

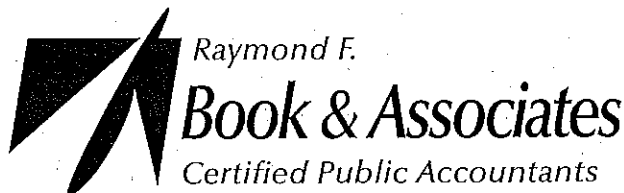
THE GREATER LEWES FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

THE GREATER LEWES FOUNDATION
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
The Greater Lewes Foundation
PO Box 110
Lewes, DE 19958

We have reviewed the accompanying statements of financial position of The Greater Lewes Foundation (a Not-For-Profit Corporation) as of December 31, 2016 and 2015, and the related statements of activities and changes in net assets, statement of functional expenses and statements of cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of any opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accrual basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accrual basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the accrual basis of accounting.

Basis of Accounting

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with the accrual basis of accounting, as described in Note 1

Raymond F. Book & Associates, P.A.

RAYMOND F. BOOK & ASSOCIATES, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

May 17, 2017
Lewes, Delaware

THE GREATER LEWES FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
<u>ASSETS</u>		
<u>Current Assets</u>		
Checking Account	\$ 112,674	\$ 69,334
Money Market Accounts	96,910	96,823
Less: Donor Restricted Cash	(108,311)	(70,631)
<u>Total Current Assets</u>	101,273	95,526
<u>Property & Equipment</u>		
	-	-
<u>Other Assets</u>		
DCF Endowment Funds		
Endowment Fund	52,366	53,106
Non-Profit Agency Fund	123,245	118,966
Other Funds	425,485	410,021
FMHA Fund	-	240,093
Donor Restricted Cash	108,311	70,631
<u>Total Other Assets</u>	709,407	892,817
<u>Total Assets</u>	\$ 810,680	\$ 988,343
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Agency Fund	123,245	118,966
FMHA Fund	-	240,093
<u>Total Liabilities</u>	\$ 123,245	\$ 359,059
<u>Net Assets</u>		
Unrestricted	600,594	542,443
Temporarily Restricted	-	-
Permanently Restricted	86,841	86,841
<u>Total Net Assets</u>	687,435	629,284
<u>Total Liabilities and Net Assets</u>	\$ 810,680	\$ 988,343

SEE INDEPENDENT
ACCOUNTANTS' REVIEW REPORT

THE GREATER LEWES FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
<u>Operating Revenues, Gains, and Other Support</u>					
Grants/Donations - Cash	\$ 234,631	-	-	\$ 234,631	\$ 177,498
Events	130,381	-	-	130,381	45,350
Interest	87	-	-	87	90
Investment Gains / (Losses)	25,704	-	-	25,704	(2,202)
Management Fees	13,600	-	-	13,600	11,153
Membership Dues	13,666	-	-	13,666	14,663
<u>Total Operating Revenues, Gains, and Other Support</u>	<u>418,069</u>	<u>-</u>	<u>-</u>	<u>418,069</u>	<u>246,552</u>
<u>Operating Expenses</u>					
Program Services	184,926	-	-	184,926	142,898
Support Services					
Management and General	60,494	-	-	60,494	53,515
Fundraising					
Development	19,708	-	-	19,708	11,026
Events	94,790	-	-	94,790	36,478
<u>Total Operating Expenses</u>	<u>359,918</u>	<u>-</u>	<u>-</u>	<u>359,918</u>	<u>243,917</u>
<u>Change in Net Assets from Operations</u>	<u>58,151</u>	<u>-</u>	<u>-</u>	<u>58,151</u>	<u>2,635</u>
<u>Increase/(Decrease) In Net Assets</u>	<u>58,151</u>	<u>-</u>	<u>-</u>	<u>58,151</u>	<u>2,635</u>
<u>Net Assets at Beginning of Year</u>	<u>542,443</u>	<u>-</u>	<u>86,841</u>	<u>629,284</u>	<u>626,649</u>
<u>Net Assets at End of Year</u>	<u>\$ 600,594</u>	<u>\$ -</u>	<u>\$ 86,841</u>	<u>\$ 687,435</u>	<u>\$ 629,284</u>

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT

THE GREATER LEWES FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Program Services	Management and Fundraising		2016 Total	2015 Total
		General			
Advertising	\$ 1,350	\$ -	\$ -	\$ 1,350	\$ 2,264
Events	-	-	94,790	94,790	36,478
Bank Service Charges	110	97	-	207	-
Cash Donations - Canal Front Project	11,139	-	-	11,139	6,404
Cash Donations - Other Charities	144,959	-	-	144,959	119,292
Consulting Services	11,408	37,128	5,022	53,558	45,585
Dues and Subscriptions	-	3,225	-	3,225	215
Fundraising Expenses	-	-	11,257	11,257	7,222
Insurance	3,229	790	-	4,019	4,536
Management Fees	9,448	-	-	9,448	5,003
Office Expense	1,528	466	-	1,994	1,480
Postage and Delivery	731	1,090	-	1,821	1,175
Printing and Reproduction	1,024	2,826	2,671	6,521	593
Professional Fees	-	2,450	-	2,450	2,830
Rent	-	3,400	-	3,400	1,200
Investment Fees	-	8,997	-	8,997	8,927
Taxes and Licenses	-	25	-	25	-
Telephone and Utilities	-	-	758	758	-
Total Expenses	\$ 184,926	\$ 60,494	\$ 114,498	\$ 359,918	\$ 243,917

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT

THE GREATER LEWES FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>Cash Flows From Operating Activities</u>		
Change in Net Assets	\$ 58,151	\$ 2,635
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Investment (Gains)/Losses (Unrealized)	(28,042)	6,220
Unconditional Promises to Give Collected	-	-
<u>Net Cash Provided (Used) By Operating Activities</u>	<u>30,109</u>	<u>8,855</u>
<u>Cash Flows From Investing Activities</u>		
Transfers to DCF Investments and Reinvestment of Income	(8,300)	(29,000)
Transfers from DCF Investments and Investment Expenses	21,618	16,383
<u>Net Cash Provided (Used) By Investing Activities</u>	<u>13,318</u>	<u>(12,617)</u>
<u>Cash Flows From Financing Activities</u>	<u>-</u>	<u>-</u>
<u>Net Increase (Decrease) In Cash And Cash Equivalents</u>	<u>43,427</u>	<u>(3,762)</u>
<u>Cash And Cash Equivalents At Beginning Of Year</u>	<u>166,157</u>	<u>169,919</u>
<u>Cash And Cash Equivalents At End Of Year</u>	<u>\$ 209,584</u>	<u>\$ 166,157</u>
<u>Supplemental Data</u>		
Interest Paid	\$ -	\$ -
Income Taxes Paid	-	-

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT

THE GREATER LEWES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities - The Greater Lewes Foundation is a not-for-profit organization incorporated under the laws of the State of Delaware on May 8, 2000, for the purpose of protecting, improving and enhancing the quality of life in the City of Lewes, Delaware. The corporation is classified as a “public foundation” by the Internal Revenue Service and is therefore exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Basis of Reporting - The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Consequently, certain revenues are recognized when earned rather than when received and certain expenses are recognized when the obligation is incurred rather than when the cash is disbursed.

Financial Statement Presentation – The Organization reports contributions received as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. Assets are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted assets are reclassified to unrestricted assets and reported in the statement of activities as net assets released from restrictions. For the years ended December 31, 2016 and 2015 the Organization does not have temporarily restricted assets.

Concentration of Revenue - The foundation’s primary source of income is derived from the public in the form of donations and grants.

Use of Estimates - The financial statements include estimates and assumptions made by management that affect the carrying amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from those estimates.

Promises to Give – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises receivable. Management has determined that all promises receivable are collectible and therefore, no allowance has been established.

THE GREATER LEWES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1 continued

Contributions— All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary 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.

Property and Equipment— Purchased property and equipment are capitalized at cost and depreciated using the straight-line method. Donated property and equipment are capitalized at FMV and depreciated using the straight-line method.

Costs of Fundraising and Events

Costs of fundraising and events are paid for by the Greater Lewes Foundation as well as certain funds established to engage in active development activities.

Endowment Funds— Management invests all endowment funds with the Delaware Community Foundation (DCF). The funds follow all of the policies of the DCF regarding investment strategy and expenditures.

Subsequent Events— Management has evaluated subsequent events through May 17, 2017, which was the date that the financial statements were available to be issued.

Note 2 - Cash and Cash Equivalents

The cash and cash equivalents balances at December 31, 2016 and 2015, consist of the following:

	<u>2016</u>	<u>2015</u>
Operating Cash	\$ 112,674	\$ 69,334
Money Market (including cash restricted For Endowment Fund)	<u>96,910</u>	<u>96,823</u>
Total Cash and Cash Equivalents	<u>\$ 209,584</u>	<u>\$ 166,157</u>

Note 3 - Concentration of Credit Risk

The Greater Lewes Foundation maintains cash balances that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2016 and 2015, the organization's uninsured cash balances totaled \$-0- and \$-0-, respectively.

THE GREATER LEWES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 4 – Temporarily Restricted Net Assets

The Greater Lewes Foundation's mission is to "maintain and improve the quality of life in the greater Lewes community". Contributions are made to the foundation to be used towards the betterment of the community of Lewes. In some cases, donors give money for specific funds that are under the Foundation's umbrella of control. Since these funds fall under the Foundation's overall mission, they are not considered restricted assets by the Foundation.

The Foundation has determined that funds with time restrictions will be classified as temporarily restricted. At this time there are no funds meeting this qualification.

Note 5 – Restricted Net Assets

In December 2001, The Greater Lewes Foundation established an endowment fund with the Delaware Community Foundation. The income generated from this fund will be used for general charitable purposes within the Greater Lewes Community and within the State of Delaware. As of December 31, 2016 and 2015, net assets permanently restricted totaled \$86,841 and \$86,841, respectively.

Note 6 – Promises to Give

Unconditional promises to give consist of the following:

Restricted to betterment of the community of Lewes	\$ -0-
Amounts due in:	
Less than one year	\$ -0-
One to five years	<u>-0-</u>
	<u>\$ -0-</u>

Note 7 – Related Party Transactions

The Organization has a contract for consulting services with Horizon Philanthropic Services, Inc. The Principal of the Corporation is also the acting Executive Director of the Organization. Responsibilities of the Executive Director include managing The Greater Lewes Foundation and providing administrative and professional services to some of The Greater Lewes Foundation's projects and funds. The total amount paid to this related party during 2016 and 2015 was \$43,625 and \$33,094, respectively. Horizon Philanthropic Services, Inc. uses some of this money to hire various other consultants to work on The Greater Lewes Foundation's projects.

THE GREATER LEWES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 8 – Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. With few exceptions the organization is no longer subject to federal or state income tax examinations by tax authorities for years ending before December 31, 2013.

Note 9 – Fair Value Measurements

The investments listed under Delaware Community Foundation on the Statement of Financial Position are measured at Fair Value. The values were determined using quoted prices in active markets for similar assets (Level 2).

Investment income consists of the following for the years ending December 31:

	<u>2016</u>	<u>2015</u>
Interest and Dividends	\$ 9,488	\$ 8,147
Net realized and unrealized gains / (losses)	<u>16,216</u>	<u>(14,366)</u>
Total investment income / (loss)	<u>\$ 25,704</u>	<u>\$ (6,219)</u>

Fair value of assets measured on a recurring basis were as follows:

<u>December 31, 2016</u>	<u>Total</u>	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>
Mutual Funds	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Pooled Funds	<u>477,851</u>	<u>-0-</u>	<u>477,851</u>	<u>-0-</u>
Total	<u>\$ 477,851</u>	<u>\$ -0-</u>	<u>\$ 477,851</u>	<u>\$ -0-</u>
<u>December 31, 2015</u>				
Mutual Funds	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Pooled Funds	<u>463,127</u>	<u>-0-</u>	<u>463,127</u>	<u>-0-</u>
Total	<u>\$ 463,127</u>	<u>\$ -0-</u>	<u>\$ 463,127</u>	<u>\$ -0-</u>