# DOMESTIC VIOLENCE SERVICES OF CUMBERLAND AND PERRY COUNTIES

## FINANCIAL REPORT

## JUNE 30, 2024

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**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, 2024 and 2023, 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, 2024 and 2023, 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, 2024

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

**STATEMENTS OF FINANCIAL POSITION**
**June 30, 2024 and 2023**

| | 2024 | 2023 |
|---|---|---|
| **ASSETS** | | |
| Current Assets | | |
| Cash | $ 700,924 | $ 746,256 |
| Grants receivable | 206,860 | 259,458 |
| Prepaid expenses | 26,478 | 23,677 |
| **Total current assets** | 934,262 | 1,029,391 |
| Property and Equipment | | |
| Land and land improvements | 30,000 | 30,000 |
| Building and improvements | 600,582 | 600,582 |
| Furniture and equipment | 191,051 | 191,051 |
| Automobiles | 15,989 | 15,989 |
| | 837,622 | 837,622 |
| Less accumulated depreciation | (532,752) | (503,793) |
| **Property and equipment - net** | 304,870 | 333,829 |
| Other Assets | | |
| Certificates of deposit | 426,198 | 160,198 |
| Long-term annuity | 93,088 | 92,165 |
| Investment in Community Foundation | 100,848 | 93,124 |
| **Total other assets** | 620,134 | 345,487 |
| **Total assets** | $ 1,859,266 | $ 1,708,707 |
| **LIABILITIES AND NET ASSETS** | | |
| Current Liabilities | | |
| Accounts payable | $ 2,327 | $ 7,765 |
| Accrued payroll and payroll taxes | 63,678 | 51,327 |
| **Total current liabilities** | 66,005 | 59,092 |
| Net Assets | | |
| Without donor restrictions | 1,603,792 | 1,468,122 |
| With donor restrictions | 189,469 | 181,493 |
| **Total net assets** | 1,793,261 | 1,649,615 |
| **Total liabilities and net assets** | $ 1,859,266 | $ 1,708,707 |

See Notes to Financial Statements.

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

**STATEMENTS OF ACTIVITIES
Years Ended June 30, 2024 and 2023**

| | 2024 | | |
|---|---|---|---|
| | **Without Donor Restrictions** | **With Donor Restrictions** | **Total** |
| Revenue and Gains | | | |
| Contributions | | | |
| General contributions - cash | **$ 314,447** | **$ 42,500** | **$ 356,947** |
| Foundations | **24,000** | **7,000** | **31,000** |
| United Way | **20,928** | **73,071** | **93,999** |
| In-kind contributions | **34,645** | **-** | **34,645** |
| Pennsylvania Coalition Against Domestic Violence | | | |
| Title XX/Act 44 | **440,020** | **-** | **440,020** |
| Act 222 | **8,785** | **-** | **8,785** |
| TANF | **18,980** | **-** | **18,980** |
| ESG | **42,029** | - | **42,029** |
| FVPSA ARP Mobile | **71,273** | - | **71,273** |
| FVPSA ARP Supplemental | **45,342** | - | **45,342** |
| PHARE | **25,283** | - | **25,283** |
| Medical Advocacy | **32,368** | - | **32,368** |
| Pennsylvania Commission on Crime and Delinquency | **234,800** | **-** | **234,800** |
| Cumberland Cty Stop and Emergency Shelter Grants | **40,762** | **-** | **40,762** |
| ESG county grant | **20,000** | **-** | **20,000** |
| AMEND income | **63,970** | **-** | **63,970** |
| Fundraising events | **94,359** | **-** | **94,359** |
| Less direct donor benefit | **(24,982)** | **-** | **(24,982)** |
| Interest income | **10,871** | **-** | **10,871** |
| Investment income (loss), net | **4,704** | **7,724** | **12,428** |
| Net assets released from restrictions | | | |
| Satisfaction of program restrictions | **49,500** | **(49,500)** | **-** |
| Expiration of time restrictions | **72,819** | **(72,819)** | **-** |
| Total revenue and gains | **1,644,903** | **7,976** | **1,652,879** |
| Expenses | | | |
| Program direct expenses | **1,320,862** | **-** | **1,320,862** |
| Fundraising | **19,575** | **-** | **19,575** |
| Management and general | **168,796** | **-** | **168,796** |
| Total functional expenses | **1,509,233** | **-** | **1,509,233** |
| **Changes in net assets** | **135,670** | **7,976** | **143,646** |
| Net Assets | | | |
| Beginning | **1,468,122** | **181,493** | **1,649,615** |
| Ending | **$ 1,603,792** | **$ 189,469** | **$ 1,793,261** |

See Notes to Financial Statements.

| 2023 | | |
|---|---|---|
| Without Donor Restrictions | With Donor Restrictions | Total |
| $ 195,258 | $ 37,520 | $ 232,778 |
| 15,000 | - | 15,000 |
| 24,486 | 72,369 | 96,855 |
| 31,259 | - | 31,259 |
| | | |
| 440,020 | - | 440,020 |
| 8,785 | - | 8,785 |
| 13,980 | - | 13,980 |
| 175,397 | - | 175,397 |
| 45,724 | - | 45,724 |
| - | - | - |
| - | - | - |
| - | - | - |
| | | |
| 225,508 | - | 225,508 |
| | | |
| 40,112 | - | 40,112 |
| - | - | - |
| 62,993 | - | 62,993 |
| 95,705 | - | 95,705 |
| (27,721) | - | (27,721) |
| 6,129 | - | 6,129 |
| 7,722 | 1,722 | 9,444 |
| | | |
| 80,140 | (80,140) | - |
| 72,171 | (72,171) | - |
| 1,512,668 | (40,700) | 1,471,968 |
| | | |
| 1,287,561 | - | 1,287,561 |
| 19,943 | - | 19,943 |
| 150,342 | - | 150,342 |
| 1,457,846 | - | 1,457,846 |
| | | |
| 54,822 | (40,700) | 14,122 |
| | | |
| 1,413,300 | 222,193 | 1,635,493 |
| $ 1,468,122 | $ 181,493 | $ 1,649,615 |

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

**STATEMENT OF FUNCTIONAL EXPENSES**
**Year Ended June 30, 2024**

| | Program Services | | | | | | |
|---|---|---|---|---|---|---|---|
| | Counseling and Advocacy | Emergency Shelter | Community Education Prevention | AMEND Program | Fundraising | Management and General | Total |
| Salaries and wages | $ 248,836 | $ 364,833 | $ 115,474 | $ - | $ 15,675 | $ 82,123 | $ 826,941 |
| Payroll taxes | 19,918 | 29,202 | 9,243 | - | 1,255 | 6,573 | 66,191 |
| Benefits | 34,321 | 50,320 | 15,927 | - | 2,162 | 11,327 | 114,057 |
| Equipment maintenance | 12,691 | 12,691 | - | - | - | 2,820 | 28,202 |
| Rent | 3,732 | - | - | - | - | - | 3,732 |
| Insurance | - | 10,856 | 2,171 | - | - | 1,447 | 14,474 |
| Building maintenance and repairs | - | 23,586 | - | - | - | 2,621 | 26,207 |
| Telephone | 5,836 | 4,775 | - | 842 | 274 | 2,750 | 14,477 |
| Utilities | 1,500 | 8,536 | - | - | - | 1,500 | 11,536 |
| Office supplies | 1,065 | 987 | 789 | 43 | 75 | 987 | 3,946 |
| Postage | 481 | 306 | 87 | - | 34 | 908 | 1,816 |
| Printing | 1,559 | - | 3,636 | - | 100 | - | 5,295 |
| Client needs | 28,355 | 28,355 | - | - | - | - | 56,710 |
| Volunteer training | - | - | - | - | - | - | - |
| Conferences | 2,692 | 1,047 | 2,692 | - | - | 1,047 | 7,478 |
| Food | - | 19,415 | - | - | - | - | 19,415 |
| Consultants | 81,050 | - | - | 47,237 | - | - | 128,287 |
| Donated clothing and personal items | - | 21,569 | - | - | - | - | 21,569 |
| Travel | 2,355 | 867 | 2,979 | 2,535 | - | 2,049 | 10,785 |
| Professional fees | - | - | - | - | - | 14,500 | 14,500 |
| PCADV administrative cost | - | - | - | - | - | 9,788 | 9,788 |
| Advertising | - | - | - | - | - | 1,289 | 1,289 |
| Membership dues | 1,096 | 1,096 | - | - | - | 9,987 | 12,179 |
| Emergency shelter | - | 382 | - | - | - | - | 382 |
| Public education | - | - | 2,618 | - | - | - | 2,618 |
| Depreciation | - | 21,719 | - | - | - | 7,240 | 28,959 |
| Bank fees | - | - | - | - | - | 3,155 | 3,155 |
| Payroll service fees | - | - | - | - | - | 6,685 | 6,685 |
| Relocation | - | 61,777 | - | - | - | - | 61,777 |
| Miscellaneous program expense | 2,578 | 3,052 | 1,153 | - | - | - | 6,783 |
| Total functional expenses | $ 448,065 | $ 665,371 | $ 156,769 | $ 50,657 | $ 19,575 | $ 168,796 | $ 1,509,233 |

See Notes to Financial Statements.

**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 the Financial Statements.

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

**STATEMENTS OF CASH FLOWS**
**Years Ended June 30, 2024 and 2023**

| | 2024 | 2023 |
|---|---|---|
| Cash Flows From Operating Activities | | |
| Changes in net assets | **$ 143,646** | $ 14,122 |
| Adjustments to reconcile changes in net assets | | |
| to net cash provided by operating activities | | |
| Depreciation | **28,959** | 30,811 |
| Net realized and unrealized (gains) losses - endowment | **(11,354)** | (8,542) |
| Change in cash surrender value - annuity | **(923)** | (912) |
| Changes in assets and liabilities: | | |
| (Increase) decrease in: | | |
| Grants receivable | **52,598** | 7,607 |
| Prepaid expenses | **(2,801)** | (19,054) |
| (Decrease) increase in: | | |
| Accounts payable | **(5,438)** | 200 |
| Accrued expenses | **12,351** | 188 |
| **Net cash provided by operating activities** | **217,038** | 24,420 |
| Cash Flows From Investing Activities | | |
| Purchases of capital assets | **-** | (10,726) |
| Purchase of investments in Community Foundation | **(1,928)** | (1,684) |
| Distribution and fees from Community Foundation | **5,558** | 8,504 |
| Purchase of certificates of deposit | **(266,000)** | (160,198) |
| **Net cash used in investing activities** | **(262,370)** | (164,104) |
| **Net decrease in cash and cash equivalents** | **(45,332)** | (139,684) |
| Cash: | | |
| Beginning | **746,256** | 885,940 |
| Ending | **$ 700,924** | $ 746,256 |

See Notes to Financial Statements.

## 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 potential credit losses. Management determines the allowance for credit losses by evaluating individual accounts and considering the customer's financial condition, credit history, and current and expected future economic conditions. Based on the Organization's collection history and management's expectation of consistency of that trend in the future, an allowance for credit losses has not been provided at June 30, 2024 and 2023, respectively.

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 the 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 Company leases buildings, machinery and equipment under long-term lease agreements. At the lease commencement date, the Company 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 Company's balance sheet as a financial liability with a corresponding right-of-use asset (ROU). Operating lease obligations, including a corresponding right-of-use asset, are not recognized on the Company's balance sheet. Improvements to leased property are capitalized as assets and are amortized over the shorter of (1) the economic useful life of the asset or (2) the lease term including reasonably assured renewal periods. Leasehold improvements to property under related party arrangements are amortized over the economic useful life of the leasehold improvement.

For finance leases, the initial measurement of the lease liability is comprised of the discounted lease payments over the lease term, using the discount rate at the lease commencement date. The initial measurement of the ROU asset is comprised of the lease liability adjusted for prepayments, initial direct costs incurred by the lessee, and any lease incentives received from the lessor before commencement of the lease. Subsequently, the lease liability is amortized over the lease term using the discount rate used to initially measure the lease liability. The ROU asset is amortized on the straight-line basis over the lease term. 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.

## NOTES TO FINANCIAL STATEMENTS

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

Leases (Continued): The Company's accounting for finance leases does not differ significantly from accounting standards generally accepted in the United States of America (U.S. GAAP). However, the Company's accounting for operating leases is not consistent with U.S. GAAP. US GAAP requires operating lease obligations and corresponding ROU assets to be recognized on the Company's balance sheet. The Company's management has not determined the financial statement effects of this departure.

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, 2024 and 2023, the Organization had uninsured cash balances of $505,954 and $156,896, 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, 2024 and 2023, 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, 2024 and 2023, the Organization had advertising costs of $1,289 and $520, respectively.

**NOTES TO FINANCIAL STATEMENTS**

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

Reclassifications: Certain amounts in the 2023 financial statements have been reclassified with no effects on the 2023 financial position, changes in net assets and cash flows to be consistent with the classifications utilized in the 2024 financial statements.

Adoption of New FASB Accounting Standards Update: In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were grants receivable. The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Subsequent Events: In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 20, 2024, 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, 2024 and 2023, comprise the following:

| | 2024 | 2023 |
|---|---|---|
| Financial assets at year-end | | |
| Cash and cash equivalents | $ 700,924 | $ 746,256 |
| Grants receivable | 206,860 | 259,458 |
| Certificates of deposit | 426,198 | 160,198 |
| Investments | 100,848 | 93,124 |
| Annuity | 93,088 | 92,165 |
| Total financial assets | 1,527,918 | 1,351,201 |
| Less amounts not available to be used within on year: | | |
| Net assets with donor restrictions - endowment fund | 100,848 | 93,124 |
| Net assets with donor restrictions - expenditure for specified purpose | 30,000 | 30,000 |
| Net assets with donor restrictions - subject to passage of time | 58,621 | 58,369 |
| Less amounts with purpose and time restrictions to be met within one year | (88,621) | (88,369) |
| | 100,848 | 93,124 |
| Financial assets available to meet general expenditures over the next twelve months | $ 1,427,070 | $ 1,258,077 |

## Note 2. Liquidity and Availability (Continued)

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:

| | 2024 | 2023 |
|---|---|---|
| Fair Market Value at July 1 | $ 93,124 | $ 91,402 |
| Investment Income | | |
| Interest/dividends | 1,928 | 1,684 |
| Realized gains | 477 | 28,905 |
| Unrealized gains (losses) | 10,877 | (20,363) |
| | 13,282 | 10,226 |
| Distributions for DVS operations | (3,781) | (6,810) |
| Management fees | (1,777) | (1,694) |
| Fair Market Value at June 30 | $ 100,848 | $ 93,124 |

## 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, 2024 and 2023, the cash surrender value of the annuity is $93,088 and $92,165, respectively, and the fair market value of the annuity is $109,583 and $96,735, 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. The 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.

## Note 5. Fair Value Measurements (Continued)

*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.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2024:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Cash Surrender Value of Annuity | $ - | $ 93,088 | $ - | $ 93,088 |
| Investment in Community Foundation | - | - | 100,848 | 100,848 |
| | $ - | $ 93,088 | $ 100,848 | $ 193,936 |

As of June 30, 2024, the Organization held $426,197 in certificates of deposit at banks. These certificates, which are exempted from the fair value hierarchy disclosures, are carried at cost plus accrued interest and are covered by FDIC limits.

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 |

As of June 30, 2023, the Organization held $160,198 in certificates of deposit at banks. These certificates, which are exempted from the fair value hierarchy disclosures, are carried at cost plus accrued interest and are covered by FDIC limits.

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, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Balance, beginning of year | $ 93,124 | $ 91,402 |
| Investment income | 13,283 | 10,226 |
| Distributions and fees | (5,559) | (8,504) |
| Balance, end of year | $ 100,848 | $ 93,124 |

## Note 5. Fair Value Measurements (Continued)

Investment income for the years ended June 30, 2024 and 2023, is summarized as follows:

| | 2024 | 2023 |
|---|---|---|
| Unrealized gains (losses) on investments | $ 10,877 | $ (20,363) |
| Realized gain (loss) on investments | 477 | 28,905 |
| Change in annuity value | 923 | 912 |
| Interest/dividend income | 1,928 | 1,684 |
| Investments fees | (1,777) | (1,694) |
| Investment income, net | $ 12,428 | $ 9,444 |

## 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, 2024 and 2023.

## Note 7. Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2024 and 2023, are donor restricted contributions available for the following purposes:

| | 2024 | 2023 |
|---|---|---|
| Subject to expenditure for specified purpose: | | |
| Emergency Shelter | $ 30,000 | $ 30,000 |
| Subject to the passage of time: | | |
| Operations | 58,621 | 58,369 |
| Not subject to appropriation of expenditures: | | |
| Endowment | 100,848 | 93,124 |
| Total net assets with donor restrictions | $ 189,469 | $ 181,493 |

## Note 7. Net Assets with Donor Restrictions (Continued)

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, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Satisfaction of time restrictions: | | |
| Operations | $ 72,819 | $ 72,171 |
| Satisfaction of purpose restrictions: | | |
| Emergency Shelter | 49,500 | 71,140 |
| Perry County Counselor salaries | - | 9,000 |
| | 49,500 | 80,140 |
| Total net assets released from restriction | $ 122,319 | $ 152,311 |

## 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, 2024 and 2023.

## Note 8. In-Kind Contributions (Continued)

For the years ended June 30, 2024 and 2023, in-kind contributions were as follows:

| | 2024 | 2023 |
|---|---|---|
| Contributions | | |
| Clothing and personal use items | $ 18,929 | $ 19,084 |
| Donated food | 13,076 | 7,628 |
| Goods and services | 1,380 | - |
| Supplies | 1,015 | 3,347 |
| Furniture and equipment | 245 | 1,200 |
| | $ 34,645 | $ 31,259 |
| Expenses | | |
| Program directed expenses | $ 34,645 | $ 31,259 |
| | $ 34,645 | $ 31,259 |

## 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, 2024 and 2023, total domestic violence expenditures for the Organization were $1,439,001 and $1,385,453, 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.*