

MOUNTVILLE COMMUNITY SERVICES FOUNDATION

**Financial Statements
With Supplementary Information**

Year Ended December 31, 2023

MOUNTVILLE COMMUNITY SERVICES FOUNDATION

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INDEPENDENT ACCOUNTANT’S REVIEW REPORT

Board of Directors
Mountville Community Services Foundation
Mountville, Pennsylvania

We have reviewed the accompanying financial statements of Mountville Community Services Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows 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 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.

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 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.

We are required to be independent of Mountville Community Services Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

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 accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included in the combining statement of activities is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

October 10, 2024

Ross Buehler Falk & Company, LLP
ROSS BUEHLER FALK & COMPANY, LLP

MOUNTVILLE COMMUNITY SERVICES FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

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	<u>2023</u>
<u>ASSETS</u>	
CURRENT	
Cash and cash equivalents	\$ 135,197
Prepaid income taxes	<u>47</u>
Total Current Assets	<u>135,244</u>
FIXED ASSETS, NET (Note 4)	<u>642,511</u>
Total Assets	<u><u>\$ 777,755</u></u>
<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES	
Payroll taxes withheld	\$ 120
Due to other organization	<u>85,118</u>
Total Current Liabilities	<u>85,238</u>
Total Liabilities	85,238
NET ASSETS	
Without donor restrictions (Note 6)	683,505
With donor restrictions (Note 6)	<u>9,012</u>
Total Net Assets	<u>692,517</u>
Total Liabilities and Net Assets	<u><u>\$ 777,755</u></u>

See the accompanying independent accountant's review report.
The accompanying notes are an integral part of the financial statements.

MOUNTVILLE COMMUNITY SERVICES FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT AND GAINS			
Full season pass	\$ 76,167	\$ -	\$ 76,167
Daily pool charges	94,665	-	94,665
Snack bar sales	28,442	-	28,442
Miscellaneous income	4,204	-	4,204
Contributions	70,914	-	70,914
Fundraising income	20,172	-	20,172
Net assets released from restriction	4,050	(4,050)	-
	<u>298,614</u>	<u>(4,050)</u>	<u>294,564</u>
EXPENSES AND LOSSES			
Program services	288,887	-	288,887
Mangement and general	19,428	-	19,428
Fundraising	30,567	-	30,567
	<u>338,882</u>	<u>-</u>	<u>338,882</u>
Decrease in Net Assets	(40,268)	(4,050)	(44,318)
Net Assets, Beginning of Year	<u>723,773</u>	<u>13,062</u>	<u>736,835</u>
Net Assets, End of Year	<u>\$ 683,505</u>	<u>\$ 9,012</u>	<u>\$ 692,517</u>

See the accompanying independent accountant's review report.
The accompanying notes are an integral part of the financial statements.

MOUNTVILLE COMMUNITY SERVICES FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel:				
Salaries and wages	\$ 89,276	\$ -	\$ -	\$ 89,276
Payroll taxes/benefits	7,997	-	-	7,997
Operating Expenses:				
Professional fees	-	18,671	-	18,671
Utilities	15,400	-	-	15,400
Insurance	14,270	-	-	14,270
Computer/office expense	2,850	-	-	2,850
Park repairs and maintenance	28,525	-	-	28,525
Equipment repairs	902	-	-	902
Depreciation	39,697	-	-	39,697
Pool expense	32,094	-	-	32,094
Water and sewer	8,777	-	-	8,777
Telephone	3,416	-	-	3,416
Alarm system	3,049	-	-	3,049
Snack bar purchases	-	-	23,837	23,837
Bank charges	-	632	-	632
Postage	-	125	-	125
Fireworks	13,000	-	-	13,000
Concert	4,050	-	-	4,050
Trash	1,500	-	-	1,500
Miscellaneous	6,699	-	-	6,699
Golf outing/fundraising	-	-	6,730	6,730
Contributions/community outreach	15,550	-	-	15,550
Refund of revenue	1,835	-	-	1,835
	<u>1,835</u>	<u>-</u>	<u>-</u>	<u>1,835</u>
Total Expenses	<u>\$ 288,887</u>	<u>\$ 19,428</u>	<u>\$ 30,567</u>	<u>\$ 338,882</u>

See the accompanying independent accountant's review report.
The accompanying notes are an integral part of the financial statements.

MOUNTVILLE COMMUNITY SERVICES FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

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	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Decrease in net assets	\$ (44,318)
Adjustments to reconcile decrease in net assets to net cash and cash equivalents used by operating activities:	
Depreciation	39,697
Changes in assets and liabilities:	
Due to other organizations	82
Payroll taxes withheld	<u>3,466</u>
NET CASH AND CASH EQUIVALENTS USED BY OPERATING ACTIVITIES	<u>(1,073)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of fixed assets	<u>(3,180)</u>
NET CASH AND CASH EQUIVALENTS USED BY INVESTING ACTIVITIES	<u>(3,180)</u>
NET DECREASE IN CASH	(4,253)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>139,450</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 135,197</u></u>

See the accompanying independent accountant's review report.
The accompanying notes are an integral part of the financial statements.

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Mountville Community Services Foundation (the “Foundation”) is a private foundation which was created for the purpose of establishing and operating a community park, swimming pool, and multi-purpose building, including recreational, meeting and educational facilities and programs, exclusively for charitable purposes.

Basis of Accounting

The Foundation follows the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) *Audit and Accounting Guide for Not-for-Profit Organizations* (the “Guide”). ASC 958-205 was effective January 1, 2019.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation’s board may designate assets without restrictions for specific operational purposes from time-to-time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Financial statement presentation follows the *Not-for-Profit Entities* topic of the FASB ASC, which requires the Foundation 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.

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition Policy

The Foundation recognizes revenue from contributions, grants, and contracts in accordance with Accounting Standards Update (“ASU”) 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. In accordance with ASU 2018-08, the Foundation evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Foundation applies guidance under FASB ASC Topic 606, *Revenue from Contracts with Customers* (“ASC 606”). If the transfer of assets is determined to be a contribution, the Foundation evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Foundation is entitled to the assets transferred and promised and (2) a right-of-return of assets transferred or a right-of-release of a promisor’s obligation to transfer assets. The Foundation has determined that its revenues from grants and contracts were not exchange contracts and, therefore, treated the transfer of assets as contributions.

Contributions, including unconditional promises to give (pledges), are reported as revenues in the period received or pledged. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributions to be received after one year are discounted using an appropriate credit adjusted discount rate, which corresponds with the collection period of the respective pledge. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. An allowance for uncollectible contributions receivable is provided based upon management’s judgment including such factors as prior collection history, type of contribution and nature of fundraising activity. Contributions receivable are written off in the period deemed uncollectible. The Foundation does not have any outstanding pledges as of December 31, 2023.

Revenue from grants and contracts deemed to be conditional in nature is recognized as related costs are incurred under the grant or contract agreement. Amounts received in advance under these grants and contracts are reflected as deferred revenue.

Accounts receivable as of December 31, 2023 and 2022 were \$-0-.

Cash and Cash Equivalents

The Foundation considers deposits that can be redeemed on demand and highly liquid short-term investments with an original maturity of three months or less, when purchased, to be cash equivalents. The Foundation cash balances are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 at each institution. Cash balances were not in excess of federally insured limits at December 31, 2023.

Fixed Assets

It is the policy of the Foundation to record purchased fixed assets at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Repairs and maintenance are charged to expense as incurred; major repairs charges are capitalized and depreciated when they materially extend the useful life of the related asset as determined by management.

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

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

All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

Management has allocated expenses into the functional classifications of program services, management and general, and fundraising expenses on specific identification of expense purpose. Certain costs are allocated between two or more of these functional categories. Such allocations are estimated by management on an equitable basis. The methods used for such allocations are as follows:

<u>Expense</u>	<u>Method of Allocation</u>
Personnel	Direct identification
Operating expenses	Direct identification

Uncertain Tax Positions

The Foundation has adopted the provisions of the FASB ACS Topic relating to Income Taxes, accounting for uncertainty in income taxes. The Foundation recognizes the benefit or liability associated with a tax position during the period which, based on available evidence, management believes it is more than likely than not that the position will be upheld upon examination. Tax positions that are other than routine business transactions are reevaluated annually. Generally, the statute of limitation for filing returns is three years from the date of filing. The Foundation has taken no uncertain tax positions that require recognition or disclosure in the financial statements. The Foundation's information returns for the years ended December 31, 2023, 2022, and 2021 remain subject to examination by the Internal Revenue Service.

Advertising

The Foundation expenses advertising costs when incurred. Advertising costs were \$-0- for the year ended December 31, 2023.

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated all events and transactions occurring after the statement of financial position date and through October 10, 2024, the date through which the financial statements were available to be issued. Management feels that no events or transactions occurred subsequent to the statement of financial position date requiring an adjustment to the financial statements or disclosure in the footnotes.

Investments

Investments consist of certificates of deposit with original maturities in excess of three months. The investments are carried at cost which approximates market value.

Compensated Absences

It is the Foundation's policy to record an accrued liability for material compensated absences. There were no material compensated absences requiring recognition as a liability as of December 31, 2023.

Line of Credit

The Foundation has established an unsecured line of credit with a financial institution. The amount available under this line of credit is \$250,000 with an interest rate of the bank's prime plus 2.5%. The balance outstanding was \$-0- as of December 31, 2023.

NOTE 2: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents the Foundation's financial assets available to meet expenses within one year of December 31, 2023.

Financial assets at year end:

Cash and cash equivalents	\$ 135,197
Less amounts not available to be used within one year	<u>(13,062)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 122,135</u>

The Foundation has \$122,135 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash and cash equivalents and certificates of deposit. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year. Also, as described in Note 1, the Foundation has a committed line of credit in the amount of \$250,000, with all \$250,000 available at December 31, 2023, which it could draw upon in the event of an unanticipated liquidity need.

NOTE 3: DUE TO OTHER ORGANIZATIONS

The Foundation has received funds on behalf of the Mountville Welfare Association to be utilized by other community organizations. The Association determines usage of these funds based on requests by various community organizations. As of December 31, 2023, the current available balance is \$85,118.

NOTE 4: FIXED ASSETS

Fixed assets at December 31, 2023, and their respective depreciable lives are as follows:

	Cost	Depreciable Life
Land	\$ 351,038	
Building development costs	11,831	40 years
Park improvements	224,224	5 - 40 years
Park equipment	23,718	3 - 7 years
Field house	147,745	40 years
Pool development costs	293,507	20 years
Pool equipment	117,126	5 - 15 years
Pool improvements	527,810	5 - 20 years
Bathhouse	143,345	5 - 40 years
Leasehold improvements	47,632	10 years
Paving parking lot	34,684	15 years
	1,922,660	
Less accumulated depreciation	1,280,149	
Fixed assets, net	\$ 642,511	

Depreciation expense was \$39,697 for the year ended December 31, 2023.

NOTE 5: FEDERAL INCOME TAXES

The Foundation incurred federal excise taxes on investment income of \$-0- for the year ended December 31, 2023.

NOTE 6: NET ASSETS WITH AND WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of the following at December 31, 2023:

Unrestricted funds	\$ 683,505
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Net assets with donor restrictions consist of the following at December 3, 2023:

Summer concert series	\$ 9,012
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NOTE 7: RISK MANAGEMENT

The Foundation is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disaster. The Foundation has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with the previous year. During the year ended December 31, 2023, and the two preceding years, no settlements exceed insurance coverage.

MOUNTVILLE COMMUNITY SERVICES FOUNDATION
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2023

MOUNTVILLE COMMUNITY SERVICES FOUNDATION
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Pool	All Other Activities	Total
REVENUES, SUPPORT AND GAINS			
Full season pass	\$ 76,167	\$ -	\$ 76,167
Daily pool charges	94,665	-	94,665
Snack bar sales	28,442	-	28,442
Miscellaneous income	4,204	-	4,204
Contributions	70,914	-	70,914
Fundraising	-	20,172	20,172
	274,392	20,172	294,564
EXPENSES AND LOSSES			
Wages	86,115.00	3,161.00	89,276
Payroll taxes	7,755.00	242.00	7,997
Professional fees	-	18,671	18,671
Utilities	5,752	9,648	15,400
Insurance	14,270	-	14,270
Computer/office expense	2,061	789	2,850
Park repairs and maintenance	-	28,525	28,525
Equipment repairs	-	902	902
Depreciation	29,784	9,913	39,697
Pool expense	32,094	-	32,094
Water and sewer	8,777	-	8,777
Telephone	3,416	-	3,416
Alarm system	3,049	-	3,049
Snack bar purchases	23,837	-	23,837
Bank charges	-	632	632
Postage	-	125	125
Fireworks	-	13,000	13,000
Concert	-	4,050	4,050
Trash	-	1,500	1,500
Miscellaneous	3,601	3,098	6,699
Golf outing/fundraising	-	6,730	6,730
Contributions/community outreach	-	15,550	15,550
Refund of revenue	1,835	-	1,835
	222,346	116,536	338,882
Total Expenses and Losses			338,882
Decrease in Net Assets			(44,318)
Net Assets, Beginning of Year			736,835
Net Assets, End of Year			\$ 692,517