

SELINGROVE PROJECTS INCORPORATED
A Nonprofit Organization

Compiled Financial Statements

For the Years Ended December 31, 2017 and 2016

SELINGROVE PROJECTS INCORPORATED

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Trustees of
SELINGROVE PROJECTS INCORPORATED

Management is responsible for the accompanying financial statements of Selingsrove Projects Incorporated (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Wagner Dreese, Elsasser & Associates, P.C.

WAGNER, DREESE, ELSASSER & ASSOCIATES, P.C.
Certified Public Accountants and Consultants
Selingsrove, PA
February 5, 2018

SELINGROVE PROJECTS INCORPORATED
 Statements of Financial Position
 December 31, 2017 and 2016
 See Independent Accountant's Compilation Report

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 134,109	\$ 92,114
Certificates of deposit	101,405	101,101
Other current assets	270	620
Property and equipment, net	<u>248,343</u>	<u>249,553</u>
Total assets	<u>\$ 484,127</u>	<u>\$ 443,388</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS		
Unrestricted	479,125	439,253
Temporarily restricted	<u>5,002</u>	<u>4,135</u>
Total net assets	<u>484,127</u>	<u>443,388</u>
Total liabilities and net assets	<u>\$ 484,127</u>	<u>\$ 443,388</u>

See Accompany Notes to Financial Statements

SELINGSGROVE PROJECTS INCORPORATED
 Statements of Activities
 December 31, 2017 and 2016
 See Independent Accountant's Compilation Report

	<u>2017</u>	<u>2016</u>
UNRESTRICTED NET ASSETS		
Support	\$ 9,225	\$ 6,145
Grant income	600	500
Total support	<u>9,825</u>	<u>6,645</u>
Revenue		
Sales	712	2,455
Festival ticket sales	90,680	86,270
Festival vendor fees	14,375	11,875
Investment income	312	345
Other income	4,230	2,825
Total revenue	<u>110,309</u>	<u>103,770</u>
Net assets released from restrictions		
Restrictions satisfied by payments	<u>3,086</u>	<u>1,986</u>
Total unrestricted support and revenue	<u>123,220</u>	<u>112,401</u>
Expenses		
Program services - Community Revitalization		
Materials and supplies	16,877	8,294
Food costs	6,860	7,764
Entertainment	2,780	3,335
Outside services	14,570	24,172
Miscellaneous expenses	11,513	14,502
Advertising	5,048	4,009
Insurance	3,897	3,538
Utilities	862	885
Rent	1,400	600
Payroll and related costs	10,924	943
Depreciation	1,210	1,210
Awards and scholarships	500	500
Donations	5,275	3,250
Program services - Commons		
Borough grant	-	10,000
Miscellaneous expenses	-	232
Total program services	<u>\$ 81,716</u>	<u>\$ 83,234</u>

See Accompany Notes to Financial Statements

SELINGSGROVE PROJECTS INCORPORATED
 Statements of Activities
 December 31, 2017 and 2016
 See Independent Accountant's Compilation Report

	<u>2017</u>	<u>2016</u>
Supporting services		
Dues and Subscriptions	\$ 1,525	\$ 1,981
Office Supplies	-	1,572
Postage	107	171
Total supporting services	<u>1,632</u>	<u>3,724</u>
Total expenses	<u>83,348</u>	<u>86,958</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>39,872</u>	<u>25,443</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	3,953	838
Other income	-	800
Net assets released from restrictions	<u>(3,086)</u>	<u>(1,986)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>867</u>	<u>(348)</u>
CHANGE IN NET ASSETS	40,739	25,095
NET ASSETS, Beginning	<u>443,388</u>	<u>418,293</u>
NET ASSETS, Ending	<u><u>\$ 484,127</u></u>	<u><u>\$ 443,388</u></u>

See Accompany Notes to Financial Statements

SELINGROVE PROJECTS INCORPORATED
Statements of Cash Flows
December 31, 2017 and 2016
See Independent Accountant's Compilation Report

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 40,739	\$ 25,095
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,210	1,210
Changes in:		
Other current assets	<u>350</u>	<u>(350)</u>
Net cash provided (used) by operating activities	<u>42,299</u>	<u>25,955</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Reinvested interest on certificates of deposit	<u>(304)</u>	<u>(342)</u>
Net cash provided (used) by investing activities	<u>(304)</u>	<u>(342)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	41,995	25,613
CASH AND CASH EQUIVALENTS, Beginning	<u>92,114</u>	<u>66,501</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 134,109</u></u>	<u><u>\$ 92,114</u></u>

See Accompany Notes to Financial Statements

SELINGSGROVE PROJECTS INCORPORATED

Notes to Financial Statements

December 31, 2017 and 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Selinsgrove Projects Incorporated (SPI) was incorporated in May, 1985 to enhance Selinsgrove, Pennsylvania. The Organization's purpose is to promote and assist in the growth, development and conservation of the unique character and heritage of Selinsgrove and the surrounding area and to promote and encourage the reinvestment of public and private funds to accomplish these purposes.

Basis of Accounting

The financial statements of Selinsgrove Projects Incorporated have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains its cash balances in financial institution accounts which have not exceeded federally insured amounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on cash.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at fair value on the date of the donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the 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 contributions. 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.

SELINGROVE PROJECTS INCORPORATED

Notes to Financial Statements

December 31, 2017 and 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

The value of donated volunteer services is not reflected in the accompanying financial statements. However, a substantial number of volunteers have donated significant amounts of their time and perform a variety of tasks that assist the Organization with specific programs, fund raising and various committee assignments. The Organization pays for some services requiring specific expertise.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Accordingly, no income tax provision is recognized for financial reporting purposes.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At December 31, 2017 and 2016, temporarily restricted net assets are restricted primarily for or are restricted based on time restrictions of payment by the donor. Permanently restricted net assets consist of funds to be held indefinitely, the income from which is to support the Organization's general activities.

SELINGSGROVE PROJECTS INCORPORATED

Notes to Financial Statements

December 31, 2017 and 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

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 only with the conditions on which they depend are substantially met and the promises become unconditional.

Advertising

The Organization uses advertising to promote its programs among the area it serves. The costs of advertising are expensed as incurred. During the years ended December 31, 2017 and 2016, advertising costs amounted to \$5,048 and \$4,009, respectively.

NOTE 2 - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

The program and supporting services in the accompanying financial statements include but are not limited to: the rehabilitation and development of housing, the improvement of community facilities, the revitalization of the established downtown commercial districts, the adaptive reuse of significant older buildings, and the general improvement and betterment of Selingsgrove and the surrounding area.

NOTE 3 - CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$101,405 and \$101,101 at December 31, 2017 and 2016 are included in the accompanying financial statements. The certificate at December 31, 2017 bears interest of .45% and maturity of nine months.

NOTE 4 - PROPERTY AND EQUIPMENT

At December 31, 2017 and 2016 property and equipment consisted of the following:

	<u>2017</u>	<u>2016</u>
Land and improvements	\$ 250,707	\$ 250,707
Equipment	<u>6,515</u>	<u>6,515</u>
	257,222	257,222
Less accumulated depreciation	<u>8,879</u>	<u>7,669</u>
Net	<u>\$ 248,343</u>	<u>\$ 249,553</u>

Depreciation expense for the years ending December 31, 2017 and 2016 was \$1,210 and \$1,210, respectively.

SELINGROVE PROJECTS INCORPORATED

Notes to Financial Statements

December 31, 2017 and 2016

NOTE 5 - LEASE

The Organization has entered into a lease agreement with the Selingsgrove Borough. The lease requires no monthly payment and has a term of 25 years, ending March 6, 2036.

NOTE 6 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Commons	\$ 2,626	\$ -
TBIZ	-	1,400
Clock	1,178	1,178
Governor Snyder Monument	564	564
Farmer's Market	634	993
Total	<u>\$ 5,002</u>	<u>\$ 4,135</u>

NOTE 7– SUBSEQUENT EVENTS

Subsequent events were evaluated through February 5, 2018, which is the date the financial statements were available to be issued.