

**AMERICA'S KESWICK**  
**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

(See Independent Auditors' Report)



## TABLE OF CONTENTS

Independent Auditors' Report	3-4
Statements of Financial Position	5
Statements of Activities and Changes in Net Assets	6
Statements of Functional Expenses	7-8
Statements of Cash Flows	9
Notes to Financial Statements	10-18



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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
America's Keswick  
Whiting, New Jersey

### ***Report on the Financial Statements***

We have audited the accompanying statement of financial position of the America's Keswick (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of America's Keswick, as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Prior Year Summarized Comparative Information***

We have previously audited America's Keswick's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 20, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it is derived.

*Bee, Bergvall & Co.*

Bee, Bergvall and Company, P.C.  
Certified Public Accountants

Warrington, PA  
April 18, 2018

AMERICA'S KESWICK

Statements of Financial Position

December 31, 2017 and 2016

	<u>ASSETS</u>	
	<u>2017</u>	<u>2016</u>
Current Assets		
Cash and cash equivalents	\$ 1,029,100	\$ 840,257
Pledges and legacies receivable	25,667	216,222
Other receivables	20,862	19,093
Inventory	14,454	14,748
Prepaid expenses	87,424	80,153
Investments restricted for annuities	<u>1,300,586</u>	<u>1,298,370</u>
Total Current Assets	<u>2,478,093</u>	<u>2,468,843</u>
Property and Equipment		
Land	621,473	621,473
Construction in progress	14,915	8,496
Buildings	6,383,809	6,168,055
Furniture and fixtures	1,658,466	1,467,324
Vehicles	<u>386,243</u>	<u>361,583</u>
Total Property and Equipment	9,064,906	8,626,931
Accumulated depreciation	<u>(4,972,398)</u>	<u>(4,691,377)</u>
Net Property and Equipment	<u>4,092,508</u>	<u>3,935,554</u>
TOTAL ASSETS	<u>\$ 6,570,601</u>	<u>\$ 6,404,397</u>
	<u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities		
Accounts payable and accrued expenses	\$ 340,424	\$ 312,116
Annuities payable	969,257	968,738
Advance deposits	289,724	235,940
HRA Reserve	<u>365,097</u>	<u>326,098</u>
Total Liabilities	<u>1,964,502</u>	<u>1,842,892</u>
Net Assets		
Unrestricted		
Board designated	10,000	10,000
Undesignated	<u>4,273,185</u>	<u>4,269,760</u>
Total Unrestricted	4,283,185	4,279,760
Temporarily restricted (Note 2)	<u>322,914</u>	<u>281,745</u>
Total Net Assets	<u>4,606,099</u>	<u>4,561,505</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,570,601</u>	<u>\$ 6,404,397</u>

See independent auditors' report and  
accompanying notes to the financial statements

AMERICA'S KESWICK

Statements of Activities and Changes in Net Assets

For the Year Ended December 31, 2017

With Summarized Comparative Totals for the Year Ended December 31, 2016

	2017			2016
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
Public Support and Revenue				
Public Support				
Contributions	\$ 1,536,973	\$ 350,037	\$ 1,887,010	\$ 1,798,696
Noncash contributions	122,901	-	122,901	132,291
Total Public Support	1,659,874	350,037	2,009,911	1,930,987
Revenue				
Conferences	1,715,638	-	1,715,638	1,744,579
Sales	137,709	-	137,709	126,962
Membership fees	46,868	-	46,868	44,335
Special events	177,658	-	177,658	131,619
Adjustment for annuities	28,858	-	28,858	(15,564)
Investment income	51,467	-	51,467	59,400
Campground fees	76,087	-	76,087	68,294
Colony fees	94,323	-	94,323	97,865
Miscellaneous	21,049	-	21,049	20,316
Total Revenue	2,349,657	-	2,349,657	2,277,806
Net assets released from restrictions	308,868	(308,868)	-	-
Total Public Support and Revenue	4,318,399	41,169	4,359,568	4,208,793
Expenses				
Program services				
Conference	2,797,677	-	2,797,677	2,881,237
Colony	628,894	-	628,894	590,831
Total Program Services	3,426,571	-	3,426,571	3,472,068
Supporting services				
General and administrative	606,499	-	606,499	623,676
Fundraising	281,904	-	281,904	262,487
Total Supporting Services	888,403	-	888,403	886,163
Total Expenses	4,314,974	-	4,314,974	4,358,231
Change in Net Assets	3,425	41,169	44,594	(149,438)
Net Assets - Beginning of Year	4,279,760	281,745	4,561,505	4,710,943
Net Assets - End of Year	\$ 4,283,185	\$ 322,914	\$ 4,606,099	\$ 4,561,505

See independent auditors' report and  
accompanying notes to the financial statements

AMERICA'S KESWICK

Statements of Functional Expenses

For the Year Ended December 31, 2017

With Summarized Comparative Totals for the Year Ended December 31, 2016

	<u>2017</u>		
	<u>Conference</u>	<u>Addiction Recovery</u>	<u>Total Program Expenses</u>
Expenses			
Salaries and Related Expenses			
Salaries	\$ 809,898	\$ 385,096	\$ 1,194,994
Benefits	173,641	38,240	211,881
Payroll taxes	<u>65,604</u>	<u>26,264</u>	<u>91,868</u>
Total Salaries and Related Expenses	<u>1,049,143</u>	<u>449,600</u>	<u>1,498,743</u>
Advertising	37,770	-	37,770
Bedding and linens	12,746	-	12,746
Bookstore purchases	19,591	-	19,591
Colony expenses	-	18,500	18,500
Conferences and seminars	2,723	4,513	7,236
Credit card and bank fees	26,635	-	26,635
Depreciation	288,576	-	288,576
Dues and subscriptions	3,704	1,526	5,230
Events and promotions	-	-	-
Food purchases	347,448	51,087	398,535
Food service expenses	30,071	-	30,071
Freewill offerings	5,790	363	6,153
Fuel	18,449	982	19,431
Honorariums	54,325	3,550	57,875
Insurance	93,190	18,239	111,429
Interest	-	-	-
Office expenses	21,964	1,024	22,988
Other expenses	18,399	739	19,138
Paper and printing	76,243	6,172	82,415
Postage	54,801	88	54,889
Professional fees	-	-	-
Repairs and maintenance	154,282	8,249	162,531
Staff expense	-	-	-
Subcontractors	17,443	-	17,443
Supplies	86,425	4,904	91,329
Telephone	-	988	988
Travel	30,346	561	30,907
Utilities	<u>347,613</u>	<u>57,809</u>	<u>405,422</u>
Total Expenses	<u>\$ 2,797,677</u>	<u>\$ 628,894</u>	<u>\$ 3,426,571</u>



2017			2016
General and Administrative	Fund Raising	Total Expenses	Total Expenses
\$ 381,828	\$ 103,378	\$ 1,680,200	\$ 1,595,429
47,732	9,103	268,716	353,236
<u>29,727</u>	<u>7,960</u>	<u>129,555</u>	<u>122,617</u>
<u>459,287</u>	<u>120,441</u>	<u>2,078,471</u>	<u>2,071,282</u>
-	3,502	41,272	44,425
-	-	12,746	19,762
-	-	19,591	16,879
-	-	18,500	18,356
15,674	860	23,770	13,087
105	9,381	36,121	31,066
-	-	288,576	266,390
5,172	1,470	11,872	12,618
-	32,535	32,535	25,269
-	-	398,535	408,428
-	-	30,071	26,968
-	-	6,153	7,628
330	1,709	21,470	19,720
-	-	57,875	63,188
13,803	4,293	129,525	137,793
-	-	-	-
7,374	805	31,167	27,735
9,471	1,332	29,941	35,663
8,290	65,369	156,074	178,508
690	10,011	65,590	76,171
17,750	-	17,750	23,222
31,934	5,479	199,944	222,639
6,667	-	6,667	10,119
9,161	20,361	46,965	48,776
-	-	91,329	91,628
6,334	-	7,322	8,063
1,222	2,388	34,517	45,674
<u>13,235</u>	<u>1,968</u>	<u>420,625</u>	<u>407,174</u>
<u>\$ 606,499</u>	<u>\$ 281,904</u>	<u>\$ 4,314,974</u>	<u>\$ 4,358,231</u>

See independent auditors' report and  
accompanying notes to the financial statements

AMERICA'S KESWICK

Statements of Cash Flows

For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$ 44,594	\$ (149,438)
Adjustments to reconcile change in net assets to net cash provided by (used in) operations		
Donated stock	(69,775)	(72,178)
Donated goods provided	(53,126)	(60,113)
Donated goods expensed	43,426	42,728
Depreciation and amortization	288,576	266,390
(Gain) loss on disposal of property and equipment	(3,742)	(1,203)
Unrealized gain	(5,945)	33,081
(Increase) decrease in:		
Pledges and legacies receivable	190,555	(194,689)
Other receivables	(1,769)	6,925
Inventory	294	(944)
Prepaid expenses	(7,271)	8,187
(Decrease) increase in:		
Accounts payable and accrued expenses	28,308	(37,847)
Annuities payable	519	(27,074)
Advance deposits	53,784	32,607
HRA Reserve	38,999	132,973
Net cash provided by (used in) operating activities	<u>547,427</u>	<u>(20,595)</u>
Cash flows from investing activities		
Proceeds from sale of property	4,842	1,203
Purchase of property and equipment	(436,930)	(342,805)
Proceeds from sale of annuities	2,897	41,509
Proceeds from sale of securities	69,775	72,178
Net cash provided by (used in) investing activities	<u>(359,416)</u>	<u>(227,915)</u>
Cash flows from financing activities		
Change in investments restricted for annuities	<u>832</u>	<u>18,840</u>
Net cash provided by (used in) financing activities	<u>832</u>	<u>18,840</u>
Net increase (decrease) in cash and cash equivalents	188,843	(229,670)
Cash and cash equivalents - beginning of year	<u>840,257</u>	<u>1,069,927</u>
Cash and cash equivalents - end of year	<u>\$ 1,029,100</u>	<u>\$ 840,257</u>
Supplementary cash flows disclosure:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report and  
accompanying notes to the financial statements

AMERICA'S KESWICK

Notes to Financial Statements

December 31, 2017

(See Independent Auditors' Report)

**NOTE 1. Summary of Significant Accounting Principles**

Reporting Entity: America's Keswick (the Organization) is a not-for-profit organization, incorporated under the laws of the state of New Jersey and exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar state code. The Organization was founded in 1897 and provides a biblically based addiction recovery program for men and counseling programs for family members of men enrolled in the program. Located in Whiting, New Jersey, America's Keswick ministers to individuals, churches, and other organizations primarily from the three-state region of New Jersey, Pennsylvania, and New York.

Basis of Presentation: The accompanying financial statements have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Support that is restricted by the donor is recognized as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. Accordingly, net assets of the Organization and changes therein, are classified and reported as follows:

Unrestricted Net Assets: Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. The Organization has no permanently restricted assets as of December 31, 2017.

Recognition of Donor Restrictions: The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions. However, donor restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted support.

AMERICA'S KESWICK

Notes to Financial Statements

December 31, 2017

(See Independent Auditors' Report)

**NOTE 1. Summary of Significant Accounting Principles (Continued)**

Cash and Cash Equivalents: The Organization considers money market accounts to be cash equivalents.

Grant and Pledges Receivable: Unconditional promises to give are recognized as revenue in the period the unconditional promise is received and recorded as pledges receivable in the accompanying statements of financial position. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Investments: Investments in fixed income and marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the accompanying statements of financial position. Fair value is measured based on quoted market prices. Unrealized gains and losses are included in the statement of activities.

Property and Equipment: The Organization periodically receives donations of land, buildings and structures to be preserved for conservation purposes. The land, buildings and structures are recorded at fair value, determined by appraisal, at the donation date for financial reporting purposes. Assets purchased by the Organization are recorded at cost. Property and equipment in excess of \$1,000 are capitalized at cost. Major replacements and betterments are capitalized while maintenance and repairs are expensed as incurred.

Depreciation: Depreciation is provided for property and equipment over the estimated useful lives of the assets using the straight-line or accelerated methods. Estimated lives for depreciable assets are as follows:

	<u>Years</u>
Buildings and improvements	20-50
Land improvements	20-40
Furniture and fixtures	5-10
Vehicles	5

Tax Exempt Status: The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. No current tax obligation exists on the Federal or State level. Additionally, the Organization has been classified as a Foundation that is not a private foundation under Section 509(a)(2).

AMERICA'S KESWICK

Notes to Financial Statements

December 31, 2017

(See Independent Auditors' Report)

**NOTE 1. Summary of Significant Accounting Principles (Continued)**

As required by the FASB Accounting Standards Codification, entities are required to determine whether it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the financial statements. It also provides guidance on the recognition, measurement, and classification of income tax uncertainties, along with any related interest or penalties. This standard had no impact on the Organization's financial statements. The Organization's federal tax return is subject to audit by taxing authorities. The Organization's returns open audit periods are for the fiscal years ending December 31, 2014 - 2016.

Donated Facilities, Materials, and Services: Donations of materials are recorded as support at their estimated fair market value. Such donations are reported as unrestricted revenue unless the donor has restricted the donation 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 Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. For the year ended December 31, 2017, \$122,901 of donated materials was recognized.

The Organization receives significant volunteer time for help in fundraising and in completing various office and administrative duties. No amounts have been reflected in the statements for donated services, as no objective basis is available to measure the value of such services.

Inventory: Inventory consists of food and snack shop supplies. Inventory is valued at lower of cost or market on the first-in, first-out method.

Concentrations of Risk: Financial instruments that potentially expose the Organization to concentrations of risk consist principally of cash, investments, grants receivable and accounts receivable. The Organization places its cash with financial institutions and, at times, such balances may be in excess of FDIC insurance limits. At December 31, 2017, the Organization's balances exceed the FDIC insurance limits by \$401,425. The Organization's investments are in a diverse portfolio of equity and debt securities, including US Government obligations and mutual fund.

AMERICA'S KESWICK

Notes to Financial Statements

December 31, 2017

(See Independent Auditors' Report)

**NOTE 1. Summary of Significant Accounting Principles (Continued)**

Concentrations of Risk: (continued)

Grant receivables are normally from grantor agencies and foundations and are received in the next year, therefore, amounts have not been discounted and no allowances for uncollectible amounts are deemed necessary.

The Organization extends unsecured credit to its customers in the ordinary course of business but mitigates the associated credit risk by performing credit checks. An allowance for doubtful accounts has not been established since management is of the opinion that all accounts receivable at year-end are fully collectible.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Investments and Investment Risk: Investments are carried at fair value. Investments restricted for annuities are held in an externally-managed investment pool along with investments of other not-for-profit organizations. Donated investments are initially recorded at fair value on the date of donation and thereafter reported in accordance with the above provisions. Investments held in a brokerage account are protected up to \$500,000, including a \$250,000 limit for cash by the Securities Investor Protection Corporation (SIPC).

Fair Value of Financial Instruments: The Organization follows Fair Value Measurements as required by the FASB Standards Codification, which applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. The Codification emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumption that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

AMERICA'S KESWICK

Notes to Financial Statements

December 31, 2017

(See Independent Auditors' Report)

**NOTE 1. Summary of Significant Accounting Principles (Continued)**

Fair Value of Financial Instruments: (continued)

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 - Inputs that utilized quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table represents the Organization's fair value hierarchy for those investments, excluding money market funds, measured at fair value on a recurring basis as of December 31, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Money Market	\$ 115,072	\$ -	\$ -	\$ 115,072
Mutual Funds	660,535	-	-	660,535
Corporate Bonds	505,491	-	-	505,491
Stocks	19,488	-	-	19,488
	<u>\$ 1,300,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300,586</u>
		\$ 51,463		
		<u>4</u>		
		<u>\$ 51,467</u>		

AMERICA'S KESWICK

Notes to Financial Statements

December 31, 2017

(See Independent Auditors' Report)

**NOTE 1. Summary of Significant Accounting Principles (Continued)**

Investments Restricted for Annuities: Investments are restricted for charitable gift annuities as required by the State of New Jersey. Investments are held in an externally-managed investment pool with investments of other not-for-profit organizations.

Annuities Payable: The Organization has established a program under which donors may set up charitable gift annuities. Under this program, donors can contribute assets to the Organization and in return receive a guaranteed fixed income for life. The Organization recognizes contribution revenue for the difference between the fair value of the assets received and the annuity liability.

Advertising Costs: Advertising costs are expensed as incurred. Advertising costs totaled \$41,272 for the year ended December 31, 2017.

Comparative Information: The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting policies generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Subsequent Events: The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report, which is the date the financial statements were available to be issued.

**NOTE 2. Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the following at December 31<sup>st</sup>:

Capital Improvements	\$ 43,863
Activity Center	13,506
Colony Renovations	198,277
Stand-in-the-GAP	19,222
Mattress Replacement	47,546
Other	<u>500</u>
	<u>\$ 322,914</u>



AMERICA'S KESWICK

Notes to Financial Statements

December 31, 2017

(See Independent Auditors' Report)

**NOTE 3. Net Assets Released from Restriction**

The following net assets were released from restriction:

Capital Improvements	\$ 6,137
Colony Renovations	116,147
Stand-in-the-GAP	27,932
Other	30,182
Equipment Fund	<u>128,470</u>
	<u>\$ 308,868</u>

**NOTE 4. Property and Equipment**

Property and equipment consisted of the following at December 31, 2017:

Land and Land Improvements	\$ 621,473
Building and Improvements	6,383,809
Office Furniture and Equipment	1,658,466
Automobiles	386,243
Construction in Progress	<u>14,915</u>
Total Fixed Assets	9,064,906
Accumulated Depreciation	<u>(4,972,398)</u>
Net Fixed Assets	<u>\$ 4,092,508</u>

Depreciation expense was \$288,576 for the year ended December 31, 2017. The expense was charged to program and supporting activities in the statement of activities.

AMERICA'S KESWICK

Notes to Financial Statements

December 31, 2017

(See Independent Auditors' Report)

**NOTE 5. Annuities Payable**

Annuity liabilities are recorded for the required life annuity payments at the present value of expected future cash payments discounted using current interest rates and actuarial assumptions for those annuities that have not been reinsured (4.5% at December 31, 2017). The annuity obligations are adjusted each year for changes in the life expectancy of the beneficiaries and are reduced either as payments are made to the donor or as annuities are reinsured. The present value of future payment liabilities of charitable gift annuities was \$969,257 at December 31, 2017.

The Organization is licensed by the State of New Jersey to enter into annuity agreements with donors. New Jersey Statutes require entities with such a license to maintain assets equal to the sum of reserves on outstanding agreements and a surplus of \$100,000 or 10% of such reserves, whichever is greater. The Organization has two different annuity funds and is in compliance with the reserve requirements with both funds. As a result, in May of 2014, the Organization decided to begin selling annuities again.

**NOTE 6. Special Events**

During 2017, the Organization conducted banquets designed to inform supporters about current operations and to expose potential new donors to the Organization. Additionally, the Organization sponsored a walk to raise funds for the Organization. The table below summarizes support received from these events, less costs for the direct benefits provided.

	<u>Banquets</u>	Family <u>Freedom Walk</u>	<u>Other</u>
Revenues	\$ 57,730	\$ 74,550	\$ 45,378
Expense	<u>26,818</u>	<u>3,105</u>	<u>2,612</u>
	<u>\$ 30,912</u>	<u>\$ 71,445</u>	<u>\$ 42,766</u>

AMERICA'S KESWICK

Notes to Financial Statements

December 31, 2017

(See Independent Auditors' Report)

**NOTE 7. Retirement Benefits**

The Organization sponsors a 403(b) plan in which employees may elect to contribute up to 100% of their salary subject to IRS limitations. The Organization matches each employee's contribution up to 100% of the first 2% of salary contributed by the employee. The Organization contributed \$21,078 for 2017.

**NOTE 8. Contingent Receivable – Keswick Pines Land Purchase**

In connection with the Organization's sale of land in 1993, America's Keswick can receive an additional \$1,100,000 plus any additional amounts as determined by an appraisal should the purchaser choose to develop the remaining portion of the land. The purchaser has developed roughly one half of the site.

**NOTE 9. Functional Allocation of Expenses**

The cost of providing the various programs and supporting services of the Organization have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 10. Health and Welfare Plan**

Effective December 1, 2014, the Organization established a health and welfare plan to provide various programs of health, dental, disability, life and other welfare benefits to all full time employees. Funding and payment of health care plan benefits are self - insured with a qualified healthcare sharing ministry. Costs of the Plan are allocated to the Organization based on three elements; 1) the monthly charge from the healthcare sharing ministry, 2) a monthly contribution determined by Keswick to each member HRA, 3) a \$4,100 monthly deposit to a reserve fund. For the year ended December 31, 2017, the Organization paid \$44,438 in healthcare costs associated with the plan.