

THE OPEN LINK

FINANCIAL STATEMENTS

Years Ended June 30, 2023 and 2022

Barbara Atkins
certified public accountant
relationships. service. integrity



COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

October 25, 2023

Board of Directors and Executive Director
The Open Link
452 Penn Street
Pennsburg, PA 18073

We have audited the financial statements of The Open Link for the year ended June 30, 2023 and have issued our report thereon dated October 25, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 6, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Open Link are described in Note #2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the collectability of receivables is based on subsequent receipts and historical collection rates. Receivables appear reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the estimated lives of fixed assets used to calculate depreciation appears fair and reasonable.
- Management's estimate of donated food (gift-in-kind) is valued at \$1.92 per pound. We evaluated the documentation of food donations to determine that it is reasonable in relation to the financial statements taken as a whole.

- Management’s estimate of the allocation of expenses among various programs is based on employee time estimates, program utilization, square footage or other appropriate usage factors. We evaluated the key factors and assumptions used by management in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

The following material misstatement detected as a result of audit procedures were corrected by management:

	<u>DEBIT</u>	<u>CREDIT</u>
Grants	\$ 13,060	
Deferred Revenue		\$ 13,060

- To record the money received from St Phillip Neri that was not used as of June 30, 2023 as deferred revenue.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations


We have requested certain representations from management that are included in the management representation letter dated October 25, 2023.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of The Open Link and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



BARBARA A. AKINS, CPA

THE OPEN LINK

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Open Link

Opinion

We have audited the accompanying financial statements of The Open Link (a nonprofit organization), 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 present fairly, in all material respects, the financial position of The Open Link 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 The Open Link and to meet our 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 these 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 Open Link' ability to continue as a going concern within one year after the date that the financial statements 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 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 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 The Open Link'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 Open Link'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.



Bechtelsville, Pennsylvania
October 25, 2023

**THE OPEN LINK
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022**

	ASSETS	2023	2022
Current Assets			
Cash - Note #4		\$ 139,428	\$ 195,959
Grants Receivable		20,858	36,035
Other Receivables		21,003	15,694
Prepaid Expenses		25,560	22,417
Total Current Assets		<u>206,849</u>	<u>270,105</u>
Fixed Assets, Net - Note #5		<u>1,009,168</u>	<u>1,011,597</u>
Other Assets			
Gift Cards - Note #6		9,914	11,654
Investments - Note #7		1,276,379	1,218,863
Total Other Assets		<u>1,286,293</u>	<u>1,230,517</u>
 Total Assets		 <u><u>\$ 2,502,310</u></u>	 <u><u>\$ 2,512,219</u></u>
 LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable		\$ 33,513	\$ 48,280
Accrued Wages & Payroll Taxes		26,139	23,196
Accrued Employee Benefits - Note #12		13,300	13,300
Deferred Revenue - Note #8		51,150	123,501
Total Current Liabilities		<u>124,102</u>	<u>208,277</u>
Long Term Liabilities		<u>0</u>	<u>0</u>
Total Liabilities		<u>124,102</u>	<u>208,277</u>
Net Assets			
Without Donor Restrictions		1,101,829	1,085,079
Without Donor Restrictions - Board Designated - Notes #2 & #7		1,276,379	1,218,863
Total Net Assets		<u>2,378,208</u>	<u>2,303,942</u>
 Total Liabilities And Net Assets		 <u><u>\$ 2,502,310</u></u>	 <u><u>\$ 2,512,219</u></u>

The Accompanying Notes are an Integral Part of the Financial Statements.

THE OPEN LINK
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	Without Donor Restrictions	
	2023	2022
Public Support, Revenues & Other Support		
Contributions	\$ 601,016	\$ 461,761
Donated Use of Facilities - Note #2	0	29,330
Gifts-In-Kind - Note #2	243,225	886,750
Grants - Note #9	105,474	320,965
Government Contracts - Participating Agencies	253,337	286,322
Program Service Fees	19,240	19,229
Special Events (Less Direct Expenses of \$7,255 - 2023 & \$10,985 - 2022) - Note #10	49,483	20,588
Interest Income	35	107
Room Usage	3,895	3,780
Total Public Support, Revenues & Other Support	1,275,705	2,028,832
Expenses		
Program Services	1,094,589	1,109,697
Management & General	131,014	145,916
Fund Raising	83,352	98,906
Total Expenses	1,308,955	1,354,519
Change In Net Assets from Operating Activities	(33,250)	674,313
Nonoperating Revenue		
Net Investment Return - Note #7	107,515	(173,503)
Change in Net Assets	74,265	500,810
Net Assets, Beginning	2,303,942	1,803,132
Net Assets, Ending	\$ 2,378,207	\$ 2,303,942

The Accompanying Notes are an Integral Part of the Financial Statements.

THE OPEN LINK
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2023 and 2022

	2023			2022				
	Program	Management & General	Fund Raising	Total	Program	Management & General	Fund Raising	Total
Salaries	\$ 472,876	\$ 77,792	\$ 51,407	\$ 602,075	\$ 464,212	\$ 78,788	\$ 65,920	\$ 608,920
Payroll Taxes	40,613	6,681	4,415	51,709	36,006	6,111	5,113	47,230
Employee Benefits	51,675	8,243	5,790	65,708	39,627	4,926	6,457	51,010
Worker's Compensation	4,830	795	525	6,150	4,350	738	618	5,706
Total Salaries & Related Expenses	569,994	93,511	62,137	725,642	544,195	90,563	78,108	712,866
Advertising & Marketing	1,028	3,388	49	4,465	386	2,725	20	3,131
Building & Grounds Maintenance	20,417	2,402	1,201	24,020	26,333	3,098	1,549	30,980
Computer Expenses	12,562	3,865	2,899	19,326	8,464	2,604	1,953	13,021
Conference, Meetings & Dues	5,605	2,215	125	7,945	3,932	3,545	256	7,733
Depreciation - Note #5	24,900	2,929	1,465	29,294	26,854	3,159	1,580	31,593
Direct Client Aid	293,709	0	0	293,709	306,804	0	0	306,804
Director/Officer Insurance	0	2,043	0	2,043	0	2,505	0	2,505
Equipment Maintenance	3,779	1,163	872	5,814	4,383	1,349	1,011	6,743
Liability Insurance	22,343	2,629	1,314	26,286	17,689	2,081	1,041	20,811
Membership Drive Expenses	0	0	8,950	8,950	0	0	7,818	7,818
Office Expenses	4,314	508	2,527	7,349	5,019	590	2,465	8,074
Postage	269	83	62	414	1,703	524	393	2,620
Professional Fees	0	12,226	0	12,226	0	27,294	0	27,294
Program Expenses	103,543	0	0	103,543	116,922	0	0	116,922
Rent - Note #2	0	0	0	0	24,931	2,933	1,466	29,330
Staff Travel	848	0	0	848	15	0	0	15
Telephone	4,117	1,098	274	5,489	3,415	910	228	4,553
Utilities	25,112	2,954	1,477	29,543	17,304	2,036	1,018	20,358
Volunteer Insurance	2,013	0	0	2,013	0	0	0	0
Volunteer Recognition	0	0	0	0	1,299	0	0	1,299
Volunteer Reimbursement	36	0	0	36	49	0	0	49
Total Expenses	\$ 1,094,589	\$ 131,014	\$ 83,352	\$ 1,308,955	\$ 1,109,697	\$ 145,916	\$ 98,906	\$ 1,354,519

The Accompanying Notes are an Integral Part of the Financial Statements.

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

	2023	2022
Cash Flows From Operating Activities		
Changes In Net Assets	\$ (33,250)	\$ 674,313
Non-Cash Items		
Depreciation	29,294	31,593
Gifts-In-Kind (2022-Buildings)	0	(646,961)
Changes In		
(Increase)/Decrease In Receivables	9,868	(12,028)
(Increase)/Decrease In Prepaid Expenses	(3,143)	247
(Increase)/Decrease In Gift Cards	1,740	(80)
Increase/(Decrease) In Current Liabilities	(84,175)	42,176
Net Cash Provided/(Used) by Operating Activities	<u>(79,666)</u>	<u>89,260</u>
Cash Flows From Investing Activities		
Penn Street Building Improvements	(11,310)	(81,007)
Jefferson Street Building Improvements	(15,555)	(102,614)
Net Withdraw/(Purchase) of Investments	50,000	50,000
Net Cash Provided/(Used) by Investing Activities	<u>23,135</u>	<u>(133,621)</u>
Net (Decrease) In Cash and Cash Equivalents	(56,531)	(44,361)
Cash and Cash Equivalents at Beginning of Year	<u>195,959</u>	<u>240,320</u>
Cash and Cash Equivalents at End of Year	<u>\$ 139,428</u>	<u>\$ 195,959</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

THE OPEN LINK
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

Note #1 - Organization and Nature of Activities

The Open Link is a nonprofit organization incorporated under the laws of Pennsylvania. On July 1, 2013, two non-profit organizations, The Open Line and Upper Perkiomen Senior Center, were legally joined and began operating as one agency in two locations (Penn Street in Pennsburg and Jefferson Street in East Greenville) called The Open Link. The entity is a multi-service agency serving the greater Upper Perkiomen Valley, providing services and programs that help, educate, and empower, as well as opportunities that promote socialization and volunteerism for people of all ages to lead healthy and productive lives. The entity's primary sources of revenue include support from Montgomery County as well as public support in the form of contributions from individuals, corporations, foundations and other charitable organizations, state, county and local government funds, grants, and various fundraisers.

Note #2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the entity have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation

The entity reports information regarding its financial position and activities according to two classes of net assets as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. Assets without donor restrictions may be designated for specific purposes by action of the Board of Directors. Board Designated Net Assets include investments (Note #7) to provide for personnel, technology, and human services programming to benefit the Upper Perkiomen community.

With Donor Restrictions - Net assets whose use by the entity is restricted by the donor in perpetuity, restricted for specified purposes, or restricted by the passage of time.

Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets. Donor-restricted contributions are reported as operating revenue without donor restrictions when the restriction is satisfied.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Fair Value of Financial Instruments

The fair value of certain financial instruments including cash, receivables and investments are disclosed. The estimated fair value amounts have been determined by the entity using available market information and appropriate valuation methodologies. The carrying values of these financial instruments approximate their fair value.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the entity considers all cash on hand, checking, and money market accounts to be cash equivalents. Cash on deposit at times exceeds F.D.I.C. insured limits.

THE OPEN LINK
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022
(Continued)

Note #2 - Summary of Significant Accounting Policies (Continued)

Grants Receivable

Grants receivable include amounts for services that were performed per the grant agreements. Management considers all amounts collectible at year-end, therefore there is no allowance for doubtful accounts.

Fixed Assets

Property, equipment and improvements over \$2,000 are stated carried at cost, or if donated, at estimated fair value. Depreciation is computed on the straight-line basis method based on the estimated useful lives of the assets as follows:

Building	39 Years
Building Improvements	10 – 27.5 Years
Equipment & Furnishings	5 - 10 Years
Van	5 Years

Investments

Investments in marketable securities with readily determinable fair values are valued at their fair values. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Deferred Revenue

The entity recognizes restricted monies received as deferred revenue on the statement of financial position rather than showing revenues with donor restrictions on the statement of activities. Once the restrictions have been met, the entity recognizes the revenue and expense without donor restrictions.

Contributions

Contributions are recognized as support and are measured at their fair value. Depending on the form of the benefits received, contributions are either recorded as revenues or liabilities. Contributions with donor-imposed restrictions are recorded as deferred revenue. 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.

Contributed Services

The entity's Board of Directors and volunteers donate significant amounts of time to the various programs and operations of the entity. Contributed services that (a) create or improve long-lived assets or (b) require specialized skills provided by individuals possessing those skills that would typically need to be purchased if not provided by donation meet the requirement for recognition in the financial statements. The value of services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Donated Use of Facilities

Montgomery County donated the use of the facilities located at Penn Street, Pennsburg and Jefferson Street, East Greenville for 5 months until they donated the facilities to the entity on December 17, 2021. The fair market value of the donated use of the facility \$29,330, for the year ending June 30, 2022.

THE OPEN LINK
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022
(Continued)

Note #2 - Summary of Significant Accounting Policies (Continued)

Gifts-In-Kind

Gifts-in-kind are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the entity reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The entity reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Material gifts-in-kind used by the entity (food) are recorded as income and expense at the time the items are placed in service or distributed. Numerous food donations were made by individuals, churches and other service organizations. Management estimated fair value at \$1.92 per pound for 2023 and \$1.79 for 2022. The value of these food donations is reflected on the statements of activities and is estimated by management to be \$225,905 and \$232,106 for the years ending June 30, 2023 and 2022, respectively. Food donations also includes \$17,320 and \$7,683 for the years ending June 30, 2023 and 2022, respectively from Weis Markets Fight Hunger Campaign (See Note #12). Gifts-in-kind for the year ending June 30, 2022 also includes \$646,961 for the buildings donated by Montgomery County.

Revenue from Contracts with Customers

Revenues are reported as increases in net assets without donor restrictions. The entity's revenue from contracts with customers in the scope of ASC 606 is recognized with program service fees. The entity earns fees by providing resources and services to individuals and communities consisting of activity fees, meal program fees, and program funding by participating agencies. The entity recognizes revenue when the services are provided. Unearned service fees are reflected in deferred revenue.

The entity holds special events (fundraising events) to raise operating funds. Admission to fundraising events sometimes requires attendees to purchase a ticket. The entity recognizes the exchange transaction when the event takes place.

Functional Expense Allocation

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Fundraising expenses are costs related to development and special events. Management and general expense are costs directly related to the overall operation of the entity, which are not associated with program or fundraising activities. Accordingly, certain costs have been allocated among programs and supporting services based on employee time estimates or other appropriate factors according to management estimates.

Income Tax Status

The entity is exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code and the Pennsylvania Charitable Funds Act. The entity annually files Federal Form 990 and Pennsylvania's Charitable Organization Registration Statement (BCO-10). The entity takes the position that it has no net income derived from unrelated business activities and believes it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are significant to the financial statements.

Date of Management's Review

Management has evaluated subsequent events through October 25, 2023, the date on which the financial statements were available to be issued.

THE OPEN LINK
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022
(Continued)

Note #3 - Components of Program Services (Continued)

The Open Link provides a wide range of free and confidential services to individuals and families in the Upper Perkiomen Valley. The entity’s comprehensive programs are designed to address the needs of low-income people by providing basic necessities, as well as support services that empower individuals to return to lives of self-sufficiency.

Meals on Wheels (MOW) - Provides nutritious meals to the homebound enabling them to remain in their homes for a greater length of time.

Choice Food Pantry - Designed to provide food to local families who do not currently have the financial means to meet their nutritional needs. Using on-line inventory and ordering system to allow virtual ordering and low contact pickup.

Food Pantry without Walls - Extension of Choice Food Pantry which allows low-income seniors at Upper Perkiomen Manor at Red Hill Villas to order food remotely with delivery to their homes.

Community Lunch at the Center/Grab and Go Meals - A nutritious, hot meal was served Monday through Friday at 12:30 PM pre-pandemic. Meals now served in Grab and Go format (safe, low contact pick-up).

Summer Kids’ Meals Program – Mobile program providing (4) “grab and go” meals [(2) breakfasts and (2) lunches] to pre-school/school age children at (5) locations across Upper Perkiomen Valley.

Financial Counseling, Benefits Acquisition and Financial Aid - Helping individuals navigate financial difficulties through budget counseling, access to eligible benefits and financial aid to help people stay housed, healthy and safe in difficult times.

Employment Counseling – Helping individuals get the next job or a better job through resume building, soft skills counseling, application assistance, etc.

High School Equivalency Diploma Preparation - For those who have not finished high school, a diploma (either through HiSET® or GED®) serves as a bridge to education and employment opportunities that were previously closed to them. The Open Link is also a HiSET® testing center: one stop for prep and testing.

Health and Wellness - The Center offers the following classes to exercise your body: yoga, Walkercise, WOW (Women on Weights) and Tai Chi.

Lifelong Learning & Social Connection - Different ways to stay mentally and socially aware are offered at The Center including: Bible Study group, history lectures, community & educational seminars and book club.

Note #4 - Cash

	2023	2022
Cash-on-Hand	\$ 100	\$ 100
Non-Interest Checking	104,142	70,708
Interest Bearing Accounts	<u>35,186</u>	<u>125,151</u>
Total	<u>\$ 139,428</u>	<u>\$ 195,959</u>

THE OPEN LINK
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022
(Continued)

Note #5 - Fixed Assets

	<u>2023</u>	<u>2022</u>
Fixed Assets	\$ 1,084,912	\$ 1,058,047
Less: Accumulated Depreciation	<u>(75,744)</u>	<u>(46,450)</u>
Net Book Value	<u>\$1,009,168</u>	<u>\$ 1,011,597</u>

The entity added \$4,100 for office walls at Penn Street; \$15,555 for a chair lift for Jefferson Street; and \$7,210 to complete the Parking Lot Paving at Penn Street on June 30, 2023.

For June 30, 2022, in addition to the (2) buildings donated by Montgomery County, the entity added \$25,400 of LED Lighting; \$3,887 Sound System; and \$5,244 down payment on Parking Lot Paving.

Depreciation expenses were \$29,294 and \$31,593 for the years ended June 30, 2023 and 2022, respectively.

Note #6 - Gift Cards

Individuals and corporations donate gift cards to the entity to be used for client needs. The entity recognizes revenue from the gift cards received when the gift cards have been utilized. On June 30, 2023 and 2022, gift cards totaling \$9,914 and \$11,654, are treated as other assets and deferred revenue in the statements of financial position (See Note #8).

Note #7 - Investments

The entity applies generally accepted accounting principles for fair value measurements of financial assets on a recurring basis. That framework establishes 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*) and the lowest priority to measurements involving significant unobservable inputs (*Level 3*). The three levels of the fair value hierarchy are as follows: *Level 1* inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. *Level 2* inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the fully term of the financial instrument. *Level 3* inputs are unobservable inputs for the asset or liability. Investments as of June 30, 2023 and 2022 consisted entirely of *Level 1* inputs.

	<u>2023</u>		<u>2022</u>	
	COST	MARKET VALUE	COST	MARKET VALUE
Money Market Fund	\$ 28,982	\$ 28,982	\$ 36,948	\$ 36,948
Exchange Traded Products	676,379	625,303	680,634	594,310
Mutual Funds	<u>637,713</u>	<u>622,094</u>	<u>666,506</u>	<u>587,605</u>
Total	<u>\$1,343,074</u>	<u>\$1,276,379</u>	<u>\$1,384,088</u>	<u>\$1,218,863</u>

Board Designated

The Board has invested a large bequest in order to provide for personnel, technology and human services programming to benefit the Upper Perkiomen community. Net transfers from investments to checking in 2023 and 2022 was \$50,000 for both years.

THE OPEN LINK
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022
(Continued)

Note #7 - Investments (Continued)

Net Investment Return

The following schedule summarizes the investment return reported in the statements of activities:

	2023	2022
Dividends & Interest	\$ 59,542	\$ 51,826
Net Realized Gains/(Losses)	(39,797)	9,630
Net Unrealized Gain/(Losses)	96,888	(225,702)
Investment Fees	<u>(9,118)</u>	<u>(9,257)</u>
Total	<u>\$ 107,515</u>	<u>\$ (173,503)</u>

Note #8 - Deferred Revenue

	2023	2022
Client Needs (Gift Cards)	\$ 9,914	\$ 11,654
Client Needs (Valley Residents)	13,060	25,000
Client Empowerment	5,926	30,447
General Operating (2023/2024 & 2022/2023)	4,750	19,750
Food Programs	0	24,150
Parking Lot at Senior Center	5,000	0
Stair Lift at Senior Center	12,000	12,000
Other	<u>500</u>	<u>500</u>
Total	<u>\$ 51,150</u>	<u>\$ 123,501</u>

Note #9 - Grants

Grants on the statement of activities were spent according to grant restriction and include:

	2023	2022
Genuardi Family Foundation – Food Program	\$ 15,000	\$ 14,000
Generations of Indian Valley – Pandemic Recovery Funds	21,750	0
LCBC Church – Lighting Upgrades	0	12,530
Leo & Peggy Pierce Family Foundation –Operating	15,000	15,000
Montco SAAC – Survey Participation	0	1,500
Montgomery County – Bat Removal & New Roofs	0	131,170
Montg Co Office of Senior Services – Home Delivered Meals	5,180	14,877
- Congregate Meals	4,644	0
- Senior Center Services	4,938	4,938
PA Dept of Aging – HVAC	0	29,244
PP&L - Operation Help	0	3,018
PPL Foundation – Diversity, Equity & Inclusion Training	0	2,500
Redevelopment Authority of Montgomery County – Montco Strong	0	40,000
St. Philip Neri Catholic Church – Direct Client Needs	11,940	0
TCC Gives – Ramps & Sidewalk Updates	0	10,000
W.W. Smith Charitable Trust – Food/Utility/Rental Assistance	24,522	34,238
Walmart – Summer Food Program	2,500	0
Weis Markets – Food Program	<u>0</u>	<u>7,950</u>
Total	<u>\$ 105,474</u>	<u>\$ 320,965</u>

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Note #10 - Special Events

For the year ending June 30, 2023 the Annual Silent Auction & Gala had \$54,728 of revenue and \$6,255 of expenses. For the year ending June 30, 2022 the Annual Silent Auction & Gala had \$25,867 of revenue and \$6,081 of expenses. Candy sales netted \$1,010 and \$802 for the years ending June 30, 2023 and 2022, respectively.

Note #11 – Retirement

The entity provides regular full-time employees with a tax-sheltered IRA (under Section 403(b)(7)) in which employees may elect to participate. All employees electing to participate in the plan will be eligible for an employer match as determined annually by the Board of Directors. The Board of Directors elected to match 50% of the first 4% of salary contributed. Employer contributions to the plan was \$4,667 and \$7,391 for the years ending June 30, 2023 and 2022, respectively.

Note #12 - Commitments and Contingencies

Maintenance Agreement Contracts

The entity has maintenance agreements for copiers. Total spent was \$2,554 and \$2,495 for the years ending June 30, 2023 and 2022, respectively. Future minimum payments are \$2,495 for June 30, 2024 through 2026 and \$624 for June 30, 2027.

In-kind Food Donation

Weis Markets donated \$27,000 and \$40,000 of food through their Fight Hunger Campaign for the years ending June 30, 2023 and 2022, respectively. The entity may place orders for food through Weis Markets' in-house account system. As of June 30, 2023, the entity has \$92,323 remaining to be used towards in-kind food donations.

Compensated Absences

Full-time and regular part-time employees of the entity are entitled to vacation, personal and sick leave benefits in varying amounts to specified maximums depending on tenure with the entity. Employees are entitled to their accrued vacation balance upon termination. The entity has recorded the related liability for accrued vacation that is estimated to be \$13,300 for both June 30, 2023 and 2022, as accrued employee benefits on the statements of financial position. No related liability for accrued sick leave has been recorded since all unused sick leave is forfeited when the employee leaves the entity. Up to 5 days of sick leave may be carried forward from one year to the next.

Pandemic Recovery Funds

Generations of Indian Valley has partnered with the Senior Center for the project titled *COVID's Isolating Impact on Rural Older Adults*. The entity has received \$21,750 as of June 30, 2023 and will receive \$43,500 and \$21,750 for years ending June 30, 2024 and 2025, respectively.

Note #13 - Concentration of Credit Risk

Financial instruments that potentially subject the entity to concentration of credit risk consist of investments in various funds (See Note #7).

Note #14 - Risk Management

The entity is exposed to various risks of loss related to torts; theft of or damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. Significant losses are covered by commercial insurance for all areas for which the entity retains risks of loss.

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Note #15 - Liquidity & Availability of Resources

The entity has \$87,497 of financial assets available within one year of the statements of financial position date to meet cash needs for general expenditures in 2023/2024.

Financial Assets at Year-End (Current Assets)	\$ 206,849
Less Those Unavailable for General Expenditures Within One Year:	
Accounts Payable & Accrued Expenses	(72,952)
Deferred Revenue (Other than General Operating & Food Programs)	<u>(46,400)</u>
Financial Assets Available to Meet Cash	
Needs for General Expenditures Within One Year	<u>\$ 87,497</u>

The entity has a goal to maintain cash on hand to meet 90 days of normal operating expenses, which are, on average approximately \$84,000 per month. The entity has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The entity also has \$1,276,379 in liquid investments for emergency purposes.

Note #16 - Subsequent Event

The entity has applied for the Employee Retention Credit (ERC). The ERC is a refundable tax credit for organizations that paid qualified wages to employees and were affected during the pandemic. The entity expects to receive approximately \$225,000.