BIG BROTHERS BIG SISTERS OF THE LEHIGH VALLEY, INC.
(A Not-For-Profit Corporation)

Financial Statements and Independent Auditor's Report

June 30, 2023 and 2022

CAMPBELL, RAPPOLD & YURASITS LLP
Certified Public Accountants
1033 South Cedar Crest Boulevard Allentown, PA 18103

BIG BROTHERS BIG SISTERS OF THE LEHIGH VALLEY, INC.
(A Not-For-Profit Corporation)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Big Brothers Big Sisters of the
Lehigh Valley, Inc.
41 S. Carlisle Street
Allentown, PA 18109

Opinion

We have audited the accompanying financial statements of Big Brothers Big Sisters of the Lehigh Valley, Inc. (A Not-for-Profit Corporation), which comprise the statements of financial position as of June 30, 2023 and 2022, and 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 financial statements referred to above present fairly, in all material respects, the financial position of Big Brothers Big Sisters of the Lehigh Valley, Inc. 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. 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 Big Brothers Big Sisters of the Lehigh Valley, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that 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 Big Brothers Big Sisters of the Lehigh Valley, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment 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 Big Brothers Big Sisters of the Lehigh Valley, Inc.'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 Big Brothers Big Sisters of the Lehigh Valley, Inc.'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.

Campbell, Rappold & Yurasits LLP

January 22, 2024

BIG BROTHERS BIG SISTERS OF THE LEHIGH VALLEY, INC.
(A Not-For-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2023 and 2022

ASSETS

CURRENT ASSETS:	2023	2022
Cash and Cash Equivalents	$ 85,788	$ 148,377
Investments (Note 3 and 4)	121,139	110,713
Accounts and Grants Receivable	78,051	85,328
Pledges Receivable (Note 5)	10,839	19,830
Prepaid Expenses	16,600	16,826
	312,417	381,074
OTHER ASSETS:		
Property and Equipment (Note 6)	483,801	499,025
TOTAL ASSETS	$ 796,218	$ 880,099

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts Payable	$ 13,388	$ 9,290
Accrued Vacation and Payroll Liabilities	11,214	12,231
Security Deposit	1,800	1,400
Line of Credit (Note 7)	-	9,000
TOTAL CURRENT LIABILITIES	26,402	31,921
TOTAL LIABILITIES	26,402	31,921
NET ASSETS:		
Without Donor Restrictions (Note 9 and 10)	660,032	777,054
With Donor Restrictions (Note 9)	109,784	71,124
TOTAL NET ASSETS	769,816	848,178
TOTAL LIABILITIES AND NET ASSETS	$ 796,218	$ 880,099

See independent auditor’s report and notes to financial statements.

BIG BROTHERS BIG SISTERS OF THE LEHIGH VALLEY, INC.
(A Not-For-Profit Corporation)
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2023 and 2022

	2023	2022
Changes in Net Assets Without Donor Restrictions:		
Revenues:		
Special Events		
Revenue	$ 226,834	$ 246,822
Contributions of Nonfinancial Assets	45,148	65,359
Less: Cost of Direct Benefit to Donors	(117,910)	(132,189)
Net Income from Special Events	154,072	179,992
Government Grant Revenue	221,357	310,125
Contributions and Grants	291,025	269,054
Contribution of Nonfinancial Assets	56,237	8,997
Investment Income	2,593	2,503
Rental Income (Net)	11,229	21,990
Miscellaneous Income	-	40
Loss on Sale of Assets	-	(544)
Net Realized / Unrealized Gain (Loss) on Investments	12,256	(7,638)
Total Revenue Without Donor Restrictions	748,769	784,519
Net Assets Released from Restrictions	84,997	65,430
Total Revenues and Other Support Without Donor Restrictions	833,766	849,949
Expenses:		
Program Services	689,313	625,363
Management and General	143,570	82,843
Fund Raising	117,904	185,039
Total Expenses	950,787	893,245
Decrease in Net Assets Without Donor Restrictions	(117,021)	(43,296)
Changes in Net Assets With Donor Restrictions:		
Contributions and Grant Revenue	123,656	61,718
Net Assets Released from Restrictions	(84,997)	(65,430)
Increase (Decrease) in Net Assets With Donor Restrictions	38,659	(3,712)
Decrease in Net Assets	(78,362)	(47,008)
Net Assets at Beginning of Year	848,178	895,186
Net Assets at End of Year	$ 769,816	$ 848,178

See independent auditor’s report and notes to financial statements.

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BIG BROTHERS BIG SISTERS OF THE LEHIGH VALLEY, INC.
(A Not-For-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	Program Services	Management and General	Fund Raising	2023
Salaries	$ 405,609	$ 50,789	$ 83,147	$ 539,545
Taxes and Benefits	83,930	9,306	13,243	106,479
Travel	1,378	299	266	1,943
Supplies	2,069	2,960	360	5,389
Telephone	3,250	2,510	416	6,176
Postage	682	914	475	2,071
Insurance	15,546	4,979	973	21,498
Dues and Subscriptions	2,717	1,113	249	4,079
Occupancy	4,023	3,863	217	8,103
Meetings	1,912	6,423	120	8,455
Program Activities	103,283	847	8,248	112,378
Special Events	-	-	117,910	117,910
Purchased Services and Professional Fees	25,603	43,753	7,129	76,485
Maintenance and Repairs	6,481	6,611	955	14,047
National Affiliation Fee	14,720	524	-	15,244
Depreciation	15,132	5,044	-	20,176
Miscellaneous	2,804	3,102	2,106	8,012
Interest Expense	174	533	-	707
Total Allocated Expenses	689,313	143,570	235,814	1,068,697
Less: Expenses Deducted Directly from Revenues on the Statement of Activities	-	-	(117,910)	(117,910)
Total Expenses Reported by Function on the Statement of Activities	$ 689,313	$ 143,570	$ 117,904	$ 950,787

See independent auditor’s report and notes to financial statements.

BIG BROTHERS BIG SISTERS OF THE LEHIGH VALLEY, INC.
(A Not-For-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	Program Services	Management and General	Fund Raising	2022
Salaries	$ 379,445	$ 50,448	$ 144,806	$ 574,699
Taxes and Benefits	76,238	7,304	23,175	106,717
Travel	476	2	1	479
Supplies	2,562	341	978	3,881
Telephone	4,084	543	1,559	6,186
Postage	1,140	152	434	1,726
Insurance	16,427	616	326	17,369
Dues and Subscriptions	1,592	212	607	2,411
Occupancy	7,306	2,435		9,741
Meetings	758	101	289	1,148
Program Activities	63,045			63,045
Special Events			132,189	132,189
Purchased Services and Professional Fees	29,995	12,188	11,447	53,630
Maintenance and Repairs	8,681	2,893		11,574
National Affiliation Fee	14,856	50		14,906
Depreciation	15,024	5,008		20,032
Miscellaneous	3,468	461	1,417	5,346
Interest Expense	266	89		355
Total Allocated Expenses	625,363	82,843	317,228	1,025,434
Less: Expenses Deducted Directly from Revenues on the Statement of Activities	-	-	(132,189)	(132,189)
Total Expenses Reported by Function on the Statement of Activities	$ 625,363	$ 82,843	$ 185,039	$ 893,245

See independent auditor’s report and notes to financial statements.

BIG BROTHERS BIG SISTERS OF THE LEHIGH VALLEY, INC.
(A Not-For-Profit Corporation)
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities:		
Change in Net Assets	$ (78,362)	$ (47,008)
Adjustments to Reconcile Change in Net Assets		
to Net Cash (Used in) Provided by Operating Activities:		
Depreciation	20,176	20,032
Decrease in Accounts and Grants Receivable	7,277	141,192
Decrease (Increase) in Pledges Receivable	8,991	(2,626)
Decrease (Increase) in Prepaid Expenses	226	(7,076)
Increase (Decrease) in Accounts Payable	4,098	(5,746)
Decrease in Accrued Vacation and Payroll Liabilities	(1,017)	(599)
Increase in Security Deposit	400	-
Loss on Sale of Assets	-	544
Net Realized / Unrealized (Gain) Loss on Investments	(12,256)	7,638
Net Cash (Used in) Provided by Operating Activities	(50,467)	106,351
Cash Flows from Investing Activities:		
Purchase of Investments	(369)	(24,168)
Proceeds from Sale of Investments	2,199	28,463
Purchase of Equipment	(4,952)	(8,825)
Net Cash Used in Investing Activities	(3,122)	(4,530)
Cash Flows from Financing Activities:		
Net (Payment) Borrowing on Line of Credit	(9,000)	-
Net Cash Used in Financing Activities	(9,000)	-
Net (Decrease) Increase in Cash and Cash Equivalents	(62,589)	101,821
Cash and Cash Equivalents at Beginning of Year	148,377	46,556
Cash and Cash Equivalents at End of Year	$ 85,788	$ 148,377
Supplemental Information:		
Interest Paid	$ 707	$ 355
Contribution of Nonfinancial Assets for Special Events	$ 45,148	$ 65,359
Contribution of Nonfinancial Assets for Program Activities	$ 56,237	$ 8,997

See independent auditor’s report and notes to financial statements.

1. Nature of Activities

Big Brothers Big Sisters of the Lehigh Valley, Inc. (the "Agency") is a not-for-profit 501(c)(3) corporation organized under the laws of the Commonwealth of Pennsylvania for the purpose of enhancing the growth and development of youth, primarily from single parent homes, through personal relationships with trained volunteers guided by professional staff. The Agency is exempt from federal income taxes on related income pursuant to Section 501(c) of the Code.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Agency are set forth below.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the principles of not-for-profit accounting generally accepted in the United States of America. The financial statements reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Agency is required to report information regarding its financial position and activities according to the following classes of net assets:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by the action of the Board of Directors.

With Donor Restrictions – Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Agency and/or the passage of time. When a restriction is satisfied, 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.

Also included in this category are net assets subject to donor-imposed restrictions that require the net assets to be maintained indefinitely while permitting the Agency to expend the income generated in accordance with the provisions of the contribution.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents, as presented on the Statements of Cash Flows, include all highly liquid debt securities purchased with a maturity of three months or less.

Investments

Investments in equity securities with readily determinable fair values are measured at fair value in the Statements of Financial Position. Investment income or loss (including gains or losses on investments, interest and dividends) is included in the Statements of Activities as increases or decreases in net assets without restrictions unless the income or loss is restricted by a donor or law.

Accounting guidance establishes a fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value for certain financial assets and liabilities. See Note 4 for further details.

Accounts and Grants Receivable

Accounts and grants receivable are stated at outstanding balance less an allowance for doubtful accounts, when applicable. Management periodically evaluates the adequacy of the allowance. Accounts are written off when they are determined to be uncollectible based on management's assessment of the individual accounts. No allowance was deemed necessary.

Pledges Receivable

Unconditional promises to give are recognized as revenues or gains in the period pledged and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment

Property and equipment, other than contributed property and equipment, is stated at cost. Depreciation is computed by use of the straight-line method based on estimated useful lives.

Such assets and lives are generally as follows:

Buildings and Improvements	5-40 years
Furniture, Fixtures, and Equipment	5-10 years
Software	3 years

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.

2. Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

All assets with a purchase cost, or fair value if acquired by gift, in excess of $750 are capitalized. Normal repair and maintenance expenditures are not capitalized because they neither add to the value of the property nor materially prolong its useful life.

Contributions

Contributions received, including unconditional promises, are recognized as support in the period received and are measured at their fair values. Depending on the form of the benefits received, contributions are either recorded by the Agency as revenues or assets, or as decreases in liabilities or expenses. Contributions with donor-imposed restrictions are recorded as support with donor restrictions, while contributions without donor-imposed restrictions are recorded as support without donor restrictions.

The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized.

Contributed Nonfinancial Assets

Contributed services are recorded if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A significant amount of time has been donated by volunteers and board members of the Agency; however, no amounts have been reflected in the statements for these general donated services as they do not meet the criteria for recording.

Contributed materials and those contributed services meeting the criteria are recorded and reflected in the financial statements at their fair values at the date of receipt and are recorded as support without restriction unless explicit donor stipulations specify how the donates nonfinancial assets much be used. The Agency normally receives donated materials and services for special events and program activities.

Revenues

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets which are temporary in nature by fulfillment of donor-stipulated purpose or by passage of time period are reported as reclassifications between the applicable classes of net assets. The Agency's revenue within the scope of ASC 606 is recognized within Special Events. The Agency's revenue stream is accounted for as follows:

2. Summary of Significant Accounting Policies (Continued)

Revenues (Continued)

- Special Events: The Agency holds an annual Bowl for Kids Sake event and a Golf for Kids Sake event to raise funds. Each sponsorship contains the characteristics of a contribution and an exchange transaction. The Agency recognizes the contribution portion when the sponsorship is made; revenue is recognized from the exchange transaction when the event takes place.

Allocation of Expenses by Function

As reported in the statement of functional expenses, expenses of the Agency have been allocated to the following functional reporting classifications:

Program Services

Program services expenses include costs incurred for activities that ultimately result in the delivery of services that fulfill the Agency's charitable purpose.

Management and General

Management and general expenses include costs incurred for the overall direction of the Agency, general record keeping, business management, budgeting, general board activities, and related purposes.

Fund Raising

Fund raising expenses include costs incurred for activities that ultimately result in inducing potential donors to contribute money, securities, services, materials, facilities, other assets, or time. Fund raising activities include publicizing and conducting fund raising campaigns; maintaining donor mailing lists; conducting special fund-raising events; and conducting other activities involved with soliciting contributions from individuals, foundations, governments, and others.

The Agency's methods for allocating expenses among the functional reporting classifications which cannot be specifically identified as program or supporting service are based on estimates made for time spent by key personnel between functions, space occupied by function, consumption of supplies and postage by function, and other objective bases.

Concentration of Credit Risk

The Agency maintains cash balances at several financial institutions which may, at times, exceed federally insured limits. It historically has not experienced any credit-related losses. At June 30, 2023 and 2022, the Agency's bank accounts did not exceed the Federal Deposit Insurance Company limits.

Reclassification

Certain accounts in the prior year financial statements have been reclassified to conform with current year presentation. The reclassifications have no effect on the change in net assets for the prior year.

2. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Internal Revenue Service ("IRS") has ruled that the Agency is tax-exempt as a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision for income taxes is required in the accompanying financial statements.

Accounting guidance as codified in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes – Uncertainty in Income Taxes*, establishes the criterion that an individual tax position has to meet for some or all of the benefits of the position to be recognized in the Agency's financial statements. The standard prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by a taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The standard also provides guidance on derecognition, classification, interest and penalties and disclosure. The Agency had no material uncertain income tax positions that would result in a liability to the Agency as of and for the years ended June 30, 2023 or 2022.

The Agency files its Form 990, *Return of Agency Exempt from Tax,* with the United States Internal Revenue Service and with the Bureau of Charitable Organizations in Pennsylvania.

Adoption of New Accounting Standards

Effective July 1, 2022, the Agency adopted ASU 2016-02, *Leases*. Topic 842 was issued to increase transparency and comparability among entities by recognizing lease assets and liabilities on the statement of financial position and disclosing key information about leasing arrangements. Under the provisions of Topic 842, a lessee is required to recognize a right-of-use asset and lease liability, initially measured at the present value of the remaining lease payments, on the statement of financial position. In addition, lessees are required to provide qualitative disclosures that enable users to understand more about the nature of the leasing activities.

The Agency has determined that the implementation of ASU 2016-02, *Leases*, did not significantly impact the financial statements and, therefore, no right-of-use asset and lease liability were recorded.

3. Investments

Investments consist of the following:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Temporary Cash	$ 666	$ 666	$ 297	$ 297
Equities	96,576	108,412	101,169	98,388
Fixed Income - Other	10,953	9,205	10,953	9,186
Mutual Funds	2,870	2,856	2,870	2,842
	$ 111,065	$ 121,139	$ 115,289	$ 110,713

3. Investments (Continued)

A summary of earnings on investments for the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Interest and Dividends	$ 3,074	$ 2,716
Net Unrealized Gain (Loss)	14,650	(7,136)
Net Realized (Loss)	(2,394)	(502)
Investment Fees	(903)	(1,011)
Total	$ 14,427	$ (5,933)

There was also $422 and $798 of interest earned on cash equivalent holdings for the year ended June 30, 2023 and 2022, respectively.

4. Fair Value Measurements

FASB ASC 820, *Fair Value Measurement*, defines fair value, establishes a fair value hierarchy and specifies that a valuation technique used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access. Assets utilizing Level 1 inputs are equities and mutual funds.

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.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

The Agency currently does not have any Level 2 inputs.

4. Fair Value Measurements (Continued)

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

The Agency currently does not have any Level 3 inputs.

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Equities and Fixed Income – Other: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Agency at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Agency's assets at fair value as of June 30, 2023 or 2022:

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Temporary Cash	$ 666			$ 666
Equities	108,412	$ -	$ -	108,412
Fixed Income - Other	9,205	-	-	9,205
Mutual Funds	2,856	-	-	2,856
Total Assets at Fair Value	$ 121,139	$ -	$ -	$ 121,139

	Assets at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Temporary Cash	$ 297			$ 297
Equities	98,388	$ -	$ -	98,388
Fixed Income - Other	9,186	-	-	9,186
Mutual Funds	2,842	-	-	2,842
Total Assets at Fair Value	$ 110,713	$ -	$ -	$ 110,713

5. Pledges Receivable

Unconditional promises to give have been recorded in the Statements of Financial Position as pledges receivable and revenue of the appropriate net asset category, as of June 30, 2023 and 2022, respectively, and are expected to be realized in the following periods:

	2023	2022
In One Year or Less	$ 10,839	$ 19,830
Between One Year and Five Years	-	-
Greater Than Five Years	-	-
	10,839	19,830
Unamortized Discount (discount rate of 5%) and Allowance for Uncollectible Amounts	-	-
Net Pledges Receivable	$ 10,839	$ 19,830

6. Property and Equipment

Property and equipment consist of the following:

	2023	2022
Land	$ 36,372	$ 36,372
Building and Improvements	551,921	551,921
Furniture, Fixtures, and Equipment	39,192	37,365
Software	7,800	7,800
Total	635,285	633,458
Less: Accumulated Depreciation	(151,484)	(134,433)
Property and Equipment, Net	$ 483,801	$ 499,025

Depreciation expense was $20,176 and $20,032 in 2023 and 2022, respectively.

7. Line of Credit

The Agency currently maintains a $75,000 variable rate revolving line of credit (Prime + .25%, 8.50% as of June 30, 2023). The line of credit is due on demand and there is no expiration date. The outstanding balance on the line of credit was $0 and $9,000 at June 30, 2023 and 2022, respectively.

Interest expense was $707 and $355 in 2023 and 2022, respectively.

8. Retirement Plan

The Agency sponsors a defined contribution plan (the Plan) covering all eligible employees. The Agency makes a contribution to the Plan equal to 1% of participants' compensation. In addition, the Agency matches participants' contributions to the Plan up to 4% of the individual participants' compensation. Total expense for the years ended June 30, 2023 and 2022 was $12,779 and $11,976, respectively.

9. Net Assets

Net assets without donor restrictions consist of the following:

	2023	2022
Board Designated for Endowment	$ 121,139	$ 110,713
Undesignated	538,893	666,341
	$ 660,032	$ 777,054

Net assets with donor restrictions are restricted for specific purposes, until specific events occur, or are invested in perpetuity.

Net assets with donor restrictions consist of the following:

	2023	2022
Pledges Receivable - United Way Donor Designation	$ 10,839	$ 19,830
Programs	75,795	42,644
Special Events	23,150	8,650
	$ 109,784	$ 71,124

The following schedule summarizes restricted net assets used in accordance with donor-imposed restrictions for the Agency's operations during the years ended June 30:

	2023	2022
Pledges Receivable - United Way Donor Designation	$ 19,830	$ 17,204
Programs	56,517	29,595
Special Events	8,650	18,631
	$ 84,997	$ 65,430

10. Endowment Net Assets

The Agency's endowment consists of funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The investment philosophy of the Agency is safety of principal and liquidity. The endowment fund investment strategy is reviewed and evaluated annually by the Finance Committee.

The Agency did not have any donor-restricted endowment funds as of June 30, 2023 or 2022.

Endowment net asset composition by type of fund as of June 30, 2023 and 2022 is as follows:

	2023			
		With Donor Restrictions		Total Net Endowment Assets
	Without Donor Restrictions	Purpose	Perpetuity	
Board-Designated Endowment Funds	121,139	-	-	121,139
Total Funds	$ 121,139	$ -	$ -	$ 121,139

	2022			
		With Donor Restrictions		Total Net Endowment Assets
	Without Donor Restrictions	Purpose	Perpetuity	
Board-Designated Endowment Funds	110,713	-	-	110,713
Total Funds	$ 110,713	$ -	$ -	$ 110,713

Changes in endowment net assets as of June 30, 2023 and 2022 are as follows:

	Year Ended June 30, 2023		Year Ended June 30, 2022	
	Without Donor Restrictions	Total Net Endowment Assets	Without Donor Restrictions	Total Net Endowment Assets
Endowment Net Assets, Beginning of Year	$ 110,713	$ 110,713	$ 122,646	$ 122,646
Investment Income	2,170	2,170	1,705	1,705
Net Appreciation (Depreciation)	12,256	12,256	(7,638)	(7,638)
Net Appropriated for Expenditure	(4,000)	(4,000)	(6,000)	(6,000)
Endowment Net Assets, End of Year	$ 121,139	$ 121,139	$ 110,713	$ 110,713

11. Contributed Nonfinancial Assets

Contributed materials and services as of June 30, 2023 and 2022 are as follows:

June 30, 2023

Contributed Nonfinancial Asset	Revenue Recognized	Program Services Benefited	Donor Restriction	Valuation Techniques and Inputs
Materials - Prizes, Awards, Raffle Items, and Food and Beverages	$ 17,645	Special events	Restricted for use at the specified event.	Fair value is estimated based on current rates of similar materials.
Services - Printing, Advertising, and Media Relations	27,503	Special events	Restricted for use at the specified event.	Fair value is estimated based on current rates of providing similar services.
Materials - Tickets, School Supplies, Food and Beverages	55,303	Mentoring activities	None.	Fair value is estimated based on current rates of similar materials.
Services - Haircuts	934	Mentoring activities	None.	Fair value is estimated based on current rates of providing similar services.
	$ 101,385			

June 30, 2022

Contributed Nonfinancial Asset	Revenue Recognized	Program Services Benefited	Donor Restriction	Valuation Techniques and Inputs
Materials - Prizes, Awards, Raffle Items, and Food and Beverages	$ 30,160	Special events	Restricted for use at the specified event.	Fair value is estimated based on current rates of similar materials.
Services - Printing, Advertising, and Media Relations	35,199	Special events	Restricted for use at the specified event.	Fair value is estimated based on current rates of providing similar services.
Materials - Tickets, School Supplies, Food and Beverages	7,497	Mentoring activities	None.	Fair value is estimated based on current rates of similar materials.
Services - Haircuts	1,500	Mentoring activities	None.	Fair value is estimated based on current rates of providing similar services.
	$ 74,356			

12. Rental Income (Net)

The Agency leases a portion of its building to an unrelated party under an annual lease agreement. The lease is automatically renewable on June 1, at a rate increase not-to-exceed 5% of the current monthly rent.

The Agency also receives rental income once annually for use of its facilities for voting polls.

Rental income was $13,500 and $23,750 in 2023 and 2022, respectively. Related rental expenses incurred to maintain the property were $2,271 and $1,760 in 2023 and 2022, respectively. Net income from the rental activity is reported in the Statements of Activities.

Future minimum rental income payments to be received are as follows:

Year ending June 30,	
2024	$ 19,800
2025	-

13. Liquidity and Availability

The Agency monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Agency has the following financial assets that could readily be made available within one year of the Statement of Financial Position date to fund expenses without limitations:

	2023	2022
Cash and Cash Equivalents	$ 85,788	$ 148,377
Investments	121,139	110,713
Accounts and Grants Receivable	78,051	85,328
Pledges Receivable	10,839	19,830
Less: Board Designations	(121,139)	(110,713)
Less: Net Assets With Donor Restrictions	(109,784)	(71,124)
	$ 64,894	$ 182,411

The Agency maintains a board designated endowment of $121,139. These resources are invested for long-term appreciation, but current income may be spent for operating activities as approved by the Board of Directors. See Notes 3, 4, and 10 for further information about the Agency's investments and endowment funds, respectively. Although the Agency does not intend to spend from the board designated endowment, these amounts could be made available if necessary.

The Agency also has access to a $75,000 variable rate revolving line of credit which it could draw upon to meet cash needs. See Note 7 for further details related to the Agency's line of credit.

14. Subsequent Events

Management has evaluated subsequent events through January 22, 2024, the date on which the financial statements were available to be issued.