

SELINGROVE PROJECTS INCORPORATED
A Nonprofit Organization

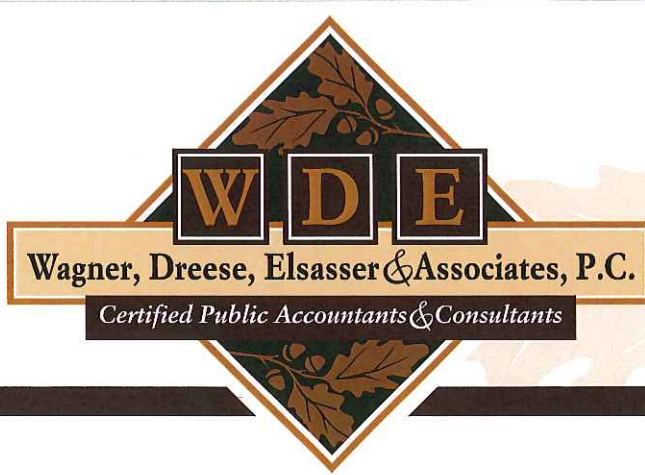
Compiled Financial Statements

For the Years Ended December 31, 2018 and 2017

SELINGROVE PROJECTS INCORPORATED

Contents

	<u>Page Number</u>
Independent Accountant's Compilation Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	5
Notes to Financial Statements	6



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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, 2018 and 2017, 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
April 29, 2019

SELINSGROVE PROJECTS INCORPORATED
 Statements of Financial Position
 December 31, 2018 and 2017
 See Independent Accountant's Compilation Report

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 154,526	\$ 134,109
Certificates of deposit	101,861	101,405
Other current assets	270	270
Property and equipment, net	<u>247,133</u>	<u>248,343</u>
Total assets	<u><u>\$ 503,790</u></u>	<u><u>\$ 484,127</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS		
Without donor restrictions	500,951	479,759
With donor restrictions	<u>2,839</u>	<u>4,368</u>
Total net assets	<u>503,790</u>	<u>484,127</u>
Total liabilities and net assets	<u><u>\$ 503,790</u></u>	<u><u>\$ 484,127</u></u>

See Accompany Notes to Financial Statements

SELINGROVE PROJECTS INCORPORATED
 Statements of Activities
 December 31, 2018 and 2017
 See Independent Accountant's Compilation Report

	<u>2018</u>	<u>2017</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support		
Contributions	\$ 3,215	\$ 9,225
Grant income	500	600
Total support	3,715	9,825
Revenue		
Sales	812	712
Festival ticket sales	90,449	90,680
Festival vendor fees	15,695	14,375
Investment income	540	312
Other income	12,205	4,230
Total revenue	119,701	110,309
Net assets released from restrictions		
Restrictions satisfied by payments	4,729	3,086
Total unrestricted support and revenue	128,145	123,220
Expenses		
Program services - Community Revitalization		
Materials and supplies	18,111	16,877
Food costs	5,770	6,860
Entertainment	2,655	2,780
Outside services	35,831	14,570
Miscellaneous expenses	11,380	11,513
Advertising	5,067	5,048
Insurance	3,891	3,897
Depreciation	1,210	1,210
Awards and scholarships	500	500
Donations	5,000	5,275
Total program services	\$ 89,415	\$ 68,530

See Accompany Notes to Financial Statements

SELINGSGROVE PROJECTS INCORPORATED
 Statements of Activities
 December 31, 2018 and 2017
 See Independent Accountant's Compilation Report

	<u>2018</u>	<u>2017</u>
Supporting services		
Payroll and related costs	\$ 11,416	\$ 10,924
Rent	2,580	1,400
Utilities	700	862
Dues and Subscriptions	1,854	1,525
Office Supplies	817	-
Professional development	39	-
Bank Fees	12	-
Postage	120	107
Total supporting services	<u>17,538</u>	<u>14,818</u>
Total expenses	<u>106,953</u>	<u>83,348</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>21,192</u>	<u>39,872</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	3,200	3,953
Net assets released from restrictions	<u>(4,729)</u>	<u>(3,086)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(1,529)</u>	<u>867</u>
CHANGE IN TOTAL NET ASSETS	19,663	40,739
NET ASSETS, Beginning	<u>484,127</u>	<u>443,388</u>
NET ASSETS, Ending	<u><u>\$ 503,790</u></u>	<u><u>\$ 484,127</u></u>

See Accompany Notes to Financial Statements

SELINGROVE PROJECTS INCORPORATED
 Statements of Cash Flows
 December 31, 2018 and 2017
 See Independent Accountant's Compilation Report

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 19,663	\$ 40,739
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>-</u>	<u>350</u>
Net cash provided (used) by operating activities	<u>20,873</u>	<u>42,299</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Reinvested interest on certificates of deposit	<u>(456)</u>	<u>(304)</u>
Net cash provided (used) by investing activities	<u>(456)</u>	<u>(304)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	20,417	41,995
CASH AND CASH EQUIVALENTS, Beginning	<u>134,109</u>	<u>92,114</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 154,526</u></u>	<u><u>\$ 134,109</u></u>

See Accompany Notes to Financial Statements

SELINGSGROVE PROJECTS INCORPORATED

Notes to Financial Statements

December 31, 2018 and 2017

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.

SELINSGROVE PROJECTS INCORPORATED

Notes to Financial Statements

December 31, 2018 and 2017

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 outside program 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. There is no indirect allocation of office or payroll costs as they are related directly to supporting services. The programs are run by various committees comprised of volunteers who receive no compensation for their services.

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 net assets without donor restrictions or net assets with donor restrictions, 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), 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.

SELINGSGROVE PROJECTS INCORPORATED

Notes to Financial Statements

December 31, 2018 and 2017

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, 2018 and 2017, advertising costs amounted to \$5,067 and \$5,048, respectively.

Change in Accounting Principle

Effective January 1, 2018, Selingsgrove Projects, Inc. adopted Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. ASU 2016-14 is effective for financial statements issued for fiscal years beginning after December 31, 2017.. Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the period presented. The Organization’s net assets previously reported as temporarily restricted are now reported as net assets with donor restrictions. Likewise, the Organizations net assets previously reported as unrestricted are now reported as net assets without donor restrictions. The Organization did not have any permanently restricted net assets.

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.

SELINSGROVE PROJECTS INCORPORATED

Notes to Financial Statements

December 31, 2018 and 2017

NOTE 3 - CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$101,861 and \$101,405 at December 31, 2018 and 2017 are included in the accompanying financial statements. The certificate at December 31, 2018 bears interest of .45% and maturity of nine months.

NOTE 4 - PROPERTY AND EQUIPMENT

At December 31, 2018 and 2017 property and equipment consisted of the following:

	<u>2018</u>	<u>2017</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>10,089</u>	<u>8,879</u>
Net	<u>\$ 247,133</u>	<u>\$ 248,343</u>

Depreciation expense for the years ending December 31, 2018 and 2017 was \$1,210 and \$1,210, respectively.

NOTE 5 - LEASE

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

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2018</u>	<u>2017</u>
Commons	\$ 2,274	\$ 2,625
Clock	-	1,178
Governor Snyder Monument	<u>565</u>	<u>565</u>
Total	<u>\$ 2,839</u>	<u>\$ 4,368</u>

SELINGROVE PROJECTS INCORPORATED

Notes to Financial Statements

December 31, 2018 and 2017

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose specified by donors during the years ended December 31, 2018 and 2017 are as follows:

Purpose restrictions accomplished:		
Commons maintenance	\$ 3,551	\$ 174
Donation-TBiz program	-	1,400
Clock restoration	1,178	-
 Total	 \$ 4,729	 \$ 1,574

NOTE 7 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of donor-imposed regulation within one year of the statement of financial position date.

Financial assets at year end	\$ 256,387
Less those unavailable for general expenditures within one year due to donor-imposed restrictions.	(2,839)
Financial assets available to meet cash needs for general expenditures within one year	\$ 253,548

NOTE 8– SUBSEQUENT EVENTS

Subsequent events were evaluated through April 29, 2019, which is the date the financial statements were available to be issued.