

**PLEASANT VALLEY  
ECUMENICAL NETWORK**

**Financial Statements  
For the Years ended  
December 31, 2022 and 2021**

**PLEASANT VALLEY ECUMENICAL NETWORK**  
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# FRANCIS X. MULLANE, INC.

Certified Public Accountant

Suite 2  
430 Delaware Avenue  
Palmerton, PA 18071  
(610) 826-4262

*Francis G. Mullane, CPA, MBA*

[www.fxnullane.com](http://www.fxnullane.com)

2335 Route 115  
Brodheadsville, PA 18322  
(570) 992-5291  
Fax (570) 992-1396

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## Independent Accountant's Review Report

To the Board of Directors of  
Pleasant Valley Ecumenical Network

We have reviewed the accompanying financial statements of Pleasant Valley Ecumenical Network (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility 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; this includes 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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Pleasant Valley Ecumenical Network and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Known Departure from Accounting Principles Generally Accepted in the United States of America**

As disclosed in Note 1 to these financial statements, accounting principles generally accepted in the United States of America require that the end of year cost of inventory on hand be reflected in the financial statements. Management has informed me the inventory cost is not recorded on the financial statements and that the effects of this departure from the accounting principles generally accepted in the United States of America on the financial statements have not been determined.

*Francis X. Mullane Inc.*

Brodheadsville, PA  
November 14, 2023

Pleasant Valley Ecumenical Network  
Statement of Financial Position  
December 31, 2022 and 2021

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<b>ASSETS</b>	<u>2022</u>	<u>2021</u>
<i>Current Assets</i>		
Cash - Checking (operations)	\$316,118	\$319,900
Cash - Savings	-	1,826
Cash - Building fund	-	2,608
Grants receivable	-	3,421
Prepaid expenses	1,096	1,096
Total Current Assets	<u>317,214</u>	<u>328,851</u>
<i>Property and Equipment</i>		
Buildings and improvements	977,303	977,303
Equipment	194,520	181,934
Accumulated depreciation	(170,494)	(117,651)
Total Property and Equipment	<u>1,001,329</u>	<u>1,041,586</u>
<i>Other Assets</i>		
Note receivable	<u>7,000</u>	<u>9,000</u>
<b>Total Assets</b>	<u><u>\$1,325,543</u></u>	<u><u>\$1,379,437</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<i>Current Liabilities</i>		
Accounts payable	\$15,886	\$1,932
Tenant rent deposit	1,690	1,690
Prepaid tenant rent	-	2,950
Payroll taxes payable	1,837	1,744
Total Current Liabilities	<u>19,413</u>	<u>8,316</u>
Long Term Liabilities	-	-
<i>Net Assets</i>		
Without donor restrictions	1,306,130	1,369,121
With donor restrictions	-	2,000
Total Net Assets	<u>1,306,130</u>	<u>1,371,121</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$1,325,543</u></u>	<u><u>\$1,379,437</u></u>

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Pleasant Valley Ecumenical Network  
Statement of Activities  
Years Ended December 31, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Changes in Net Assets Without Donor Restrictions</b>		
<i>Public Support</i>		
General contributions	\$299,708	\$417,205
Government grants	257,015	541,107
Total Support	<u>556,723</u>	<u>958,312</u>
<i>Revenue</i>		
Miscellaneous	4,773	2,088
Fundraisers (net of \$91 and \$1,651 expenses)	3,486	2,990
Rental income	39,000	39,900
Interest income	159	132
Total Revenue	<u>47,418</u>	<u>45,110</u>
 Total Unrestricted Support and Revenue	 <u>604,141</u>	 <u>1,003,422</u>
<i>Expenses</i>		
Client services	570,009	658,334
Rental expenses	22,126	24,738
Management and General Expenses	76,997	83,115
Total Expenses	<u>669,132</u>	<u>766,187</u>
 Net assets released from donor restrictions	 <u>2,000</u>	 <u>-</u>
 Increase(Decrease) in Net Assets Without Donor Restrictions	 (62,991)	 237,235
<b>Changes in Net Assets With Donor Restrictions</b>		
Donation	-	2,000
Net assets released from donor restrictions	<u>(2,000)</u>	<u>-</u>
Increase(Decrease) in Net Assets With Donor Restrictions	<u>(2,000)</u>	<u>2,000</u>
 Loss from sale of capital asset (unrestricted)	 <u>-</u>	 <u>(2,890)</u>
 Increase (decrease) in Net Assets	 (64,991)	 236,345
 Net Assets, January 1	 <u>1,371,121</u>	 <u>1,134,776</u>
Net Assets, December 31	<u><u>\$1,306,130</u></u>	<u><u>\$1,371,121</u></u>

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**Pleasant Valley Ecumenical Network**  
**Statement of Cash Flows**  
**Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<i>Cash Flows From Operating Activities</i>		
Change in net assets	(\$64,991)	\$236,345
Noncash expenses, liabilities and gains included in income:		
Depreciation	52,838	49,290
Increase(decrease) payroll taxes withheld	94	351
Increase(decrease) prepaid tenant rent	(2,950)	(100)
( Increase)decrease prepaid expenses	-	746
( Increase)decrease grants receivable	3,421	(3,421)
Increase (decrease) in accounts payable	13,953	(13,947)
Net Cash Flow Provided(Used) by Operations	<u>2,365</u>	<u>269,264</u>
<i>Cash Flows From Investing Activities</i>		
Add back basis of equipment sold	-	9,591
Equipment purchases	(12,580)	(49,875)
New building improvements	-	(5,085)
Net Cash Flow Provided(Used) by Investing	<u>(12,580)</u>	<u>(45,369)</u>
<i>Cash Flows From Financing Activities</i>		
Note receivable, sale of building	2,000	2,000
Repayment of mortgage payable	-	(139,044)
Net Cash Flow Used by Financing	<u>2,000</u>	<u>(137,044)</u>
Total Net Cash Flow	(8,215)	86,851
Cash at beginning of year	<u>324,333</u>	<u>237,482</u>
Cash at end of year	<u>\$316,118</u>	<u>\$324,333</u>
<u>Supplemental Information:</u>		
Interest paid	<u>\$0</u>	<u>\$2,787</u>
Excise taxes paid	<u>-</u>	<u>-</u>

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**Pleasant Valley Ecumenical Network**  
**Schedule of Functional Expenses**  
Years Ended December 31, 2022 and 2021

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	<u>Client</u> <u>Services</u>	<u>Rental</u>	<u>Management</u> <u>&amp; General</u> <u>Expenses</u>	<u>Total</u> <u>2022</u>	<u>Total</u> <u>2021</u> <i>Summarized</i>
Food purchased	\$56,343	-	-	\$56,343	\$40,656
Food donated	270,244	-	-	270,244	382,444
Clothing purchased	24,814	-	-	24,814	12,878
Toys (donated and purchased)	39,915	-	-	39,915	37,912
Summer lunch program costs	30,233	-	-	30,233	55,625
Supplies	989	-	-	989	10,061
Clothing donated	34,746	-	-	34,746	18,589
Insurance	-	\$4,983	\$13,533	18,516	18,616
Professional fees	-	690	1,065	1,755	2,225
Office supplies	-	-	2,128	2,128	3,444
Postage	-	-	285	285	636
Fundraiser mailing	-	-	175	175	-
Marketing and advertising	-	-	1,203	1,203	6,525
Repairs & maintenance	4,351	5,802	4,351	14,504	16,430
Auto expense	2,690	-	-	2,690	1,718
Mortgage interest	-	-	-	-	2,787
Miscellaneous	-	-	2,033	2,033	3,641
Salary	53,716	-	23,021	76,737	68,116
Payroll taxes	4,109	-	1,761	5,870	5,211
Property taxes	5,835	3,890	-	9,725	9,223
Telephone & internet costs	-	-	2,124	2,124	2,756
Utilities	8,675	-	8,676	17,351	13,284
Trash removal	-	1,565	2,349	3,914	4,120
Depreciation	33,349	5,196	14,293	52,838	49,290
<b>Total Expenses</b>	<b>\$570,009</b>	<b>\$22,126</b>	<b>\$76,997</b>	<b>\$669,132</b>	<b>\$766,187</b>

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**Pleasant Valley Ecumenical Network**  
**Notes to Financial Statements**  
Year Ended December 31, 2022

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**Note 1 - Summary of Significant Accounting Policies**

Nature of Activities

The Pleasant Valley Ecumenical Network (PVEN) is a nonprofit corporation formed March 23, 1989. It is a community service organization, organized by and made up of area churches, which provides food and clothing (free of charge) to all residents in need. The clothing and food is donated by members of the community and received through government programs. Its service area is the West End of Monroe County, Pennsylvania.

Plant, Assets and Depreciation

PVEN's policy is to capitalize property and equipment over \$500. Purchased property and equipment are recorded at cost and donated equipment and property are valued at their estimated fair value. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. The Organization reports the expiration of donor restrictions when the donated or acquired asset is placed in service. The Network reclassifies restricted net assets to unrestricted assets at that time.

PVEN provides for depreciation using the straight-line method, charging revenues in amounts estimated to recover the cost of the property over their estimated useful life. Rates used to calculate depreciation are as follows:

Buildings and improvements 10 - 40 years  
Equipment 5 - 7 years

Revenue Recognition

Contributions and grants received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Grants and contributions received with donor restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

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**Notes to Financial Statements**  
Year Ended December 31, 2022

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation, which is allocated on the basis of estimates of time and effort, as well as depreciation and occupancy, which are allocated according to building use by the categories.

Income Tax Status

PVEN is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. PVEN rents out part of its real property.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, PVEN considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Revenues

PVEN receives donations from area churches, individuals, organizations, and local business as well as grants from Pennsylvania state programs managed by Monroe County and Pennsylvania Department of Education, respectively, as well as food donations from Federal programs.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

**Pleasant Valley Ecumenical Network**  
**Notes to Financial Statements**  
Year Ended December 31, 2022

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Donated and Contributed Services and Goods

PVEN receives donated clothes, toys, and food to be distributed to local residents as needed. These goods are recorded as support and as a matching expense. The values are determined by the weight of the donations valued at current rates determined by third party organizations.

PVEN receives donated services from a variety of unpaid volunteers in the performance of its programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

Contributions and Promises to Give

Contributions are recognized when the donor makes a promise to give to the Network that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with restrictions. When a restriction expires, restricted net assets are reclassified to net assets without restrictions.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Inventory

Accounting principles generally accepted in the United States of America require that the end of year cost of inventory on hand be reflected in the financial statements. Since most of the Network's clothing and food have been donated and are valued by weight, management has determined that it is not practical to place a value on goods not yet given away. Therefore, PVEN does not record a value for inventory on the statement of financial position nor on the statement of activities. Food and clothing are expensed as they are purchased and/or received as a donation.

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Year Ended December 31, 2022

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**Note 1 - Summary of Significant Accounting Policies (continued)**

Comparative Information

Information for the year ended December 31, 2021, on the statement of functional expenses is presented for comparative purposes only and was extracted from the financial statements for that year. That financial information should be reviewed in conjunction with the complete financial statements presented for that year.

**Note 2 - Depreciation Expense**

Depreciation for 2022 and 2021 was \$52,838 and \$49,290, respectively.

**Note 3 - Assets with Donor Restrictions**

There was \$2,000 in donor restricted funds as of December 31, 2021 to be used for the Back to School program. The funds were used in 2022.

**Note 4 - Concentrations**

The Network receives a substantial amount of its support from the member local churches and organizations. A significant reduction in the level of this support, if it were to occur, may have an effect on the Network's programs and activities. The Network also receives Pennsylvania state grants through Monroe County and the Pennsylvania Department of Education and surplus food donations through federal programs (See Note 6). The amount is determined each year based on availability and funding.

**Note 5 - Government Grants**

The Network received funds through the Monroe County State Food Purchase Program for the purchase of food to be distributed to those in need in the community. The money is paid to PVEN as reimbursement for purchased food items. PVEN received \$50,631 and \$42,808 in the years ended December 31, 2022 and 2021, respectively. PVEN also received \$18,766 and \$85,944 in SFSP grants during 2022 and 2021 respectively from the Pennsylvania Department of Education to fund a summer lunch program. This grant is based on the number of meals served to eligible recipients.

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**Notes to Financial Statements**  
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**Note 5 - Government Grants (continued)**

The Network acts as a distributor for the Federal TEFAP and CSFP programs, where certain food items, as available, are given to the network through Monroe County, PA to be distributed to those in need. The total amount of food received in 2022 and 2021 through these programs is 99,499 and 153,212 pounds, respectfully. They are valued for financial statements at \$1.92 and \$1.79 per pound, resulting in \$191,038 and \$274,249 in grants for 2022 and 2021. These donated items are recorded as an offsetting expense since PVEN does not record inventory on the financial statements (See Note 1).

**Note 6 - Promises to Give**

As of December 31, 2022, there are no unconditional promises to give from donors to the Network.

**Note 7 - Evaluation of Subsequent Events**

The Network has evaluated subsequent events through November 14, 2023, the date which the financial statements were available to be issued.

**Note 8 - Income Tax Filing**

The Network has been determined by the Internal Revenue Service to be a church-related entity and is therefore not required to file an income tax return. The board decided to voluntarily file the Federal 990 beginning with tax year 2015. The Network's federal income tax returns for years before 2020 are no longer subject to examination by the Internal Revenue Service.

**Note 9 - Volunteers**

Volunteers provide the labor for organizing, storing, packing and distributing the food and clothing to the clients. In 2022 and 2021, volunteers provided approximately 2,828 and 1,937 hours in working with the donated clothing and 3,004 and 3,304 hours in working with the food, respectively. Even though the volunteer hours are not reported on the financial statements (See Note 1) an approximate value for 2022 and 2021 of the donated time (at \$13.50 and \$13.25 per hour) is \$80,719 and \$69,443, respectively.

**Pleasant Valley Ecumenical Network**  
**Notes to Financial Statements**  
Year Ended December 31, 2022

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**Note 10 - Donated Food and Clothing from Public**

The Network receives almost all the clothing provided to area residents as donations from individuals in the community. For purposes of the financial statement, the used clothing is valued at \$1 per pound, resulting in \$34,746 and \$18,589 recorded as donations for 2022 and 2021, respectfully.

The Network also receives donated food items from churches, individuals, and organizations. The total amount of food received in 2022 and 2021 from these sources was 41,253 and 60,444 pounds, respectfully. The donations are valued for the financial statements at \$1.92 and \$1.79 per pound, resulting in \$79,206 and \$108,195 in donations for 2022 and 2021.

Both types of donated items are recorded as an offsetting expense since PVEN does not record inventory on the financial statements (See Note 1).

**Note 11 - Building Complex and Rental Portion**

In 2017, PVEN purchased a complex of buildings and land on Route 209 in Brodheadsville, PA. As of September 2018, renovations were complete and the complex began to serve as its operational center. Parts of the property were rented out to other nonprofits and businesses in 2022 and 2021. The building, renovations and land costs allocated for PVEN's use as of December 31, 2022, total \$723,871. The costs allocated to the rental portions total \$247,408.

One tenant has a two-year lease from August 1, 2021 to July 31, 2023 at a rate of \$2,500 per month. The other tenants are on month-to-month leases.

**Note 12 - Mortgage Payable**

PVEN used a mortgage from the First Northern Bank in the purchase of the Route 209 property. The mortgage was paid off in 2021. The loan had a 4.375% rate of interest fixed for the first five years. Mortgage interest expense for 2022 and 2021 was \$0 and \$2,787, respectively.

**Pleasant Valley Ecumenical Network**  
**Notes to Financial Statements**  
Year Ended December 31, 2022

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**Note 13 - Note Receivable**

PVEN sold the previous operations building on November 1, 2018 for \$35,000. As part of the sales agreement, PVEN accepted a judgment note for \$15,000 at zero percent interest. The note will be repaid in seven yearly installments of \$2,000 each, starting November 1, 2020 with a final installment of \$1,000 on November 1, 2026. A payment of \$2,000 was received in 2022 and 2021.

**Note 14 - Concentration of Credit Risk For Cash Held in Bank**

PVEN maintains cash balances in excess of \$250,000 in one bank which is insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2022, PVEN's uninsured balance is \$66,116.