

Lebanon Valley Non-Profit Development Corporation

Financial Statements

Years Ended December 31, 2018 and 2017 with
Independent Auditor's Report

MaherDuessel
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LEBANON VALLEY NON-PROFIT DEVELOPMENT CORPORATION

YEARS ENDED DECEMBER 31, 2018 AND 2017

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Independent Auditor's Report

**The Board of Directors
Lebanon Valley Non-Profit
Development Corporation**

We have audited the accompanying financial statements of Lebanon Valley Non-Profit Development Corporation (Organization) (a nonprofit corporation), a component unit of the Redevelopment Authority of the County of Lebanon, as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 the Organization as of December 31, 2018 and 2017, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Maher Duessel

Harrisburg, Pennsylvania

April 15, 2019

LEBANON VALLEY NON-PROFIT DEVELOPMENT CORPORATION

STATEMENTS OF NET POSITION

DECEMBER 31, 2018 AND 2017

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 170,567	\$ 71,614
Noncurrent assets:		
Investments	-	150,000
Total Assets	\$ 170,567	\$ 221,614
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 15,248	\$ 27,244
Total current liabilities	15,248	27,244
Net position:		
Unrestricted	155,319	194,370
Total net position	155,319	194,370
Total Liabilities and Net Position	\$ 170,567	\$ 221,614

The accompanying notes are an integral part of these financial statements.

LEBANON VALLEY NON-PROFIT DEVELOPMENT CORPORATION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Operating Revenues:		
Interest income	\$ 4,364	\$ 936
Other income	-	735
	4,364	1,671
Operating Expenses:		
Program and support services	43,415	67,771
	43,415	67,771
Change in Net Position	(39,051)	(66,100)
Net Position:		
Beginning of year	194,370	260,470
End of year	\$ 155,319	\$ 194,370

The accompanying notes are an integral part of these financial statements.

LEBANON VALLEY NON-PROFIT DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash Flows From Operating Activities:		
Interest received	\$ 4,364	\$ 936
Other income received	-	735
Cash paid to suppliers	(55,411)	(65,442)
Net cash used in operating activities	(51,047)	(63,771)
Cash Flows from Investing Activities:		
Proceeds from maturity of investments	150,000	-
Loans granted, net	-	1,035
Net cash provided by investing activities	150,000	1,035
Net Increase (Decrease) in Cash and Cash Equivalents	98,953	(62,736)
Cash and Cash Equivalents:		
Beginning of year	71,614	134,350
End of year	\$ 170,567	\$ 71,614
Reconciliation of Change in Net Position to Net Cash Used in Operating Activities:		
Change in net position	\$ (39,051)	\$ (66,100)
Adjustments to reconcile change in net position to net cash used in operating activities:		
Change in accounts payable	(11,996)	2,329
Net cash used in operating activities	\$ (51,047)	\$ (63,771)

The accompanying notes are an integral part of these financial statements.

LEBANON VALLEY NON-PROFIT DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

1. Summary of Organization and Significant Accounting Policies

Nature of Organization and Operations

Lebanon Valley Non-Profit Development Corporation (Organization) was organized to buy, sell, and rent real estate in the County of Lebanon, Pennsylvania, whose funds would be used to assist the Redevelopment Authority of the County of Lebanon (Authority). For financial statement purposes, the Organization is included in the financial statements of the Authority as a blended component unit (single enterprise fund).

Basis of Presentation

Assets, liabilities, revenues, and expenses are accounted for on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Operating revenues and expenses consist of those revenues and expenses that result from ongoing principal operations of the Organization. Operating revenues consist of interest and miscellaneous income.

When both restricted and unrestricted resources are available for use, it is the Organization's policy to use restricted resources first, then unrestricted resources as needed.

Income Taxes

The Organization is exempt from federal income taxes under Section 509(a)(3) of the Internal Revenue Code and is exempt from state income taxes under the provisions of the Pennsylvania Nonprofit Corporation Law.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers demand deposits with a maturity date of three months or less to be cash equivalents.

LEBANON VALLEY NON-PROFIT DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

Investments

Investments, consisting of a certificate of deposit totaling \$150,000 at December 31, 2017, are reported at cost. The certificate of deposit bears interest at .70% and matured in March 2018.

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 in the financial statements. Actual amounts could differ from those estimates.

Classification of Net Position

Net position is classified as unrestricted, which is defined as follows:

Unrestricted – This category represents the net position of the Organization, which is not restricted for any project or other purpose.

2. Deposits

The Organization has not formally adopted a policy that limits the Organization's allowable deposits.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned to it. The Organization does not have a formal deposit policy for custodial credit risk. As of December 31, 2018 and 2017, the Organization's book and bank balances were \$170,567 and \$221,614, respectively. As of December 31, 2018 and 2017, the entire bank balance was insured by the Federal Deposit Insurance Corporation (FDIC).

LEBANON VALLEY NON-PROFIT DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

3. Related Party Transactions

The Organization is controlled by the Authority. The Authority operates as a common paymaster and, as such, disburses funds on behalf of the Organization. Costs are reimbursed periodically by the Organization. In addition, the Organization provides support to the Authority based on the Authority's funding needs. During the years ended December 31, 2018 and 2017, the Organization provided support of \$39,485 and \$63,915, respectively, to the Authority. As of December 31, 2018 and 2017, the Organization had payables of \$11,312 and \$23,388, respectively, owed to the Authority.

4. Risk Management

The Organization is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization maintains commercial insurance covering each of these risks to loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Organization. Settled claims have not exceeded coverage in any of the last three years and there have been no significant reductions in coverage compared to the prior year.