DOMESTIC VIOLENCE SERVICES
OF CUMBERLAND
AND PERRY COUNTIES

FINANCIAL REPORT

JUNE 30, 2023

CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Domestic Violence Services of
Cumberland and Perry Counties
Carlisle, Pennsylvania

Opinion

We have audited the financial statements of Domestic Violence Services of Cumberland and Perry Counties (the Organization), which comprise the statements of financial position as of June 30, 2023 and 2022, the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Boyer & Ritter

Camp Hill, Pennsylvania
November 20, 2023

DOMESTIC VIOLENCE SERVICES
OF CUMBERLAND AND PERRY COUNTIES

STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash	$ 906,454	$ 885,940
Grants receivable	259,458	267,065
Prepaid expenses	23,677	4,623
Total current assets	1,189,589	1,157,628
Property and Equipment		
Land and land improvements	30,000	30,000
Building and improvements	600,582	585,379
Furniture and equipment	191,051	185,417
Automobiles	15,989	15,989
Construction-in-process	-	10,110
	837,622	826,895
Less accumulated depreciation	(503,793)	(472,981)
Property and equipment - net	333,829	353,914
Other Assets		
Long-term annuity	92,165	91,253
Investment in Community Foundation	93,124	91,402
Total other assets	185,289	182,655
Total assets	$ 1,708,707	$ 1,694,197
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 7,765	$ 7,565
Accrued payroll and payroll taxes	51,327	51,139
Total current liabilities	59,092	58,704
Net Assets		
Without donor restrictions	1,468,122	1,413,300
Net assets with donor restrictions	181,493	222,193
Total net assets	1,649,615	1,635,493
Total liabilities and net assets	$ 1,708,707	$ 1,694,197

See Notes to Financial Statements.

DOMESTIC VIOLENCE SERVICES
OF CUMBERLAND AND PERRY COUNTIES

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Revenue and Gains			
Contributions			
General contributions - cash	$ 195,258	$ 37,520	$ 232,778
Foundations	15,000	-	15,000
United Way	24,486	72,369	96,855
In-kind contributions	31,259	-	31,259
Pennsylvania Coalition Against Domestic Violence			
Title XX/Act 44	440,020	-	440,020
Act 222	8,785	-	8,785
TANF	13,980	-	13,980
ESG	175,397	-	175,397
FVPSA ARP Mobile	45,724	-	45,724
Pennsylvania Commission on Crime and Delinquency	225,508	-	225,508
Cumberland Cty Stop and Emergency Shelter Grants	40,112	-	40,112
AMEND income	62,993	-	62,993
Fundraising events	95,705	-	95,705
Less direct donor benefit	(27,721)	-	(27,721)
Interest income	6,129	-	6,129
Investment income (loss), net	7,722	1,722	9,444
Net assets released from restrictions			
Satisfaction of program restrictions	80,140	(80,140)	-
Expiration of time restrictions	72,171	(72,171)	-
Total revenue and gains	1,512,668	(40,700)	1,471,968
Expenses			
Program direct expenses	1,287,561	-	1,287,561
Fundraising	19,943	-	19,943
Management and general	150,342	-	150,342
Total functional expenses	1,457,846	-	1,457,846
Changes in net assets	54,822	(40,700)	14,122
Net Assets			
Beginning	1,413,300	222,193	1,635,493
Ending	$ 1,468,122	$ 181,493	$ 1,649,615

See Notes to Financial Statements.

2022		
Without Donor Restrictions	With Donor Restrictions	Total
$ 165,367	$ 63,620	$ 228,987
13,000	9,000	22,000
34,553	70,390	104,943
14,255	-	14,255
434,605	-	434,605
8,785	-	8,785
13,980	-	13,980
114,818	-	114,818
-	-	-
225,508	-	225,508
36,270	-	36,270
67,081	-	67,081
81,052	-	81,052
(21,186)	-	(21,186)
1,182	-	1,182
904	(15,843)	(14,939)
36,000	(36,000)	-
58,816	(58,816)	-
1,284,990	32,351	1,317,341
1,100,102	-	1,100,102
12,018	-	12,018
141,903	-	141,903
1,254,023	-	1,254,023
30,967	32,351	63,318
1,382,333	189,842	1,572,175
$ 1,413,300	$ 222,193	$ 1,635,493

DOMESTIC VIOLENCE SERVICES
OF CUMBERLAND AND PERRY COUNTIES

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Program Services						
	Counseling and Advocacy	Emergency Shelter	Community Education Prevention	AMEND Program	Fundraising	Management and General	Total
Salaries and wages	$ 211,112	$ 331,667	$ 107,758	$ -	$ 15,788	$ 76,131	$ 742,456
Payroll taxes	17,415	27,359	8,889	-	1,302	6,280	61,245
Benefits	30,137	47,346	15,383	-	2,254	10,868	105,988
Equipment maintenance	12,438	12,438	-	-	-	2,763	27,639
Rent	6,671	-	-	-	-	-	6,671
Insurance	-	9,927	1,985	-	-	1,324	13,236
Building maintenance and repairs	-	20,575	-	-	-	2,286	22,861
Telephone	5,269	4,311	-	684	277	2,472	13,013
Utilities	1,354	7,709	-	-	-	1,354	10,417
Office supplies	1,651	1,838	1,470	399	156	1,838	7,352
Postage	453	288	82	-	37	861	1,721
Printing	1,783	-	4,159	-	129	-	6,071
Client needs	70,423	70,423	-	-	-	-	140,846
Volunteer training	32	-	-	-	-	-	32
Conferences	3,553	1,381	3,553	-	-	1,382	9,869
Food	-	15,588	-	-	-	-	15,588
Consultants	55,538	-	-	49,079	-	-	104,617
Donated clothing and personal items	-	23,631	-	-	-	-	23,631
Travel	2,126	783	2,689	2,288	-	1,850	9,736
Professional fees	-	-	-	-	-	13,500	13,500
PCADV administrative cost	-	-	-	-	-	8,868	8,868
Advertising	-	-	-	-	-	520	520
Membership dues	225	225	-	-	-	2,048	2,498
Emergency shelter	-	604	-	-	-	-	604
Public education	-	-	1,431	-	-	-	1,431
Depreciation	-	23,108	-	-	-	7,703	30,811
Bank fees	-	-	-	-	-	2,463	2,463
Payroll service fees	-	-	-	-	-	5,831	5,831
Relocation	-	63,049	-	-	-	-	63,049
Miscellaneous program expense	2,007	2,377	898	-	-	-	5,282
Total functional expenses	$ 422,187	$ 664,627	$ 148,297	$ 52,450	$ 19,943	$ 150,342	$ 1,457,846

See Notes to Financial Statements.

**DOMESTIC VIOLENCE SERVICES
OF CUMBERLAND AND PERRY COUNTIES**

**STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022**

	Program Services						
	Counseling and Advocacy	Emergency Shelter	Community Education Prevention	AMEND Program	Fundraising	Management and General	Total
Salaries and wages	$ 213,737	$ 282,790	$ 101,040	$ -	$ 9,428	$ 71,638	$ 678,633
Payroll taxes	19,058	25,215	9,009	-	841	6,388	60,511
Benefits	31,587	41,793	14,932	-	1,393	10,587	100,292
Equipment maintenance	13,179	13,179	-	-	-	2,929	29,287
Rent	7,632	-	-	-	-	-	7,632
Insurance	-	8,763	1,753	-	-	1,168	11,684
Building maintenance and repairs	-	10,809	-	-	-	1,201	12,010
Telephone	5,482	4,485	-	423	181	2,480	13,051
Utilities	1,174	6,680	-	-	-	1,174	9,028
Office supplies	2,095	1,830	1,464	-	102	1,830	7,321
Postage	321	205	59	-	17	602	1,204
Printing	1,184	-	2,761	-	56	-	4,001
Client needs	67,143	67,143	-	-	-	-	134,286
Volunteer training	-	-	-	-	-	-	-
Conferences	4,707	1,830	4,707	-	-	1,831	13,075
Food	-	8,231	-	-	-	-	8,231
Consultants	17,339	-	-	42,400	-	-	59,739
Donated clothing and personal items	-	10,245	-	-	-	-	10,245
Travel	767	282	970	826	-	667	3,512
Professional fees	-	-	-	-	-	12,600	12,600
PCADV administrative cost	-	-	-	-	-	8,868	8,868
Advertising	-	-	-	-	-	445	445
Membership dues	168	168	-	-	-	1,524	1,860
Emergency shelter	-	600	-	-	-	-	600
Public education	-	-	818	-	-	-	818
Depreciation	-	21,436	-	-	-	7,145	28,581
Bank fees	-	-	-	-	-	2,879	2,879
Payroll service fees	-	-	-	-	-	5,947	5,947
Relocation	-	23,925	-	-	-	-	23,925
Miscellaneous program expense	1,428	1,691	639	-	-	-	3,758
Total functional expenses	$ 387,001	$ 531,300	$ 138,152	$ 43,649	$ 12,018	$ 141,903	$ 1,254,023

See Notes to the Financial Statements.

DOMESTIC VIOLENCE SERVICES
OF CUMBERLAND AND PERRY COUNTIES

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Changes in net assets	**$ 14,122**	$ 63,318
Adjustments to reconcile changes in net assets		
to net cash provided by operating activities		
Depreciation	**30,811**	28,581
Net realized and unrealized (gains) losses - endowment	**(8,542)**	15,537
Change in cash surrender value - annuity	**(912)**	(904)
Changes in assets and liabilities:		
(Increase) decrease in:		
Grants receivable	**7,607**	13,321
Accounts receivable	**-**	690
Prepaid expenses	**(19,054)**	329
(Decrease) increase in:		
Accounts payable	**200**	(2,493)
Accrued expenses	**188**	14,612
Net cash provided by operating activities	**24,420**	132,991
Cash Flows From Investing Activities		
Purchases of capital assets	**(10,726)**	(36,152)
Purchase of investments in Community Foundation	**(1,684)**	(1,660)
Distribution and fees from Community Foundation	**8,504**	1,966
Net cash used in investing activities	**(3,906)**	(35,846)
Net increase in cash and cash equivalents	**20,514**	97,145
Cash:		
Beginning	**885,940**	788,795
Ending	**$ 906,454**	$ 885,940

See Notes to Financial Statements.

DOMESTIC VIOLENCE SERVICES
OF CUMBERLAND AND PERRY COUNTIES

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies

Nature of Activity: Domestic Violence Services of Cumberland and Perry Counties (the Organization) is a non-profit agency that serves victims of domestic violence and their dependent children through one or more services such as hot-line, emergency shelter, individual and group counseling, legal advocacy, systems advocacy, information and referral and accompaniment to court-related proceedings. All services are free and confidential. In addition, education programs, trainings and school-based programs are presented to members of the community in the service delivery area and a fee based educational program for men who are abusive.

Income Taxes: The Internal Revenue Service has determined that the Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Management has assessed the Organization's exposure to income taxes at the entity level as a result of uncertain tax positions taken in current and previously filed tax returns. Examples of tax positions taken at the entity level include the continuing validity of its exempt organization status, potential filing requirement for unrelated business income and other tax positions that could result in income tax liabilities to the Organization upon examination by taxing authorities Presently, management believes that it is more likely than not its tax position will be sustained upon examination, including any appeals and litigation, such that the Organization has no exposure to income tax liabilities from uncertain tax positions.

Basis of Accounting: The financial statements have been prepared on the accrual basis.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates based on management's knowledge and experience. Due to the estimates' prospective nature, actual results could differ from those estimates.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 958, *Financial Statements of Not-for-Profit Entities.* Under this topic, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

> Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.
>
> Net assets with donor restrictions: Net assets subject to donor-imposed restrictions which may be temporary in nature such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature; accordingly, the donor stipulates those resources be maintained in perpetuity.

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

Grant Receivables: Grant receivables are carried at original invoice amount less an estimate made for allowance for doubtful receivables based on management's review of all outstanding amounts on a regular basis. Management determines the allowance for doubtful accounts by regularly evaluating individual grant receivables and considering a grantor's financial condition, credit history and current economic conditions. Management has not identified any grant receivables at year-end that based on the grantor's financial condition, credit history and current economic condition suggest a reserve would be appropriate. Grant receivables are written off when deemed uncollectible. Recoveries of grant receivables previously written off are recorded when received.

A grant receivable is considered to be past due based on how payments are received compared to the grantor's payment history. Interest is not generally charged on grant receivables.

Cash Equivalents: For purposes of the Statements of Cash Flows, the Organization considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments: Investments in equity securities with readily determinable fair values are measured at fair market value in the Statements of Financial Position. Investment income or loss, including realized and unrealized gains and losses, is included in the change in unrestricted net assets unless the income or loss is restricted by donor or law.

Property, Equipment and Depreciation: Property, plant and equipment are stated at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the individual assets.

Leases: The Organization leases equipment under long-term lease agreements. At the lease commencement date, the Organization classifies its leases as either finance or operating based on the lease agreement terms. A lease is classified as a finance lease if certain criteria are met. If none of the lease classification criteria are met, the lease is classified as an operating lease. Finance leases are accounted for on the Organization's balance sheet as a financial liability with a corresponding asset. Operating lease obligations are not accounted for on the Organization's balance sheet. Lease payments for operating leases are expensed periodically over the term of the lease. Executory costs, such as insurance, taxes, maintenance and repairs, are charged to expense as incurred. Improvements to leased property are capitalized as assets and are amortized over the longer of the lease term or the economic useful life of the asset.

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). This ASU replaces the Accounting Standards Codification (ASC) Section 840 with ASC Section 842. ASC 842 is effective for annual periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2022. The newly issued ASU requires entities to recognize a right-of use (ROU) asset and a corresponding lease liability for both operating and financing (formerly capital) leases. The Organization's accounting for finance leases does not differ significantly from the new accounting standard. However, the Organization's accounting for operating leases is not consistent with the new accounting standard.

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

Donated Materials and Services: The Organization records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values on the dates of receipt. Donated services that create or enhance nonfinancial assets or require specialized skills, that are provided by individuals possessing those skills, and that would typically be purchased if not provided by donation, are recorded as contributions in the accompanying statements. The basis for recording the value of donated services is the difference between any amount paid to an individual and the comparable compensation which would be paid to that individual if he or she performed the services at arms-length.

Concentration of Credit Risk: Financial instruments that potentially subject the Organization to concentrations of credit risk include cash and cash equivalents. At times, cash and cash equivalent balances in the Organization's accounts may exceed FDIC insurance limits. Management believes the financial risks associated with these financial instruments are minimal. As of June 30, 2023 and 2022, the Organization had uninsured cash balances of $156,896 and $231,971, respectively.

Revenue Recognition: The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Our federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. As of June 30, 2023 and 2022, the Organization had no amounts recorded as refundable advances in the Statements of Financial Position. All cost-reimbursable grants were recognized as qualifying expenditures had been incurred.

Functional Expense Allocation: Expenses not directly related to a function are allocated by management to all functions on reasonable bases. Expenses directly related to a function are charged to the function.

Advertising Costs: The Organization expenses all advertising costs as incurred. As of June 30, 2023 and 2022, the Organization had advertising costs of $520 and $445, respectively.

Subsequent Events: In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 20, 2023, the date the financial statements were available to be issued.

Note 2. Liquidity and Availability

Financial assets available for general expenditure; that is, without donor or other restrictions limiting their use; within one year of June 30, 2023 and 2022, comprise the following:

	2023	2022
Financial assets at year-end		
Cash and cash equivalents	$ 906,454	$ 885,940
Grants receivable	259,458	267,065
Investments	93,124	91,402
Annuity	92,165	91,253
Total financial assets	1,351,201	1,335,660
Less amounts not available to be used within on year:		
Net assets with donor restrictions - endowment fund	93,124	91,402
Net assets with donor restrictions - expenditure for specified purpose	30,000	72,620
Net assets with donor restrictions - subject to passage of time	58,369	58,171
Less amounts with purpose and time restrictions to be met within one year	(88,369)	(130,791)
	93,124	91,402
Financial assets available to meet general expenditures over the next twelve months	$ 1,258,077	$ 1,244,258

Domestic Violence Services of Cumberland and Perry Counties is funded in part by contributions from donors that contain restrictions. Those restrictions require that resources be used for certain purposes or in future periods. Therefore, the Organization must maintain adequate resources to meet those responsibilities to its donors, and as a result, certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations become due. The Organization invests its cash in excess of its daily needs in interest-bearing accounts. The Organization can also draw upon a $150,000 line-of-credit (as discussed in Note 6).

Note 3. Investment in Community Foundation

The Organization established the Domestic Violence Services of Cumberland and Perry Counties - Agency Endowment Fund of The Foundation for Enhancing Communities. The Endowment Fund is a component fund of The Foundation for Enhancing Communities, which is a community foundation. The Board of Directors of The Foundation for Enhancing Communities shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served. The investment portfolio is invested in 70% equities and 30% fixed income funds. The annual distribution rate is 5%, less fund investment and administration fees.

Summary of transactions is as follows:

	2023	2022
Fair Market Value at July 1	$ 91,402	$ 107,245
Investment Income		
Interest/dividends	1,684	1,660
Realized gains	28,905	-
Unrealized losses	(20,363)	(15,537)
	10,226	(13,877)
Distributions for DVS operations	(6,810)	-
Management fees	(1,694)	(1,966)
Fair Market Value at June 30	$ 93,124	$ 91,402

Note 4. Long-Term Annuity

The Organization owns an annuity with a guaranteed minimum interest rate of 1%. The annuity is subject to withdrawal charges beginning with 9% the first year and decreasing by 1% for the first three years. The annuity has a 3-year surrender period. At the end of the 3rd year, the Organization can withdraw the full value of the annuity penalty free. If the Organization chooses not to withdraw the annuity after the surrender period, they can continue to hold the investment for maximum of 56 years from the start of the annuity contract. As of June 30, 2023 and 2022, the cash surrender value of the annuity is $92,165 and $91,253, respectively, and the fair market value of the annuity is $96,735 and $103,349, respectively.

Note 5. Fair Value Measurements

FASB's authoritative guidance establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The assets that are recorded at fair value on a recurring basis are investments in the Community Foundation. The Organization has no financial liabilities or non-financial items that are recorded at fair value on a recurring basis. Following are descriptions of the valuation methodologies used for assets measured at fair value.

Investment in Community Foundation: The fair value of our beneficial interest in assets held by the Community Foundation is based on the fair value of fund investments as reported by the Community Foundation. These are considered to be Level 3 measurements.

Investment in Long-Term Annuity: The fair value of our long-term annuity is based on the cash surrender value of the respective annuity as represented by the insurance company. These are considered to be Level 2 measurements.

Note 5. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Cash Surrender Value of Annuity	$ -	$ 92,165	$ -	$ 92,165
Investment in Community Foundation	-	-	93,124	93,124
	$ -	$ 92,165	$ 93,124	$ 185,289

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Cash Surrender Value of Annuity	$ -	$ 91,253	$ -	$ 91,253
Investment in Community Foundation	-	-	91,402	91,402
	$ -	$ 91,253	$ 91,402	$ 182,655

The table below sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the years ended June 30, 2023 and 2022:

	2023	2022
Balance, beginning of year	$ 91,402	$ 107,245
Investment income	10,226	(13,877)
Distributions and fees	(8,504)	(1,966)
Balance, end of year	$ 93,124	$ 91,402

Investment income for the years ended June 30, 2023 and 2022, is summarized as follows:

	2023	2022
Unrealized losses on investments	$ (20,363)	$ (15,537)
Realized gain on investments	28,905	-
Change in annuity value	912	904
Interest/dividend income	1,684	1,660
Investments fees	(1,694)	(1,966)
Investment income, net	$ 9,444	$ (14,939)

Note 6. Note Payable

A $150,000 line-of-credit agreement has been established with Orrstown Bank which is secured by a first lien position on the property located in Carlisle, Pennsylvania. The demand note requires monthly interest payments at a variable rate equal to the Bank's prime rate plus 1%. There was no balance outstanding at June 30, 2023 and 2022.

Note 7. Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2023 and 2022, are donor restricted contributions available for the following purposes:

	2023	2022
Subject to expenditure for specified purpose:		
Emergency Shelter	$ 30,000	$ 63,620
Perry County Counselor salaries	-	9,000
	30,000	72,620
Subject to the passage of time:		
Operations	58,369	58,171
Not subject to appropriation of expenditures:		
Endowment	93,124	91,402
Total net assets with donor restrictions	$ 181,493	$ 222,193

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donor as follows for the years ended June 30, 2023 and 2022:

	2023	2022
Satisfaction of time restrictions:		
Operations	$ 72,171	$ 58,816
Satisfaction of purpose restrictions:		
Emergency Shelter	71,140	28,000
Perry County Counselor salaries	9,000	8,000
	80,140	36,000
Total net assets released from restriction	$ 152,311	$ 94,816

Note 8. In-Kind Contributions

Donated materials and other items, which are received by the Organization and the subsequent distribution of these items, are reflected on the Statements of Activities. The Organization records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated fair market values on the dates of receipt. Donated services are recorded as contributions in the accompanying statements. The basis for recording the value of donated services is the difference between any amount paid to an individual and the comparable compensation which would be paid to that individual if he or she performed the services at arms-length. All donated materials and services were used in program services. No donor-imposed restrictions were identified for donations received during the years ended June 30, 2023 and 2022.

For the years ended June 30, 2023 and 2022, in-kind contributions were as follows:

	2023	2022
Contributions		
Clothing and personal use items	$ 19,084	$ 7,265
Donated food	7,628	4,010
Goods and services	-	2,740
Supplies	3,347	240
Furniture and equipment	1,200	-
	$ 31,259	$ 14,255
Expenses		
Program directed expenses	$ 31,259	$ 14,255
	$ 31,259	$ 14,255

Note 9. Operations

The continuation of an entity's operations is usually assumed in financial accounting in the absence of evidence to the contrary. However, an operation which depends on support from agencies of the government is always subject to legislative action which could significantly affect the amount of support it receives.

Note 10. Supplemental Disclosures - PCADV

Match Requirements: The Organization met the requirements by PCADV to raise monies within the Community and spend amounts in excess of 20% of the contracts.

Domestic Violence Budget: For the years ended June 30, 2023 and 2022, total domestic violence expenditures for the Organization were $1,475,136 and $1,198,356, respectively.

Interest Income: All interest earnings were spent on domestic violence related expenditures.

Cost Allocation Plan Compliance: The Organization's cost allocation plan complied with the Uniform Guidance, Subpart E of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.*