,072	103,599	2,327,473
Depreciation and Amortization	89,519	18,846	362,789	-	-	471,154	-	471,154
Total Expenses	<u>\$ 359,767</u>	<u>\$ 48,484</u>	<u>\$ 1,983,806</u>	<u>\$ 291,414</u>	<u>\$ 218,755</u>	<u>\$ 2,902,226</u>	<u>\$ 103,599</u>	<u>\$ 2,798,627</u>

See independent auditors' report and notes to financial statements.

CAMPBILL VILLAGE KIMBERTON HILLS, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in Net Assets	\$ 972,276
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:	
Depreciation and Amortization	471,154
(Gain) on Sale of Property and Equipment	(10,004)

ASSETS - (INCREASE)

Accounts Receivable	(6,417)
Grants Receivable	(194,283)
Prepaid Expenses	(7,880)
Inventory	(34,034)

LIABILITIES - INCREASE/(DECREASE)

Accounts Payable	(46,531)
Sales Tax Payable	62
Deferred Revenues	973
Payroll Liabilities	1,765
Security Deposits	2,006
Conditional Contribution Payable	<u>(480,963)</u>

**NET CASH AND CASH EQUIVALENTS PROVIDED BY
OPERATING ACTIVITIES**

668,124

CASH FLOWS FROM INVESTING ACTIVITIES

Net Change in Investments	231,959
Purchases of Property and Equipment	(1,160,404)
Proceeds on Sale of Property and Equipment	<u>17,329</u>

**NET CASH AND CASH EQUIVALENTS (USED) BY
INVESTING ACTIVITIES**

(911,116)

NET (DECREASE) IN CASH AND CASH EQUIVALENTS

(242,992)

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR

1,194,381

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 951,389

See independent auditors' report and notes to financial statements.

CAMPBILL VILLAGE KIMBERTON HILLS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Camphill Village Kimberton Hills, Inc. (the "Village") is incorporated as a tax-exempt 501(c)(3) not-for-profit Pennsylvania corporation providing residential community living for individuals with intellectual and developmental disabilities. Donor contributions, residential fees and product sales are the Village's primary source of revenue.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 958, Not-for-Profit Organizations, as amended by Accounting Standards Update No. 2016-14. Under the provisions ASU No. 2016-14, the Village is required to report information regarding its financial position and activities according to two classes of net assets, net assets with donor restrictions and net assets without donor restrictions. As a part of its regular operations, the Village has internal transactions between its various programs. These are included in the Statements of Activities and Functional Expenses and eliminated to arrive at the changes in net assets and total expenses, respectively.

The financial statements are presented on the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Village considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Village provides for losses on accounts receivable using the allowance method. The allowance is based on experience, communications with residents or customers, and other circumstances, which may affect the ability of residents or customers to meet their obligations. Management believes all accounts receivable as of March 31, 2022 are fully collectible. Accordingly, no reserve for bad debts exists at March 31, 2022.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

CAMPBILL VILLAGE KIMBERTON HILLS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Village capitalizes purchased property and equipment at cost. Donations of property and equipment are capitalized at their estimated fair value at the date contributed. Such donations are reported as contributions without donor restrictions 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 contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Village reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Village reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to fifty years.

Contribution Revenue

Contributions received are recorded as increases in net assets with donor restrictions and net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Contributions of donated non-cash assets are recorded at their fair values in the period received. The non-cash contributions for the year ended March 31, 2022 total \$25,000 and are included in contributions, assets and various expenses.

Revenue Recognition and Performance Obligations – Program Fees and Sales

The Village adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 606, “Revenue from Contracts with Customers” (ASC 606) and all related amendments effective April 1, 2021. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also added Subtopic 340-40, Other Assets and Deferred Costs—Contracts with Customers, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. The Village adopted the standard using the modified retrospective method approach, however, there was no cumulative-effect adjustment required to be recognized at the date of adoption. The adoption of ASC 606 did not have a material impact on the Village’s financial position, results of activities, or cash flows.

The recognition under ASC 606 has been applied to the Village’s program fees and sales revenue, including the following:

CAMPBILL VILLAGE KIMBERTON HILLS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Performance Obligations – Program Fees and Sales (Continued)

Resident fees: The Village charges non-coworker residents a monthly fee for housing and living expenses provided. Fees are typically invoiced on a monthly basis, and revenue is recognized over time as services are rendered. When resident fees are paid in lump sums for a period that is greater than a month, the amount related to future periods is recorded as deferred revenue on the Statement of Financial Position until services are performed. The Village's services for its residents represent a bundle of services that are not capable of being distinct and as such, are treated as a single performance obligation satisfied over time as services are rendered.

Product sales: The Village's mission-related farming and crafting operations generate both point of sale and subscription-based sales. Sales that are made at a point in time are recognized as revenue at the time of sale. The Village's point of sale transactions include milk and cheese sales at the dairy farm and craft sales through various venues. Subscription sales include seasonal shares for the community supported agriculture (CSA) garden. Subscriptions are generally paid up front for the season. The Village records the revenue on the Statement of Financial Position as deferred revenue when it is received, and recognizes the revenue ratably over the duration of the subscription period. The performance obligations related to the sale of products is the transfer of those products to the purchaser. For point of sale transactions, this occurs at the time of sale. For subscription sales, this occurs over a set period of time as determined by the contract.

Non-mission rentals: The Village owns several houses and buildings that are rented to tenants who are uninvolved in the Village's mission. Rental income is invoiced on a monthly basis and is recognized as revenue during the applicable period of residency. As with resident fees, when rental income is received for future periods, it is recorded as deferred revenue on the Statement of Financial Position and is recognized as revenue over time as the performance obligations are met. The performance obligation for rentals is the use of the leased premises according to the terms of the lease agreement.

Contract Balances (Deferred Revenues)

The timing of revenue recognition, billings and cash collections related to program fees and sales and non-program rentals results in billed accounts receivable and customer advances and deposits (deferred revenue) on the Statement of Financial Position.

For resident fees and rental income, amounts are billed on a monthly basis according to the terms of the contracts. Generally for these transactions, billing, revenue recognition and cash collection occur within the same period, with occasional delays in cash collection resulting in billed accounts receivable. In some instances, the Village receives advances from residents and tenants, before revenue is recognized, resulting in deferred revenue. Deferred revenue is a contract liability and is recognized in revenue as the service obligations are performed.

For subscription sales, the full subscription is billed up front, resulting in a deferred revenue (contract liability) balance at the beginning of the contract term. Revenue is recognized ratably over the term of the subscription contract, reducing the deferred revenue over time.

CAMP HILL VILLAGE KIMBERTON HILLS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract Balances (Deferred Revenues) (Continued)

The beginning and ending contract balances were as follows:

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Accounts Receivable	<u>\$ 33,901</u>	<u>\$ 27,484</u>
Deferred Revenues	<u>\$ 84,197</u>	<u>\$ 83,224</u>

Revenue recognized for the year ended March 31, 2022 that was included in the deferred revenues (contract liability) balance at the beginning of the year was \$83,224. The full deferred revenue balance as of March 31, 2022 is expected to be recognized as revenue during the year ended March 31, 2023.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation, which is allocated based on the specific use of the underlying assets.

Donated Services

The Village is generally operated by full-time resident co-workers who are part of the Camphill Movement and do not receive wages for their services; however, they are provided food, lodging and clothing, and other necessities. The co-workers, together with the mentally handicapped residents, perform whatever services are required to maintain and operate the residences and the farm. No amounts have been reflected in the statement of activities for these services in that they do not meet the criteria for recognition.

Sales Tax

The State of Pennsylvania imposes a sales tax on certain sales. The Village collects the sales tax and remits the entire amount to the state. The Village's accounting policy is to exclude the tax collected and remitted from revenue

Income Taxes

The Village is organized under the Pennsylvania Nonprofit Corporation Law of 1988 (as amended) exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986. It is exempt from Federal and Pennsylvania income taxes. The Village recognizes the potential income tax and any related penalties and interest arising from uncertain tax positions using a recognition threshold of more likely than not to be sustained upon examination by the appropriate authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Potential interest and penalties are recognized as a component of the provisions for income taxes.

CAMPBILL VILLAGE KIMBERTON HILLS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Village has concluded that there are no taxes, penalties or interest resulting from uncertain positions that would materially impact the financial statements at March 31, 2022.

The Village's tax filings are subject to audit by various tax authorities. The Village believes that their current tax positions are appropriate based on the current facts and circumstances.

NOTE 2 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

FASB ASC 820-10, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon transparency of inputs into the valuation of the fair value of the asset or liability at the measurement date. The three levels are defined as follows:

Level 1 – Represented by quoted prices that are available in an active market.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity's own assumption about the market risk.

Fair values of assets measured on a recurring basis at March 31, 2022 are as follows

	Fair Value <u>(Level 1)</u>
Investments in Stocks and Bonds – Morgan Stanley	<u>\$ 6,289,001</u>

Investment income includes dividends and interest. Investment advisory fees of \$46,822 are netted against investment income and are reported on the statement of activities. Gains on investments reported on the statement of activities include both realized and unrealized gains and losses.

NOTE 3 - GRANTS RECEIVABLE

Grants receivable as of March 31, 2022 consist of charitable trust grants of \$200,000 and individual promises to pay of \$2,000. Receivables of \$102,000 are expected to be collected in less than one year, and the remaining \$100,000 is expected to be collected within two years.

NOTE 4 - INVENTORY

Inventory at March 31, 2022 consists of livestock and related items and is stated at the lower of cost or market value.

CAMP HILL VILLAGE KIMBERTON HILLS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - VILLAGE OPERATIONS

One of the programs of the Village is the production of farm products. The co-workers, together with the mentally-handicapped residents, provide the labor used in the program. The products produced are consumed by the residents of the Village and are also sold to the general public. The Village also performs various maintenance services to the residential houses and the equipment used in the production of the farm goods. The costs and maintenance incurred in the production of the goods are recorded as residential costs and included in various income items. These inter-operational income and expenses are eliminated on the statement of activities.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost with depreciation computed on the straight-line method over the estimated useful lives. The cost of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. The fair value of donated assets is similarly capitalized. Land is not depreciated.

Property and equipment at March 31, 2022 consist of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Carrying Value</u>
Land	\$ 1,791,447	\$ -	\$ 1,791,447
Building and Improvements	11,322,258	5,746,225	5,576,033
Equipment and Fixtures	<u>1,451,280</u>	<u>800,143</u>	<u>651,137</u>
	14,564,985	6,546,368	8,018,617
Construction in Progress	<u>156,246</u>	<u>-</u>	<u>156,246</u>
	<u>\$ 14,721,231</u>	<u>\$ 6,546,368</u>	<u>\$ 8,174,863</u>

Depreciation expense for the year ended March 31, 2022 was \$471,154.

NOTE 7 - BOARD DESIGNATED NET ASSETS

As of March 31, 2022, the Board has designated the following amounts for the purpose indicated:

Capital Needs	\$ 937,351
Co-Workers Support	1,041,173
Employee's Retirement	25,599
Founders Fund	499,566
Land Development Rights	1,407,482
Medical Emergency	760,193
Master Plan	<u>119,343</u>
	<u>\$ 4,790,707</u>

NOTE 8 - CONCENTRATIONS OF CREDIT RISK

The Village maintains its cash and cash equivalent balances in various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At March 31, 2022, the Village had \$657,122 in uninsured cash and cash equivalent balances.

Open promises to give to the Organization are usually unsecured.

CAMP HILL VILLAGE KIMBERTON HILLS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - SALE OF LAND DEVELOPMENT RIGHTS

During the fiscal years ended March 31, 2019 and 2001, the Village received cash proceeds in exchange for the sale of one and two conservation easements, respectively, to the Commonwealth of Pennsylvania. Under the terms of the agreements, approximately 261 acres of land owned by the Village shall not be developed or used for any purpose other than agricultural production or commercial equine activities. The recorded value of the associated land has not been adjusted as a result of these transactions.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

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

Pew Trust – Building Maintenance Program	\$ 165,000
Pew Trust – Aging in the Community Program	110,000
Huston Aging Fund	148,298
Bequeath for the Maintenance of Specific Buildings	674,343
Student Loan Assistance	1,000
Outdoor Meeting Space	10,000
Serena Wetlands Maintenance	4,780
CSA Building Landscaping	<u>20,175</u>
	<u>\$ 1,133,596</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by the donor as follows:

Pew Trust – Building Maintenance Program	\$ 45,000
Pew Trust – Aging in the Community Program	30,000
Huston Aging Fund	2,153
Bequeath for the Maintenance of Specific Buildings	16,194
New CSA Building	318,542
Student Loan Assistance	<u>8,590</u>
	<u>\$ 420,479</u>

Net assets with donor restrictions whose use is limited is composed of cash, investments and grants receivable at March 31, 2022.

NOTE 11 - CONDITIONAL CONTRIBUTION PAYABLE

The Village adopted Accounting Standards Update No. 2018-18 to ASC No. 958 effective April 1, 2020. This update provides additional guidance to distinguish between conditional and unconditional contributions. In accordance with ASU No. 2018-08, the Village evaluates each contribution for criteria indicating the existence of measurable barriers to entitlement for the Village and the right of return to the donor. If a measurable barrier to entitlement exists and is accompanied by a right of return of the funds to the donor or a release of the obligation of the donor, the contribution is treated as a conditional contribution. If both the barrier to entitlement and the right of return do not exist, the contribution is unconditional. Unconditional contributions are recognized as revenue at the time the Village receives notification of the award. Contributions that include conditions imposed by the donor are recognized when those conditions are met by the Village.

CAMP HILL VILLAGE KIMBERTON HILLS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - CONDITIONAL CONTRIBUTION PAYABLE (CONTINUED)

During the years ended March 31, 2020 and 2021, the Village received conditional contributions totaling \$538,239, which were included on the Statement of Financial Position as a conditional contribution payable as of March 31, 2021. These funds were conditional upon the completed construction of the Gottfried House. During the year ended March 31, 2022, this condition was satisfied and the contribution revenue recognized. An additional contribution of \$57,276 was received during the year ended March 31, 2022, which is conditional upon the installation of solar panels on the Gottfried House. This contribution is reported on the Statement of Financial Position as a conditional contribution payable. Construction in Progress of \$17,183 has been recorded at March 31, 2022 for spending to date on the Gottfried House solar panel project.

NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Village's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include board designated assets that could be drawn upon if the governing board approves that action.

Financial Assets	
Cash and Cash Equivalents	\$ 951,389
Investments	6,289,001
Accounts Receivable	33,901
Grants Receivable – Current	<u>102,000</u>
Total Financial Assets	7,376,291
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions for specific programs	(858,609)
Board designations	<u>(4,790,707)</u>
Financial assets available to meet cash needs For general expenditures within one year:	<u>\$ 1,726,975</u>

NOTE 13 - RETIREMENT PLAN

The Village established a 403(b) pension plan for eligible employees during the fiscal year ended March 31, 2003. Under the terms of the plan, the Village contributes a 50% match of the employees' contribution. Pension expense for the year ended March 31, 2022 was \$3,858.

NOTE 14 - SPECIAL EVENTS

Revenues from special events and activities are included below:

	<u>Gross Revenue</u>	<u>Expense</u>	<u>Net Revenue</u>
Spring Into Action	\$ 17,251	\$ 4,568	\$ 12,683
All Together One	<u>83,926</u>	<u>16,535</u>	<u>67,391</u>
	<u>\$ 101,177</u>	<u>\$ 21,103</u>	<u>\$ 80,074</u>

CAMP HILL VILLAGE KIMBERTON HILLS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 15 - COVID-19 PANDEMIC

The Company continues to operate through the COVID-19 pandemic that was declared in the United States during 2020. The financial impact to the Company as a result of the pandemic cannot be determined at this time.

NOTE 16 - SUBSEQUENT EVENTS

Management has considered subsequent events through October 31, 2022, which is the date financial statements are available to be issued. Management has determined there are no material subsequent events that require disclosure in accordance with generally accepted accounting principles as practiced in the United States.