

**THE GREATER PIKE COMMUNITY FOUNDATION**

Financial Statements  
December 31, 2023, and 2022

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December 31, 2023, and 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
of The Greater Pike Community Foundation

### Opinion

We have audited the accompanying financial statements of The Greater Pike Community Foundation (a nonprofit organization), which comprise the statement of financial position as of 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. The financial statements of The Greater Pike Community Foundation, as of December 31, 2022, and for the year then ended were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated October 30, 2023.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of as of December 31, 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 Greater Pike Community Foundation 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 The Greater Pike Community Foundation 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Greater Pike Community Foundation 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 Greater Pike Community Foundation 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.

*Berard + Associates CPA's PC*

Berard & Associates, CPA's P.C.  
Suffern, New York 10901  
June 17, 2025

**GREATER PIKE COMMUNITY FOUNDATION**

Statements of Financial Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 556,693	\$ 890,484
Cash - restricted - donor	7,800	7,800
Cash - restricted - line of credit	200,003	-
Investments	5,869,706	3,169,477
Contribution receivable	-	2,000,000
Prepaid expenses	6,658	6,658
Right of use asset	3,943	11,808
Total assets	<u>\$ 6,644,803</u>	<u>\$ 6,086,227</u>
Liabilities		
Accounts payable	\$ 846	\$ -
Line of credit	90,000	-
Lease liability	3,943	11,808
Total liabilities	<u>94,789</u>	<u>11,808</u>
<b>Net Assets</b>		
Without donor restrictions		
Operating funds	(197,086)	59,105
Board designated for line of credit collateral	200,003	-
Board designated Funds	52,142	44,552
Donor - advised and other funds	6,483,859	5,962,962
Total without donor restrictions	<u>6,538,918</u>	<u>6,066,619</u>
With donor restrictions	<u>11,096</u>	<u>7,800</u>
Total net assets	<u>6,550,014</u>	<u>6,074,419</u>
Total liabilities and net assets	<u>\$ 6,644,803</u>	<u>\$ 6,086,227</u>

See notes to financial statements.

**GREATER PIKE COMMUNITY FOUNDATION**  
 Statements of Activities  
 For the Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	TOTAL
<b>Revenue and other support</b>						
Contributions	\$ 215,545	\$ 18,500	\$ 234,045	\$ 2,395,704	\$ 37,250	\$ 2,432,954
Investment Income	632,592	-	632,592	(684,479)	-	(684,479)
Special event income	42,956	-	42,956	27,125	-	27,125
Special event expenses	(35,496)	-	(35,496)	(19,141)	-	(19,141)
Fees collected	97,799	-	97,799	39,757	-	39,757
Other income	8,023	-	8,023	446	-	446
Net assets released from restrictions	15,204	(15,204)	-	39,850	(39,850)	-
Total revenue and other support	<u>976,623</u>	<u>3,296</u>	<u>979,919</u>	<u>1,799,262</u>	<u>(2,600)</u>	<u>1,796,662</u>
<b>Expenses</b>						
Program services:	374,836	-	374,836	290,138	-	290,138
Management & general	104,598	-	104,598	112,229	-	112,229
Fund raising	24,891	-	24,891	35,509	-	35,509
Total expenses	<u>504,324</u>	<u>-</u>	<u>504,324</u>	<u>437,876</u>	<u>-</u>	<u>437,876</u>
Changes in net assets	472,299	3,296	475,595	1,361,386	(2,600)	1,358,786
Net assests, beginning of year	<u>6,066,619</u>	<u>7,800</u>	<u>6,074,419</u>	<u>4,705,233</u>	<u>10,400</u>	<u>4,715,633</u>
Net assests, end of year	<u>\$ 6,538,918</u>	<u>\$ 11,096</u>	<u>\$ 6,550,014</u>	<u>\$ 6,066,619</u>	<u>\$ 7,800</u>	<u>\$ 6,074,419</u>

See notes to financial statements.

**GREATER PIKE COMMUNITY FOUNDATION**  
 Statements of Functional Expenses  
 For the Years Ended December 31, 2023 and 2022

	2023					2022				
	Program Services	Management and General	Fund Raising	Direct Cost of Donor Benefit	Total Expenses	Program Services	Management and General	Fund Raising	Direct Cost of Donor Benefit	Total Expenses
Salaries	\$ 16,181	\$ 75,510	\$ 16,181	\$ -	\$ 107,872	\$ -	\$ 49,220	\$ 8,723	\$ -	\$ 57,943
Payroll taxes & fringe benefits	1,966	9,173	1,966	-	13,104	-	3,700	656	-	4,356
Total salaries & fringe benefits	18,147	84,683	18,147	-	120,976	-	52,920	9,379	-	62,299
Grant awards & rewards	311,471	-	-	-	311,471	290,138	-	-	-	290,138
Marketing	-	-	1,000	-	1,000	-	-	1,398	-	1,398
Travel & meeting	-	-	-	-	-	-	897	-	-	897
Office expenses	5,827	729	729	-	7,285	-	1,558	-	-	1,558
Due & Subscriptions	16,688	1,854	-	-	18,542	-	12,518	-	-	12,518
Computers and website maintenance	9,341	549	1,099	-	10,989	-	11,574	-	-	11,574
Contract services	-	287	2,587	-	2,874	-	9,900	15,623	-	25,523
Professional fees	-	10,156	-	-	10,156	-	11,147	-	-	11,147
Postage	3,195	-	355	-	3,550	-	1,086	-	-	1,086
Insurance	-	1,495	-	-	1,495	-	1,490	-	-	1,490
Telephone & telecommunications	1,604	201	201	-	2,006	-	1,769	-	-	1,769
Interest	-	2,792	-	-	2,792	-	-	-	-	-
Rent expense	3,397	400	199	-	3,996	-	3,996	-	-	3,996
License and fees	-	-	-	-	-	-	250	-	-	250
Printing	5,166	-	574	-	5,740	-	2,528	9,109	-	11,637
Bank charges	-	1,452	-	-	1,452	-	596	-	-	596
Special event expenses	-	-	-	35,496	35,496	-	-	-	19,141	19,141
	374,836	104,598	24,891	35,496	539,820	290,138	112,229	35,509	19,141	457,017
Less expenses included with revenues on the statement of activities	-	-	-	(35,496)	(35,496)	-	-	-	(19,141)	(19,141)
Total	\$ 374,836	\$ 104,598	\$ 24,891	\$ -	\$ 504,324	\$ 290,138	\$ 112,229	\$ 35,509	\$ -	\$ 437,876

See notes to financial statements.

**GREATER PIKE COMMUNITY FOUNDATION**  
 Statements of Cash Flow  
 For the Years ended December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 475,595	\$ 1,358,786
Adjustments to reconcile change in net assets to net cash provided to operating activities:		
Unrealized (gain)/loss on Investments	(470,185)	702,408
Decrease (increase) in contribution Receivables	2,000,000	(1,700,000)
(Increase) in Prepaids	-	(5,704)
Decrease (increase) in accounts payable	846	(4,822)
Net cash provided (used) by operating activities	2,006,256	350,668
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
None	-	-
Net cash provided (used) by investing activities	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from sales of Investments	53,033	181,492
Purchase of investments	(2,283,077)	(92,580)
Borrowing from the line of credit	100,000	-
Payments to the line of credit	(10,000)	-
Net cash provided (used) by financial activities	(2,140,044)	88,912
Net Increase (Decrease) in Cash and Cash Equivalents	(133,788)	439,580
Cash and cash equivalents - beginning	898,284	458,704
Cash and cash equivalents - ending	\$ 764,496	\$ 898,284
<b>NON-CASH ITEMS:</b>		
Inkind contributions	\$ -	\$ -
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	\$ 2,792	\$ -
Tax paid	N/A	N/A

See notes to financial statements.

## THE GREATER PIKE COMMUNITY FOUNDATION.

Notes to Financial Statements  
December 31, 2023 and 2022

### **Note 1 - Nature of Operations and Summary of Significant Accounting Policies**

#### Nature of Operations

The Greater Pike Community Foundation (Greater Pike) is a not-for-profit corporation organized under the laws of the Commonwealth of Pennsylvania on February 27, 2012, for the primary purpose of enabling generous individuals, families, and local businesses to maximize their charitable support through organized, targeted community philanthropy. Greater Pike encourages the establishment of new charitable endowment funds and provides discretionary, donor-defined and scholarship grants to qualified charitable organizations primarily in the Pike County region.

Secondarily, Greater Pike was organized to create a single charitable institution in its geographic area of focus, with detailed, in-depth, and current knowledge of the broader universe of charitable organizations serving the Pike County community. The goal of providing this knowledge is to enable a more effective deployment of donor funds from all sources within the Community, by acting as an information clearing house focused on the “not for profit” environment and institutions. Among the many beneficiaries of such detailed knowledge is local Government, and related institutions whose focus is on community well-being. The delivery of their mission is enhanced by the institutional knowledge provided by Greater Pike on an on-going basis.

#### Summary of Significant Accounting Policies

##### Basis of Accounting

The financial statements of Greater Pike have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

##### 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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### Variance Power

Accounting principles generally accepted in the United States of America and the Not-for-Profit Entities Topic of the FASB Standards Codification provide that if the governing body of an organization has the unilateral power to redirect use of a donor’s contribution to another beneficiary, such contributions must be classified as net assets without donor restrictions. The Board of Directors of Greater Pike has the ability, known as variance power, to modify donor intent; however, Greater Pike attempts to abide by donor stipulations unless the stated purpose of a contribution becomes no longer applicable, inconsistent with charitable needs of the community or incapable of fulfillment.

Donor fund agreements generally contain advice regarding the use of principal; however, Greater Pike’s governing documents provide that all or part of the principal of any fund may be used subject to certain conditions, at the approval of the Board of Directors. Therefore, such contributions are reported as net assets without donor restrictions. However, this classification does not imply that such funds are available for claims of general creditors of Greater Pike.

## THE GREATER PIKE COMMUNITY FOUNDATION.

Notes to Financial Statements  
December 31, 2023 and 2022

### **Note 1 - Nature of Operations and Summary of Significant Accounting Policies – Continued**

#### Net Assets With Donor Restrictions

Net assets with donor restrictions are those whose use by Greater Pike has been limited by donors to a specific time period or purpose. Greater Pike has no net assets restricted in perpetuity.

#### Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following types of internally designated funds:

*Operating funds* – Funds available for the general operations of Greater Pike.

*Board designated funds* – Funds set-aside by the Board of Directors to support community needs in Pike County through discretionary grants and distributions approved by the Board.

*Donor-advised and other funds* - Funds established by donor contributions that enable donors to make recommendations from time to time about distributions from the funds. The donors' advice in the grant-making process is considered by the Board of Directors in making grants from these resources. Other funds include field of interest funds used to support particular interests of the donor, designated funds intended to benefit designated charitable organizations, and scholarship funds intended to provide support and recognition for education.

#### Revenue Recognition

Contributions and private foundation grants, which include unconditional promises to give (pledges), are recorded as revenue, at their fair value, when received or promised unconditionally. Contributions received with donor restrictions that limit their use are reported as revenues with donor restrictions. As donor restrictions are met through the passage of time or fulfillment of a purpose, the net assets are released from restriction in the statement of activities and reclassified as net assets without donor restrictions. Donor restricted contributions are initially reported in the net assets with donor restriction class, even if such restrictions were met within the same or current reporting period.

A contribution is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or right of release of the grantor's obligation to the transferred assets. Conditional contributions are recognized as revenue when the barriers on which they depend have been met.

Certain grants are accounted for as exchange transactions whereby revenue is recognized when the related expenses are incurred. Under these arrangements, the amounts received but not yet expended are reported as deferred revenue.

#### Fee Income Earned from Endowments

Fees are charged to endowment accounts for the administrative functions of setting up, managing the funds, and making grant awards. Revenue is recognized within the fiscal year as administrative services are provided. For the years ended December 31, 2023 and 2022, respectively, Greater Pike earned fees of \$97,799 and \$39,757 from permanent endowment funds management and other pass-through funds. These amounts are netted with the expenses charged to the individual fund accounts.

## THE GREATER PIKE COMMUNITY FOUNDATION.

Notes to Financial Statements  
December 31, 2023 and 2022

### **Note 1 - Nature of Operations and Summary of Significant Accounting Policies - Continued**

#### Special Event Revenues

Greater Pike recognizes revenue from sponsors, ticket sales and auction proceeds upon sale or date of service, as applicable.

#### Investment Income

Investment income is recorded on an accrual basis, and purchases and sales of investment securities are reflected on a trade-date basis. Realized gains and losses are calculated using average cost for securities sold.

#### Other Income

Revenue from miscellaneous sources include vendor refunds or other claims. Greater Pike recognizes miscellaneous income as an exchange transaction.

#### In-Kind Contributions

Greater Pike receives in-kind contributions of time from members of the community and volunteers related to program operations, special events, and fundraising campaigns. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Greater Pike. No amounts have been recognized in the accompanying Statements of Activities because the criterion for recognition of such volunteer effort does not exist.

#### Cash

Greater Pike considers all short-term liquid investments available for current use with original maturities of three months or less to be cash equivalents. Cash and cash equivalents temporarily held by financial institutions for investment purposes are included in investments in the statement of financial position.

#### Investments

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

All beneficially held investments are managed by Greater Pike.

Greater Pike maintains pooled investment accounts for its donor and operating funds. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to individual funds based on the relationship of the fair value of interest of each endowment to the total fair value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts.

## THE GREATER PIKE COMMUNITY FOUNDATION.

Notes to Financial Statements  
December 31, 2023 and 2022

### **Note 1 - Nature of Operations and Summary of Significant Accounting Policies - Continued**

The charitable funds of Greater Pike are managed by Greater Pike's Investment Advisor in a fiduciary capacity in accordance with Greater Pike's investment policy and oversight of its Finance Committee. Greater Pike's investment policy provides for strategic asset allocation based on a long-term perspective. The objectives of Greater Pike's investment policy include maintaining the purchasing power of assets and maximizing long-term return within reasonably prudent levels of risk.

#### Fair market value Measurements

The fair market value hierarchy prioritizes the inputs to valuation techniques used to measure fair market value into three broad levels as follows:

- Level I inputs - Quoted prices in active markets of identical assets or liabilities that the organization has the ability to access at the measurement date. Quoted market prices in an active market provide the most reliable evidence of fair market value and should be used to measure fair market value whenever available.
- Level II inputs - Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly (such as quoted prices for similar assets or liabilities in active markets).
- Level III inputs - Are unobservable inputs when observable inputs are not available. Unobservable inputs should be developed based on the best information available.

#### Income Tax Status

Greater Pike is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has granted Greater Pike permanent Public Foundation status. Consequently, Greater Pike is required to draw its support from a broad base of the community. In accordance with the Financial Accounting Standards Board guidance on accounting for uncertainty in income taxes, Management evaluated Greater Pike's tax positions and concluded that Greater Pike had taken no uncertain tax positions that require adjustments to the financial statements to comply with the provisions of this guidance.

#### Advertising

All advertising costs are expensed as incurred. For the years ended December 31, 2023 and 2022, advertising expense amounted to \$1,000 and \$1,398, respectively.

#### Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries, payroll taxes, and contract services are allocated to a function based on estimated time and effort.

#### Reclassifications

Certain items have been reclassified to conform to the current year's format.

## THE GREATER PIKE COMMUNITY FOUNDATION.

Notes to Financial Statements  
December 31, 2023 and 2022

### Note 1 - Nature of Operations and Summary of Significant Accounting Policies - Continued

#### Leases

At the inception of a contract, we assess whether the contract is, or contains, a lease. A lease is classified as a finance lease if any one of the following criteria are met: the lease transfers ownership of the asset by the end of the lease term, the lease contains an option to purchase the asset that is reasonably certain to be exercised, the lease term is for a major part of the remaining useful life of the asset or the present value of the lease payments equals or exceeds substantially all of the fair market value of the asset. A lease is classified as an operating lease if it does not meet any one of the criteria.

For all leases a right of use (ROU) asset and lease liability are recognized at the lease commencement date. The lease liability represents the present value of the lease payments under the lease. The ROU asset is initially measured at cost, which includes the initial lease liability, plus any initial direct costs incurred, and less any lease incentives received. The lease liability is initially measured as the present value of the lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the risk-free rate. The Organization recognizes lease liabilities with an initial, individual value of \$20,000 or more.

### NOTE 2 - CONCENTRATION OF CREDIT RISK

Greater Pike has multiple bank accounts with one financial institution. The balances at the financial institutions are insured by the Federal Deposit Insurance Corporation limit of up to \$250,000. At December 31, 2023, Greater Pike's cash accounts exceed the FDIC insured balances by \$112,034. Management believes this bank is a reputable institution and does not believe there is any risk of loss.

Investment securities are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in risks and values of investment securities will occur in the near term, and that such change could materially affect the amounts reported in the statement of financial position.

### NOTE 3 – INVESTMENTS AND FAIR MARKET VALUE MEASUREMENTS

Generally accepted accounting principles provide a framework for measuring fair market value. That framework establishes a fair market value hierarchy that prioritizes the inputs to valuation techniques used to measure fair market 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). Investments are reported at fair market value using a Level 1 measure as summarized below:

	2023	2022
Money market	\$ 2,083,325	\$ -
Mutual Fund	3,786,381	3,144,875
Equities	-	24,601
Total investments	<u>\$ 5,869,706</u>	<u>\$ 3,169,476</u>

Investment income for the years ended December 31, 2023 and 2022, consist of:

	2023	2022
Realized gain (loss)	\$ (1,841)	\$ (25,098)
Unrealized gain (loss)	470,185	(702,408)
Dividends and Interest	194,248	73,027
Investment Fees	(30,000)	(30,000)
Total investments income	<u>\$ 632,592</u>	<u>\$ (684,479)</u>

**THE GREATER PIKE COMMUNITY FOUNDATION.**

Notes to Financial Statements  
December 31, 2023 and 2022

**NOTE 4 - NOTES PAYABLE**

Line of Credit: In January 2023, Greater Pike obtained a line of credit with Wayne Bank of \$100,000 on December 19, 2023 the line of credit was increased by \$100,000 for a total of \$200,000. As of December 31, 2023, the balance due was \$90,000. The line of credit is collateralized with two Wayne Bank accounts with a balance of \$200,003 as of December 31, 2023. The line of credit is payable on demand. Interest rate is charged 2% in excess of the deposit rate of funds on deposit with Wayne Bank at December 31, 2023 this loan rate was 3.75%.

**NOTE 5 – LEASES**

Greater Pike leases space through an operating lease agreement. The lease expires in August 2025. There is annual renewal options included in its lease agreement that are reasonably certain to be exercised.

While the agreement provides for minimum lease payments, it also includes payments adjusted for certain operating expenses. Variable payments that are not determinable at lease commencement are not included in the measurement of the lease asset and liability. The lease agreement does not include any material residual value guarantees or restrictive covenants.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined by using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to all classes of assets.

The Organization elected the practical expedient to not separate lease and non-lease components for real estate and office equipment leases.

Total right-of-use assets and lease liabilities on December 31, 2023 and 2022 are as follows:

Lease assets – classification in statement of financial Position operating right-of-use asset	<u>2023</u> \$ 3,943	<u>2022</u> \$ 11,808
Lease liabilities – Classification in statement of financial position Operating lease liabilities	\$ 3,943	\$ 11,808

The components of operating lease expenses that are included the statement of activities for the year ended December 31, and were as follows:

Operating lease cost	<u>\$ 3,996</u>	<u>\$ 3,996</u>
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The following table summarizes the supplemental cash flow information for the year ended December 31, 2023 and 2022:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	<u>2023</u> \$ 3,996	<u>2022</u> \$ 3,996
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**THE GREATER PIKE COMMUNITY FOUNDATION.**

Notes to Financial Statements  
December 31, 2023 and 2022

**NOTE 5 – LEASES-** Continued

Weighted average lease term and discount rate as of December 31, 2023 and 2022 were as follows:

Weighted-average remaining lease term in years	<u>2023</u>	<u>2022</u>
Operating right-of-use asset	1.0	2.0
 Lease liabilities – Classification in statement of financial position		
Operating lease liabilities	2.95%	2.95%

The future minimum lease payments under non-cancelable operating and finance leases are listed below as of:

December 31,		
2024	<u>\$</u>	<u>3,996</u>
Total lease payment		3,996
Less: interest portion		(53)
Present value of lease liabilities	<u>\$</u>	<u>3,943</u>

**Note 6 - Net Assets Without Donor Restrictions**

Operating funds: Funds available for the general operations of Greater Pike. At December 31, 2023 and 2022, operating funds totaled \$83,825 and \$59,105, respectively.

Board Designated funds: Funds set aside by the Board of Directors to support community needs in Pike County through discretionary grants and distributions approved by the Board. At December 31, 2023 and 2022, board-designated funds totaled \$52,142 and \$44,552, respectively.

Donor-advised and other funds: Funds established by donor contributions enable donors to make recommendations from time to time about distributions from the funds. The donors' advice in the grant-making process is considered by the Board of Directors in making grants from these resources. Other funds include field of interest funds used to support particular interests of the donor, designated funds intended to benefit designated charitable organizations, and scholarship funds intended to provides support and recognition for education. At December 31, 2023 and 2022, donor- advised and other funds consisted of 39 and 37 funds, respectively, both endowed and pass-through, made up of the following:

	<u>2023</u>	<u>2022</u>
Donor-advised funds	\$ 2,477,501	\$ 2,296,220
Field of interest funds	3,354,992	3,052,997
Donor-designated funds	376,769	337,469
Scholarship funds	274,597	276,276
Total donor-advised and other funds	<u>\$ 6,483,859</u>	<u>\$ 5,962,962</u>

**THE GREATER PIKE COMMUNITY FOUNDATION.**

Notes to Financial Statements  
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**Note 6 - Net Assets With Donor Restrictions-** Continued

Net assets with donor restrictions, as of December 31, 2023 and 2022, are available for Pre-K tax credit programs as follows:

	2023	2022
Pre-K scholarship program	<u>7,800</u>	<u>7,800</u>

**Note 7– Endowments**

Greater Pike’s endowments consist of over thirty-nine individual funds established for a variety of purposes. The endowment includes both funds established by donors and funds set aside by the Board for both operating and philanthropic purposes. Greater Pike maintains variance power over all the endowments (including those established by donors) as provided within the fund agreements. As required by accounting principles generally accepted in the United States (GAAP), net assets associated with endowment funds, including those established by the Board, are classified and reported based on the existence or absence of donor-imposed restrictions.

Greater Pike offers different funds which are categorized as follows:

Discretionary Funds

*Area of Interest Funds* represent funds to be used at the Board’s discretion to meet a general area of charitable need (geography, program, or purpose) as defined by the donor.

*Community Partnership Funds* represent funds restricted for Greater Pike’s discretionary grant making.

*Undesignated Funds* represent those over which the Greater Pike’s Board of Directors has full discretion in making distributions for charitable purposes.

Donor-Defined Funds

*Area of Interest Funds* award grants based on the recommendations of a community committee that oversees a specific initiative.

*Donor-Advised Funds* represent funds for which the donor has reserved the right to make nonbinding suggestions for charitable giving to the Board.

*Designated Funds* represent funds for which the donors have designated specific organizations for ongoing support.

*Scholarships and Award Funds* represent funds intended to provide support for education and to provide grants to recognize achievement in areas such as teaching, the arts, or scientific research.

Greater Pike has elected to be governed by the Pennsylvania Act 141 which relates to nonprofit endowments and requires organizations to adopt and follow a total return investment policy and a spending policy. Greater Pike has adopted investment and spending policies for endowment assets. These policies work together in an attempt to provide a predictable stream of funding for grants and programs while seeking to maintain the purchasing power of the endowment assets.

## THE GREATER PIKE COMMUNITY FOUNDATION.

Notes to Financial Statements  
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### Note 7– Endowments - Continued

Greater Pike’s investment objective is to maximize return within reasonable and prudent levels of risk while maintaining an appropriate portfolio asset allocation. Investment guidelines are based on an investment horizon of greater than five years. Greater Pike targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term rate of return objective. Greater Pike’s investment policy pursues a total return approach to the management of assets in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

From time to time, the fair value of the assets associated with individual donor funds may fall below historical gift value. At December 31, 2023 or 2022, Greater Pike had no individual donor fund balances that fell below the original gift value as a result of unfavorable market conditions.

While Greater Pike ultimately has variance power over all of the assets maintained in endowment funds, in accordance with Pennsylvania Act 141, Greater Pike considers the following factors in making a determination to appropriate funds for expenditure or accumulate endowment funds:

- Duration and preservation of the fund
- Purposes of Greater Pike and the fund
- General economic conditions
- Possible effect of inflation and deflation
- Expected return from investment income and appreciation/depreciation of investments
- Other resources of Greater Pike
- Investment policies of Greater Pike

Greater Pike’s spending policy determines the amount of money to be distributed annually from donor funds for grant making and operational support. Greater Pike assesses an administrative fee on donor funds. The fee is established independently of the spending rate. The administrative fee ranges from 1% to 2% of the fund balance at the end of each quarter. The spending rate is established annually by the Board of Directors, and the approved rate was 4.25% for both years ended December 31, 2023 and 2022. The amount available for spending is calculated based on the average market value of endowment funds over sixteen rolling quarters. Greater Pike’s spending policy is intended to allow Greater Pike to meet the needs of both its current beneficiaries and its future ones. Therefore, the spending rate is set each year to balance current spending level needs against the need to achieve long term asset growth. This is consistent with Greater Pike’s objective to maintain the purchasing power of endowment assets held as well to provide additional real growth through new gifts and investment return.

Endowment Net Asset Composition by type of fund as of December 31, 2023 and 2022 is as follows:

	2023		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating endowment funds	\$ 83,825	\$ -	\$ 83,825
Board-designated endowment funds	52,142	-	52,142
Donor-advised and other endowment funds	6,483,859	-	6,483,859
Total	<u>\$ 6,619,826</u>	<u>\$ -</u>	<u>\$ 6,619,826</u>

**THE GREATER PIKE COMMUNITY FOUNDATION.**

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December 31, 2023 and 2022

**Note 7– Endowments - Continued**

		<u>2022</u>	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating endowment funds	\$ 59,105	\$ -	\$ 59,105
Board-designated endowment funds	44,542	-	44,542
Donor-advised and other endowment funds	5,951,752	-	5,951,752
<b>Total</b>	<b>\$ 6,055,409</b>	<b>\$ -</b>	<b>\$ 6,055,409</b>

Changes in Endowment Net Assets for the years ended December 31, 2023, and 2022 are as follows:

	<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 6,055,409	\$ -	\$ 6,055,409
Investment return:			
Investment income, net	194,248	-	194,248
Net realized and unrealized losses	<u>468,344</u>	<u>-</u>	<u>468,344</u>
Total investment return	662,592	-	662,592
Contributions	320,578	-	320,578
Appropriation of endowment assets for expenditure	<u>(410,953)</u>	<u>-</u>	<u>(410,953)</u>
Endowment net assets, end of year	<u>\$ 6,627,626</u>	<u>\$ -</u>	<u>\$ 6,627,626</u>

	<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 4,623,383	\$ -	\$ 4,623,383
Investment return:			
Investment income, net	43,027	-	43,027
Net realized and unrealized losses	<u>(727,506)</u>	<u>-</u>	<u>(727,506)</u>
Total investment return	(684,479)	-	(684,479)
Contributions	2,405,606	-	2,405,606
Appropriation of endowment assets for expenditure	<u>(289,101)</u>	<u>-</u>	<u>(289,101)</u>
Endowment net assets, end of year	<u>\$ 6,055,409</u>	<u>\$ -</u>	<u>\$ 6,055,409</u>

**THE GREATER PIKE COMMUNITY FOUNDATION.**

Notes to Financial Statements  
December 31, 2023 and 2022

**NOTE 8 – LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects Greater Pike’s financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because the Board has set aside the funds for specific reserves or long-term investments as Board designated. Board designations could be drawn upon if the Board approves that action.

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash	\$ 556,693	\$ 890,484
Contributions receivable	-	2,000,000
Investments	5,869,706	3,169,476
Total financial assets	<u>6,426,399</u>	<u>6,059,960</u>
Less amounts not available to be used within one year:		
Board designated funds	(52,142)	(44,552)
Board designated funds - Collateral	(200,003)	-
Donor-advised and other funds	(6,483,859)	(5,962,961)
Financial assets not available to be used within one year	<u>(6,736,004)</u>	<u>(6,007,513)</u>
Financial assets available to meet general expenditures within one year	<u>\$ (309,605)</u>	<u>\$ 52,447</u>

Greater Pike’s liquidity management includes a policy of structuring its financial assets to be available to meet its grant-making and general expenditures and other obligations as they come due. Cash is the primary liquid resource used by Greater Pike to meet these obligations. While financial assets invested in long-term investments can be liquidated within one year, those investments are made and managed with a 5–10-year time horizon. Net assets including donor advised funds and funds designated for specific charities could be spent for operations if necessary; however, Greater Pike’s Board of Directors does not intend to spend these funds for purposes other than those specified.

Greater Pike regularly monitors its cashflow and liquidity needs through monthly budget and financial reporting and analysis. As mentioned in note 4 Greater Pike has a line of credit for \$100,000 with Wayne Bank.

**NOTE 9 – SUBSEQUENT EVENTS**

Greater Pike has evaluated subsequent events through June 17, 2025, the date that these financial statements were available to be issued, and concluded no events or transactions occurred during the period requiring recognition or disclosure.