PROJECT OF EASTON, 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

PROJECT OF EASTON, INC.
(A Not-for-Profit Corporation)
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C·R&Y CERTIFIED PUBLIC ACCOUNTANTS
CAMPBELL, RAPPOLD & YURASITS LLP

TARA L. BENDER, CPA, CSEP
JAMES F. BOVA, CPA
MARC A. BRINKER, CPA
MELISSA A. GRUBE, CPA, CSEP
DENNIS S. HELLER, CPA
PAUL G. MACK, CPA, CFE
GREGORY R. MOSER, JR., CPA
JASON L. SERFASS, CPA
JOHN R. ZAYAITZ, CPA

MICHELLE R. BITNER, CPA
ROXANNA M. BRANDLE, CPA
KYLE ELSENBAUMER, CPA
MICHAEL T. GILL, CPA
MICHAEL A. METZ, CPA
DEBORAH A. MILLER, CPA
NICHOLAS A. OTTOLINI, CPA
BRIAN D. PALMER, CPA
TARA M. SHELLHAMER, CPA
MICHAEL R. SMITH, CPA
HEIDI D. WOJCIECHOWSKI, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
ProJeCt of Easton, Inc.
Easton, PA

Opinion

We have audited the accompanying financial statements of ProJeCt of Easton, 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 ProJeCt of Easton, 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 ProJeCt of Easton, 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 ProJeCt of Easton, 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 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 ProJeCt of Easton, 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 ProJeCt of Easton, 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 31, 2024

PROJECT OF EASTON, INC.
(A Not-for-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	June 30, 2023			June 30, 2022		
- ASSETS -	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Current Assets:						
Cash and Cash Equivalents	$ 474,618	$ 37,366	$ 511,984	$ 425,896	$ 56,663	$ 482,559
Accounts Receivable	71,488	-	71,488	62,751	-	62,751
Contributions Receivable, Net (Note 4)	2,893	20,000	22,893	17,983	20,000	37,983
Prepaid Expenses	23,646	-	23,646	29,816	-	29,816
Total Current Assets	572,645	57,366	630,011	536,446	76,663	613,109
Long-Term Investments (Note 3 and 8)	1,101,151	1,814,901	2,916,052	1,070,943	1,701,848	2,772,791
Property and Equipment, Net (Note 5)	25,890	911,950	937,840	31,572	940,916	972,488
Right-of-Use Assets (Note 6)	28,378	-	28,378	-	-	-
TOTAL ASSETS	$ 1,728,064	$ 2,784,217	$ 4,512,281	$ 1,638,961	$ 2,719,427	$ 4,358,388
- LIABILITIES AND NET ASSETS -						
Current Liabilities:						
Accounts Payable and Accrued Expenses	$ 29,068	$ -	$ 29,068	$ 24,486	$ -	$ 24,486
Payroll and Related Accruals	59,472	-	59,472	81,491	-	81,491
Deferred Revenue	2,707	-	2,707	9,797	-	9,797
Operating Lease Liabilities, Current Portion (Note 6)	18,027	-	18,027	-	-	-
Total Current Liabilities	109,274	-	109,274	115,774	-	115,774
Operating Lease Liabilities, Net of Current Portion (Note 6)	10,351	-	10,351	-	-	-
Total Liabilities	119,625	-	119,625	115,774	-	115,774
- NET ASSETS -						
Undesignated	1,171,367	-	1,171,367	1,110,050	-	1,110,050
Board Designated-Operating Reserve	411,182	-	411,182	381,565	-	381,565
Invested in Property and Equipment	25,890	911,950	937,840	31,572	940,916	972,488
With Donor Restrictions (Note 7)	-	1,872,267	1,872,267	-	1,778,511	1,778,511
Total Net Assets	1,608,439	2,784,217	4,392,656	1,523,187	2,719,427	4,242,614
TOTAL LIABILITIES AND NET ASSETS	$ 1,728,064	$ 2,784,217	$ 4,512,281	$ 1,638,961	$ 2,719,427	$ 4,358,388

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

PROJECT OF EASTON, INC.
(A Not-for-Profit Corporation)
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	Year Ended June 30, 2023			Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenues, Gains and Other Support:						
Contributions	$ 729,949	$ 88,180	$ 818,129	$ 856,183	$ 102,536	$ 958,719
Special Events						
Revenues	48,053	-	48,053	56,642	-	56,642
Contribution of Nonfinancial Assets	5,000	-	5,000	3,500	-	3,500
Expenses	(13,783)	-	(13,783)	(10,198)	-	(10,198)
Net	39,270	-	39,270	49,944	-	49,944
Government and Federated Grants	737,383	-	737,383	602,176	-	602,176
Contributions of Nonfinancial Assets	377,778	-	377,778	374,778	-	374,778
Other Income	3,164	-	3,164	2,744	-	2,744
	1,887,544	88,180	1,975,724	1,885,825	102,536	1,988,361
Net Assets Released from Restrictions	172,343	(172,343)	-	252,464	(252,464)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	2,059,887	(84,163)	1,975,724	2,138,289	(149,928)	1,988,361
Expenses:						
Program Services	1,705,609	-	1,705,609	1,680,978	-	1,680,978
Supporting Services:						
Management and General	184,609	-	184,609	156,302	-	156,302
Fundraising	99,488	-	99,488	89,818	-	89,818
Total Supporting Services	284,097	-	284,097	246,120	-	246,120
TOTAL EXPENSES	1,989,706	-	1,989,706	1,927,098	-	1,927,098
Increase (Decrease) in Net Assets from Operating Activities	70,181	(84,163)	(13,982)	211,191	(149,928)	61,263
Nonoperating:						
Debt Forgiveness - PPP	-	-	-	196,100	-	196,100
Investment Return	15,071	148,953	164,024	(117,414)	(251,416)	(368,830)
Increase (Decrease) in Net Assets from Nonoperating Activities	15,071	148,953	164,024	78,686	(251,416)	(172,730)
Increase (Decrease) in Net Assets	85,252	64,790	150,042	289,877	(401,344)	(111,467)
Net Assets, Beginning of Year	1,523,187	2,719,427	4,242,614	1,233,310	3,120,771	4,354,081
NET ASSETS, END OF YEAR	$ 1,608,439	$ 2,784,217	$ 4,392,656	$ 1,523,187	$ 2,719,427	$ 4,242,614

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

PROJECT OF EASTON, INC.
(A Not-for-Profit Corporation)
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2023 and 2022

	Year Ended June 30, 2023				**Year Ended June 30, 2022**			
		Supporting Services				Supporting Services		
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Personnel Related Expenses	$ 959,315	$ 132,075	$ 78,219	$ 1,169,609	$ 976,020	$ 117,088	$ 67,057	$ 1,160,165
Professional Fee Related Expenses	64,285	25,036	-	89,321	47,986	13,515	-	61,501
Operating Expenses	57,733	16,675	21,235	95,643	56,283	16,668	22,700	95,651
Client Assistance and Supplies	130,364	-	-	130,364	109,586	-	-	109,586
In-Kind Program Expenses	375,572	2,206	-	377,778	373,998	750	30	374,778
Volunteer and Donor Expenses	2,199	16	34	2,249	647	7	31	685
Facility Expenses	82,799	7,295	-	90,094	85,072	8,096	-	93,168
Special Event Expenses	-	-	13,783	13,783	-	-	10,198	10,198
Total Before Depreciation	1,672,267	183,303	113,271	1,968,841	1,649,592	156,124	100,016	1,905,732
Depreciation	33,342	1,306	-	34,648	31,386	178	-	31,564
Total Expenses by Function	1,705,609	184,609	113,271	2,003,489	1,680,978	156,302	100,016	1,937,296
Less: Expenses Included With Revenues on the Statements of Activities:								
Direct Costs of Special Events	-	-	(13,783)	(13,783)	-	-	(10,198)	(10,198)
	$ 1,705,609	$ 184,609	$ 99,488	$ 1,989,706	$ 1,680,978	$ 156,302	$ 89,818	$ 1,927,098

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

PROJECT OF EASTON, INC.
(A Not-for-Profit Corporation)
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	Year Ended June 30, 2023	Year Ended June 30, 2022
Cash Flows from Operating Activities:		
Change in Net Assets	$ 150,042	$ (111,467)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	34,648	31,564
Unrealized (Gain) Loss on Investments	(77,996)	476,166
Realized Gain on Sale of Investments	(16,196)	(13,527)
Debt Forgiveness - PPP	-	(196,100)
Decrease (Increase) in Accounts Receivable	(8,737)	23,811
Decrease (Increase) in Contributions Receivable for Operating Purposes	15,090	(19,690)
Decrease (Increase) in Prepaid Expenses	6,170	(9,954)
Decrease in Accounts Payable and Other Liabilities	(24,527)	(8,371)
Net Cash Provided by Operating Activities	78,494	172,432
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	-	(22,669)
Proceeds from Sale of Investments	336,790	160,928
Purchase of Investments	(385,859)	(783,962)
Net Cash Used by Investing Activities	(49,069)	(645,703)
Net Increase (Decrease) in Cash and Cash Equivalents	29,425	(473,271)
Cash and Cash Equivalents, Beginning of Year	482,559	955,830
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 511,984	$ 482,559
Supplemental Data:		
Contributions of Nonfinancial Assets (Food, Supplies, and Transportation)	$ 377,778	$ 374,778
Contributions of Nonfinancial Assets (Special Events Related)	$ 5,000	$ 3,500
Stocks Contributed (Included in Contributions)	$ 51,223	$ 112,076

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

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

ProJeCt of Easton, Inc. (ProJeCt) is a community benefit human service agency founded in 1968. The mission is to build a better community by helping people to help themselves. The agency improves the community and helps economically and educationally disadvantaged adults and children by assisting them with their emergency needs and developing their potential to achieve self-sufficiency through an integrated system of evidence-based social support and education programs. ProJeCt provides assistance to more than 5,000 people a year, serving Easton and surrounding communities. The Organization is supported by donor contributions, government contracts, foundations and the United Way.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions. Net assets without donor restrictions may be designated for specific purposes by the action of the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are 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, where the donor stipulates that resource be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets.

1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Revenues (Continued)

- Grants and Contributions – The Organization receives multiple grants from government agencies and contributions from individuals and the general public used to assist with the Organization's daily operations. Grants and contributions are recognized in the period that they are earned in accordance with ASC 958-605.

Contributions

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. Management reviews contribution receivable balances for collectability based on aging of the pledges. An allowance of $141, was deemed adequate by management for 2023 and 2022.

The Organization reports gifts of goods and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents. Money market funds held in investment accounts are excluded.

1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable represents amounts due from various sources including government agencies. Management has determined that the receivables are fully collectible; therefore, no allowance for uncollectibles is considered necessary.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets.

Property and Equipment

The Organization capitalizes property and equipment with an original cost over $2,500. Property and equipment is stated at cost or at estimated fair value at the date of gift. Depreciation is computed using the straight-line method over the estimated lives of the assets, as follows:

Equipment	5-15 years
Furniture and Fixtures	5-10 years
Leasehold Improvements	5-15 years
Building Improvements	10-40 years
Building	40 years

Routine repairs and maintenance costs are expensed as incurred.

Contributions of Nonfinancial Assets

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. A substantial number of volunteers have donated significant amounts of their time in the Organization's service. The value of the contributed time is not reflected in the financial statements since the volunteers' time does not meet the criteria necessary for recognition.

The Organization recognized contributed nonfinancial assets within Revenue, Gains, and Other Support on the Statements of Activities, including facilities use, advertising, consumer prizes, and specialized services. The contributed nonfinancial assets are recorded at estimated fair value utilizing information reported by the donor organization or individual. There were no contributed nonfinancial assets that had donor-imposed restrictions.

Contributed facilities consist of a room rental for the Organization's special event. In valuing the contributed facilities, the Organization estimated the fair value based on recent comparable rental rates in the local real estate market.

1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Contributions of Nonfinancial Assets (Continued)

Contributed food donations are valued and reported based on an amount per pound as published by Feeding America. Food donations are used in program services.

Transportation services recognized are comprised of busing services related to providing accessibility to the SIZZLE program. Transportation services are for program activities. Transportation services are valued and are reported at the estimated fair value in the financial statements based on current rates for local transportation.

Supplies recognized are comprised of miscellaneous supplies that are used for various programs. Supplies are valued and reported at the estimated fair value in the financial statements based on current rates for local supplies.

Contributed nonfinancial assets are as follows:

	June 30,	
	2023	2022
Food	$ 348,117	$ 350,108
Transportation	21,946	21,287
Supplies	7,715	3,383
Space Rentals	5,000	3,500
Total	$ 382,778	$ 378,278

Operations

Results from operations in the Statements of Activities reflect all transactions increasing or decreasing net assets except those items of a capital nature – that is, items associated with investment or acquisition of land, building, and equipment. For 2022, debt forgiveness related to the PPP loan was also considered a nonoperating item.

Reclassification

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Income Taxes

ProJeCt of Easton, Inc. is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The accounting standard for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or liabilities recorded for fiscal year 2023 and 2022.

The Organization files its 990 with the United States Internal Revenue Service.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program, fundraising, or support service are allocated directly according to their natural classification. Other expenses that are common to several functions are allocated based on estimates made for time spent by key personnel between functions, space occupied by function, and other objective bases.

Concentration of Credit Risk

The Organization maintains accounts at various banks. Accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times, the Organization maintains cash balances which may exceed federally insured limits; it historically has not experienced any credit-related losses. Amounts in excess of FDIC limits at June 30, 2023 were approximately $165,500.

Concentration of Grants

Approximately 46% and 37% of the Organization’s support for the year ended June 30, 2023 and 2022, respectively came from government grants.

Advertising Costs

Advertising costs are expensed as incurred and charged to programs and/or management and general based on the nature of the expense. Total advertising expense was $4,228 and $848 for the years ended June 30, 2023 and 2022, respectively.

1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Accounting for Paycheck Protection Program (PPP)

The Organization may account for a Paycheck Protection Program (PPP) loan as a financial liability in accordance with FASB ASC Topic 470, Debt, or under other models, if certain conditions are met. If the Organization expects to meet the PPP's eligibility criteria and concludes that the PPP loan represents, in substance, a grant that is expected to be forgiven, the Organization may account for the PPP loan in accordance with ASC Subtopic 958-605 as a conditional contribution. As of June 30, 2020, management had not evaluated whether the Organization would meet the eligibility criteria for full forgiveness of the Loan. For this reason, the Organization elected the debt method. Under this method, the Organization recorded a debt liability on the Statement of Financial Position and subsequently recognized revenue from loan forgiveness once forgiveness was determined by the Small Business Administration. On May 8, 2020, the Organization received $196,100 under the Paycheck Protection Program. Forgiveness was received July, 2021, and the extinguishment of debt was recognized in the financial statements during the year ending June 30, 2022.

Adoption of New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), to increase transparency and comparability across entities by recognizing right of use assets and lease liabilities for all long-term leases, including operating leases, on the Statement of Financial Position and disclosing key information about lease arrangements for lessees and lessors. On May 20, 2020, the FASB voted to defer the effective date of ASC 842 to annual period beginning after December 31, 2021.

The Organization adopted ASU 2016-02, *Leases* (Topic 842), on July 1, 2022, and elected to utilize the effective date method approach to apply the transition provisions. This allows entities to report the cumulative effect of the adoption of the standard on the date of adoption while continuing to apply the legacy guidance in ASC 840, including disclosure requirements, in comparative periods presented in the year of adoption. Pursuant to practical expedients, the Organization elected not to reassess: (i) whether expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases, or (iii) initial direct costs for any existing leases. The Organization elected to apply the short-term lease measurement and recognition exemption to its leases where applicable.

2. Liquidity and Availability of Resources

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of the date of the Statements of Financial Position, consist of the following:

	June 30, 2023	June 30, 2022
Without Donor Restrictions:		
Cash and Cash Equivalents	$ 474,618	$ 425,896
Accounts Receivable	71,488	62,751
Contributions Receivable	2,893	17,983
Long-Term Investments	1,101,151	1,070,943
	1,650,150	1,577,573
Less: Designated for Operating Reserve	(411,182)	(381,565)
	$ 1,238,968	$ 1,196,008

The Organization is supported mainly by contributions and contract revenues. The Organization believes that funding from contract revenues and contributions and the assets held at June 30, 2023, are sufficient to enable the Organization to continue operating for the upcoming year.

3. Investments

Investments as of June 30, 2023 and 2022 are summarized as follows:

	June 30, 2023		June 30, 2022	
	Cost	Fair Value	Cost	Fair Value
Money Market Funds	$ 100,557	$ 100,557	$ 74,320	$ 74,320
Mutual Funds	2,689,768	2,815,495	2,650,740	2,698,471
	$ 2,790,325	$ 2,916,052	$ 2,725,060	$ 2,772,791

3. Investments (Continued)

The following schedule summarizes the investment return and its classification in the Statements of Activities for the year ended June 30, 2023 and 2022.

	June 30, 2023	June 30, 2022
Interest and Dividends	$ 83,102	$ 107,400
Realized Gains	16,227	15,675
Unrealized Gains (Losses)	77,996	(476,166)
Fees	(14,066)	(13,823)
Investment Return - Long Term Investments	163,259	(366,914)
Interest/Dividend Income from Operations	796	232
Realized Loss on Donated Stocks Sold	(31)	(2,148)
Investment Return Reported on Statement of Activities	$ 164,024	$ (368,830)

4. Contributions Receivable, Net

Contributions receivable as of June 30, 2023 and 2022 are as follows:

	June 30, 2023	June 30, 2022
Due in less than one year	$ 23,034	$ 38,124
Due in one to five years	-	-
Total Contributions Receivable	23,034	38,124
Less: Allowance for uncollectibles	141	141
Net Contributions Receivable	$ 22,893	$ 37,983

5. Property and Equipment

Property and equipment as of June 30, 2023 and 2022 consist of the following:

	June 30,			
	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Land	$ -	$ 237,300	$ -	$ 237,300
Building	13,850	1,152,644	13,850	1,152,644
Leasehold Improvements	53,894	-	53,894	-
Furniture, Fixtures and Equipment	109,927	-	109,927	-
Equipment Deposit	-	-	-	-
	177,671	1,389,944	177,671	1,389,944
Less: Accumulated Depreciation	151,781	477,994	146,099	449,028
	$ 25,890	$ 911,950	$ 31,572	$ 940,916

Depreciation charged to expense was $34,648 and $31,564 for the years ended June 30, 2023 and 2022, respectively. See Note 10 regarding the portion of Property and Equipment with donor restrictions.

6. Right of Use Assets and Lease Liabilities

The Organization lease property and various office equipment under noncancellable operating leases through March, 2026.

Right of use assets and lease liabilities are recorded on the Statement of Financial Position at June 30, 2023 as follows:

	2023
Assets:	
Right of Use Asset	$ 28,378
Liabilities	
Current Portion of Long-Term Lease Liabilities	$ 18,027
Long-Term Lease Liabilities, Net Current Portion	10,351
Total Lease Liabilities	$ 28,378

6. Right of Use Assets and Lease Liabilities (Continued)

Future minimum lease payments under the operating leases are as follows:

	2024	$ 18,313
	2025	6,064
	2026	4,362
Total Future Minimum Lease Payments		$ 28,739
Less Amount Representing Interest		(361)
Present Value of Minimum Lease Payments		28,378
Less Current Obligations		(18,027)
Long-Term Lease Obligations		$ 10,351
Weighted Average Remaining Lease Term		
Operating Lease		24 Months
Discount Term		
Operating Lease		1.82%
Operating Lease Cost		$ 18,313

Disclosure Related to the Period Prior to the Adoption of the New Lease Standard

Total rent expense under all operating leases totaled $12,225 for the year ended June 30, 2022.

7. Net Assets

Board Designated – Operating Reserve

The Board has adopted a Board Designated Operating Reserve Fund policy. The general purpose of the fund is to help ensure the long-term financial stability of the Organization and position it to respond to varying economic conditions and changes affecting the Organization's financial position and the ability of the Organization to continuously carry out its mission. The reserve's target amount to be attained and maintained is 25% of annual operating expenses or about three months of expenses on average, excluding depreciation and in-kind expenses. At June 30, 2023 and 2022, the board designated operating reserve fund balances were $411,182 and $381,565, respectively.

7. Net Assets (Continued)

Net Assets With Donor Restrictions

For the years ended June 30, 2023 and 2022, net assets with donor restrictions net asset activity consisted of the following:

	Balance July 1, 2022	Revenue	Released from Restrictions	Balance June 30, 2023
Purpose Restricted:				
Easton Middle School Success Program	$ 20,000	$ 25,000	$ (20,000)	$ 25,000
Pre K Early Childhood Education	15,502	28,000	(43,502)	-
Literacy	8,333	10,000	(10,000)	8,333
Simply Savory	1,000	-	-	1,000
Gift Cards-Food Pantry	30,278	25,180	(32,525)	22,933
Gift Cards-Other	1,550	-	(1,450)	100
Food Pantry	-	-	-	-
Ferry Street Building (See Note 10)	940,916	-	(28,966)	911,950
Realized/Unrealized Gain and Unspent Income from Endowment (See Note 8)	335,106	148,953	(35,900)	448,159
Restricted in Perpetuity:				
Endowment (See Note 8)	1,366,742	-	-	1,366,742
	$ 2,719,427	$ 237,133	$ (172,343)	$ 2,784,217

	Balance July 1, 2021	Revenue	Released from Restrictions	Balance June 30, 2022
Purpose Restricted:				
Easton Middle School Success Program	$ 15,000	$ 20,000	$ (15,000)	$ 20,000
Pre K Early Childhood Education	29,982	42,722	(57,202)	15,502
Literacy	63,333	10,000	(65,000)	8,333
Simply Savory	1,000	-	-	1,000
Gift Cards-Food Pantry	45,755	28,264	(43,741)	30,278
Gift Cards-Other	-	1,550	-	1,550
Food Pantry	7,254	-	(7,254)	-
Ferry Street Building (See Note 10)	969,883	-	(28,967)	940,916
Realized/Unrealized Gain (Loss) and Unspent Income from Endowment (See Note 8)	621,822	(251,416)	(35,300)	335,106
Restricted in Perpetuity:				
Endowment (See Note 8)	1,366,742	-	-	1,366,742
	$ 3,120,771	$ (148,880)	$ (252,464)	$ 2,719,427

8. Endowment Fund

The Organization's endowment consists of one fund established for the purpose of supporting programs, services, and building operations of the Organization. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization follows Commonwealth of Pennsylvania law and its own governing documents with respect to the management of endowment funds. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable. As a result of this interpretation, the Organization classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Endowment Return Objectives, Risk Parameters and Strategies

The goal of the investment and spending policy is for the productivity of the endowment funds to strike a balance between preserving and growing principal on one hand, and supporting a spending policy that sustains the Organization's mission on the other hand. The fund is to be managed in a prudent manner. The investment objectives are to: (a) maximize contributions to the ProJeCt's operating and capital needs, (b) maintain the principal of endowment gifts and endeavor to protect the assets from erosion of purchasing power, and (c) maintain an asset allocation mix of 50-70% equities and 30-50% fixed income and cash and cash equivalents. Direct investment in securities of companies whose products or operating philosophies are contrary to the value of "service to humanity" is to be avoided.

Spending Policy

The Organization follows "Total Return Policy" guidelines as established under Pennsylvania Act 141 and as adopted by the Board of Directors. The Organization's policy will be to distribute annually between two and seven percent (allowable "Total Return Policy" range) of the trailing three fiscal year average of the endowment's total asset value. The Board of Directors, with input from management and the finance committee, will establish the percentage annually to be adopted for distribution. In the years ended June 30, 2023 and 2022, a 2% distribution was utilized.

8. Endowment Fund (Continued)

As of June 30, 2023 and 2022, total endowment composition by net assets class is:

	2023		2022	
	With Donor Restrictions	Total	With Donor Restrictions	Total
Donor-Restricted Endowment				
Purpose and Time Restricted	$ 448,159	$ 448,159	$ 335,106	$ 335,106
Restricted in Perpetuity	1,366,742	1,366,742	1,366,742	1,366,742
Endowment Net Assets, June 30,	$ 1,814,901	$ 1,814,901	$ 1,701,848	$ 1,701,848

	2023		2022	
	With Donor Restrictions	Total	With Donor Restrictions	Total
Endowment Net Assets, July 1,	$ 1,701,848	$ 1,701,848	$ 1,988,564	$ 1,988,564
Contributions	-	-	-	-
Investment Income	47,192	47,192	72,682	72,682
Net Appreciation (Depreciation)	101,761	101,761	(324,098)	(324,098)
Amounts Released for Operations	(35,900)	(35,900)	(35,300)	(35,300)
Endowment Net Assets, June 30,	$ 1,814,901	$ 1,814,901	$ 1,701,848	$ 1,701,848

9. Fair Value Measurements

Financial Accounting Standards Board ASC 820-10, 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). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

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.

9. Fair Value Measurements (Continued)

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.

Level 3 Inputs to the valuation methodology are unobservable, are significant to the fair value measurement and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

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. Investments classified within Level 3 whose fair value measurements consider several inputs may include Level 1 and/or Level 2 inputs as components of the overall 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.

Mutual funds – bond funds and equity funds: Valued at the net asset value ("NAV") of shares held by the Organization 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 Organization 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 Organization's assets at fair value as of June 30, 2023 and 2022:

9. Fair Value Measurements (Continued)

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 100,557	$ -	$ -	$ 100,557
Investments - Mutual Funds				
Bond Funds:				
Intermediate-term Bond	1,176,163	-	-	1,176,163
Nontraditional Bond	112,187	-	-	112,187
Ultrashort Bond	-	-	-	-
Equity Funds:				
Foreign Large Blend	167,114	-	-	167,114
Foreign Large Growth	39,501	-	-	39,501
Foreign Large Value	213,985	-	-	213,985
Large Blend	701,608	-	-	701,608
Small Growth	88,473	-	-	88,473
Small Value	87,910	-	-	87,910
World Allocation	228,554	-	-	228,554
Total Assets at Fair Value	$ 2,916,052	$ -	$ -	$ 2,916,052

	Assets at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 74,320	$ -	$ -	$ 74,320
Investments - Mutual Funds				
Bond Funds:				
Intermediate-term Bond	1,162,186	-	-	1,162,186
Nontraditional Bond	103,811	-	-	103,811
Ultrashort Bond	72,000	-	-	72,000
Equity Funds:				
Foreign Large Blend	145,175	-	-	145,175
Foreign Large Growth	53,970	-	-	53,970
Foreign Large Value	150,038	-	-	150,038
Large Blend	639,187	-	-	639,187
Small Growth	65,396	-	-	65,396
Small Value	66,325	-	-	66,325
World Allocation	240,383	-	-	240,383
Total Assets at Fair Value	$ 2,772,791	$ -	$ -	$ 2,772,791

10. Commitments and Contingencies

In September, 2005, the Organization was granted a quitclaim deed from the United States of America, acting through the Secretary of Education, for a property located on Ferry Street in Easton, Pennsylvania. The agreement requires compliance with various conditions for a period of thirty years, ending August 24, 2035. If the Organization fails to adhere to the conditions, the title and interest in the property will revert back to the government of the United States of America. The conditions are as follows: (a) The Organization must use all of the property for the educational programs described in the Organization's program plan of use, unless written consent for program modifications is received, (b) the Organization cannot sell, lease, sublease, rent, mortgage, encumber or transfer or dispose of any interest in the property, (c) the Organization must file a report on its maintenance and use of the property on an biennial basis, (d) the Organization must remain a non-profit organization, and (e) the Organization must comply with Title VI of the Civil Rights Act, Title IX of the Education Amendments of 1972 and code section 504 of the Rehabilitation Act of 1973.

11. Retirement Plan

Effective January 1, 2017 the Organization amended the 403(b) plan. Employees may contribute up to the IRS maximum dollar amount plus catch-up contributions for each calendar year as either a pre-tax or Roth contribution. The Organization will match 50% of the contribution if the employee contributes between 1% and 6% of their compensation. The matching contribution will be limited to 3% of compensation. The employer matching contributions under this plan for the years ended June 30, 2023 and 2022, amounted to $14,762 and $15,657, respectively and discretionary contributions amounted to $-0- for June 30, 2023 and 2022.

12. Subsequent Events

The Organization's management has considered events subsequent to June 30, 2023 that affect the Organization through January 31, 2024, the date the financial statements were available to be issued.

Investments are exposed to various risks, such as interest rate risk, market risk and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in values of investment will occur in the near term. Users of these financial statements should be aware that the financial markets' volatility may significantly impact the subsequent valuation of the Organization's investments. Accordingly, the valuation of the investments at June 30, 2023 may not necessarily be indicative of the amounts that could be realized in a current market exchange.