

SELINGROVE PROJECTS INCORPORATED
A Nonprofit Organization

Compiled Financial Statements

For the Years Ended December 31, 2016 and 2015

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 Selinsgrove Projects Incorporated (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, 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
Selinsgrove, PA
January 31, 2017

SELINGROVE PROJECTS INCORPORATED
 Statements of Financial Position
 December 31, 2016 and 2015
 See Independent Accountant's Compilation Report

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 92,114	\$ 66,501
Certificates of deposit	101,101	100,759
Other current assets	620	270
Property and equipment, net	<u>249,553</u>	<u>250,763</u>
Total assets	<u><u>\$ 443,388</u></u>	<u><u>\$ 418,293</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>
NET ASSETS		
Unrestricted	439,253	412,172
Temporarily restricted	<u>4,135</u>	<u>6,121</u>
Total net assets	<u>443,388</u>	<u>418,293</u>
Total liabilities and net assets	<u><u>\$ 443,388</u></u>	<u><u>\$ 418,293</u></u>

SELINSGROVE PROJECTS INCORPORATED
 Statements of Activities
 December 31, 2016 and 2015
 See Independent Accountant's Compilation Report

	<u>2016</u>	<u>2015</u>
UNRESTRICTED NET ASSETS		
Support	\$ 6,145	\$ 3,403
Grant income	500	3,000
Total support	<u>6,645</u>	<u>6,403</u>
Revenue		
Sales	2,455	2,045
Festival ticket sales	86,270	86,783
Festival vendor fees	11,875	11,825
Investment income	345	103
Other income	2,825	995
Total revenue	<u>103,770</u>	<u>101,751</u>
Net assets released from restrictions		
Restrictions satisfied by payments	1,986	7,238
Total unrestricted support and revenue	<u>112,401</u>	<u>115,392</u>
Expenses		
Program services - Community Revitalization		
Materials and supplies	8,294	9,844
Food costs	7,764	8,485
Entertainment	3,335	3,048
Outside services	24,172	18,597
Miscellaneous expenses	14,502	10,817
Advertising	4,009	6,496
Insurance	3,538	3,078
Utilities	885	1,120
Rent	600	-
Payroll and related costs	943	-
Depreciation	1,210	1,210
Awards and scholarships	500	1,000
Professional development	-	285
Donations	3,250	16,650
Program services - Commons		
Borough grant	10,000	20,000
Miscellaneous expenses	232	262
Total program services	<u>83,234</u>	<u>100,892</u>

SELINGROVE PROJECTS INCORPORATED
 Statements of Activities
 December 31, 2016 and 2015
 See Independent Accountant's Compilation Report

	<u>2016</u>	<u>2015</u>
Supporting services		
Bank Fees	\$ -	\$ 35
Dues and Subscriptions	1,981	747
Office Supplies	1,572	1,150
Postage	171	280
Service Payments-Administrative	-	1,900
Total supporting services	<u>3,724</u>	<u>4,112</u>
Total expenses	<u>86,958</u>	<u>105,004</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>25,443</u>	<u>10,388</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	838	2,214
Grant income	-	3,625
Other income	800	385
Net assets released from restrictions	<u>(1,986)</u>	<u>(7,238)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(348)</u>	<u>(1,014)</u>
CHANGE IN NET ASSETS	25,095	9,374
NET ASSETS, Beginning	<u>112,401</u>	<u>408,919</u>
NET ASSETS, Ending	<u>\$ 112,401</u>	<u>\$ 418,293</u>

SELINGSGROVE PROJECTS INCORPORATED
 Statements of Cash Flows
 December 31, 2016 and 2015
 See Independent Accountant's Compilation Report

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 25,095	\$ 9,374
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,210	1,210
Changes in:		
Other current assets	(350)	-
Accounts payable and accrued expenses	<u>-</u>	<u>(59)</u>
Net cash provided (used) by operating activities	<u>25,955</u>	<u>10,525</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Reinvested interest on certificates of deposit	<u>(342)</u>	<u>(99)</u>
Net cash provided (used) by investing activities	<u>(342)</u>	<u>(99)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,613	10,426
CASH AND CASH EQUIVALENTS, Beginning	<u>66,501</u>	<u>56,075</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 92,114</u>	<u>\$ 66,501</u>

SELINGSGROVE PROJECTS INCORPORATED
Notes to Financial Statements
December 31, 2016 and 2015

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.

SELINGSGROVE PROJECTS INCORPORATED
Notes to Financial Statements
December 31, 2016 and 2015

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, 2016 and 2015, 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.

SELINGROVE PROJECTS INCORPORATED
Notes to Financial Statements
December 31, 2016 and 2015

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, 2016 and 2015, advertising costs amounted to \$4,009 and \$6,496, 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 Selingsrove and the surrounding area.

NOTE 3 - CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$101,101 and \$100,759 at December 31, 2016 and 2015 are included in the accompanying financial statements. The certificate at December 31, 2016 bears interest of .25% and maturity of nine months.

NOTE 4 - PROPERTY AND EQUIPMENT

At December 31, 2016 and 2015 property and equipment consisted of the following:

	<u>2016</u>	<u>2015</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>7,669</u>	<u>6,459</u>
Net	<u>\$ 249,553</u>	<u>\$ 250,763</u>

Depreciation expense for the years ending December 31, 2016 and 2015 was \$1,210 and \$1,210, respectively.

SELINGROVE PROJECTS INCORPORATED

Notes to Financial Statements

December 31, 2016 and 2015

NOTE 5 - LEASE

The Organization has entered into a lease agreement with the Selingsrove 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>2016</u>	<u>2015</u>
TBIZ	\$ 1,400	\$ 2,000
Clock	1,178	1,793
Governor Snyder Monument	564	564
Farmer's Market	993	1,164
Commons	<u>-</u>	<u>600</u>
Total	<u>\$ 4,135</u>	<u>\$ 6,121</u>

NOTE 7- SUBSEQUENT EVENTS

Subsequent events were evaluated through January 31, 2017, which is the date the financial statements were available to be issued.