

THE PRESERVATION ALLIANCE
FOR GREATER PHILADELPHIA

FINANCIAL REPORT
December 31, 2018 and 2017

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

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Independent Auditor's Report

Board of Directors
The Preservation Alliance for Greater Philadelphia
Philadelphia, PA

We have audited the accompanying financial statements of The Preservation Alliance for Greater Philadelphia (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Preservation Alliance for Greater Philadelphia as of December 31, 2018 and 2017 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.

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SNYDER, DAITZ & COMPANY
Philadelphia, PA

June 11, 2019

PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

STATEMENT OF FINANCIAL POSITION

December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 376,328	\$ 395,569
Grants and contributions receivable	169,655	218,131
Prepaid expenses	<u>12,591</u>	<u>10,132</u>
Total Current Assets	\$ 558,574	\$ 623,832
<u>NON-CURRENT ASSETS</u>		
Grants and contributions receivable	\$ 5,000	\$ 47,000
Investments	7,580	7,716
Deposits	10,081	10,081
Property and equipment, net of depreciation	<u>4,694</u>	<u>8,118</u>
	\$ 27,355	\$ 72,915
Total Assets	<u>\$ 585,929</u>	<u>\$ 696,747</u>
LIABILITIES AND NET ASSETS		
<u>CURRENT LIABILITIES</u>		
Bank term loan	\$ 28,271	\$
Accounts payable and accrued liabilities	11,781	31,125
Accrued payroll liabilities	<u>13,417</u>	<u>12,795</u>
Total Current Liabilities	\$ 53,469	\$ 43,920
<u>NON-CURRENT LIABILITIES</u>		
Bank term loan	\$	\$ 93,563
Total Liabilities	<u>\$ 53,469</u>	<u>\$ 137,483</u>
<u>NET ASSETS</u>		
Without donor restrictions	\$ 293,387	\$ 295,509
With donor restrictions	<u>239,073</u>	<u>263,755</u>
	\$ 532,460	\$ 559,264
Total Liabilities and Net Assets	<u>\$ 585,929</u>	<u>\$ 696,747</u>

The accompanying notes are an integral part of this statement.

PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

STATEMENT OF ACTIVITIES Years ended December 31,

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2018 Total	2017 Total
REVENUE				
Grants	0	0	0	\$ 13,969
Contributions	\$ 71,220	\$ 5,000	\$ 76,220	258,789
Easement donations	17,250	120,000	137,250	43,427
Member dues	236,137	0	236,137	155,573
Special projects and events	302,565	0	302,565	299,534
Investment income	844	0	844	2,096
Fees for services	17,602	0	17,602	23,130
Other income	104	0	104	3,696
Net assets released from restrictions	149,682	<u>(149,682)</u>	<u>0</u>	<u>0</u>
 Total Support and Revenue	 \$ 795,404	 \$ (24,682)	 \$ 770,722	 \$ 800,214
EXPENSES				
Program services	\$ 447,424		\$ 447,424	\$ 415,792
General and administrative	75,737		75,737	90,662
Fundraising				
Membership development	60,304		60,304	57,439
Other fundraising	<u>212,600</u>		<u>212,600</u>	<u>181,392</u>
Total Expenses	\$ 796,065	0	\$ 796,065	\$ 745,285
 Net unrealized loss on investments	 \$ 1,461	 <u>0</u>	 \$ 1,461	 <u>0</u>
 Total Expenses and Losses	 \$ 797,526	 <u>0</u>	 \$ 797,526	 \$ 745,285
 Change in Net Assets	 \$ (2,122)	 \$ <u>(24,682)</u>	 \$ <u>(26,804)</u>	 \$ 54,929
<u>CHANGE IN NET ASSETS</u>				
Without donor restrictions	\$ (2,122)	0	\$ (2,122)	\$ (17,845)
With donor restrictions	<u>0</u>	<u>\$ (24,682)</u>	<u>(24,682)</u>	<u>72,774</u>
 Change in Net Assets	 \$ (2,122)	 \$ (24,682)	 \$ (26,804)	 \$ 54,929
 Net Assets, Beginning	 295,509	 <u>263,755</u>	 <u>559,264</u>	 <u>504,335</u>
 Net Assets, Ending	 \$ 293,387	 \$ <u>239,073</u>	 \$ <u>532,460</u>	 \$ <u>559,264</u>

The accompanying notes are an integral part of this statement.

PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

STATEMENT OF ACTIVITIES Year ended December 31, 2017

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE			
Grants	\$ 13,969	0	\$ 13,969
Contributions	155,989	\$ 102,800	258,789
Easement fees	43,427	0	43,427
Member dues	155,573	0	155,573
Special projects and events	299,534	0	299,534
Investment income	2,096	0	2,096
Fees for services	23,130	0	23,130
Other income	3,696	0	3,696
Net assets released from restrictions	30,026	(30,026)	0
 Total Support and Revenue	 \$ 727,440	 \$ 72,774	 \$ 800,214
EXPENSES			
Program services	\$ 415,792		\$ 415,792
General and administrative	90,662		90,662
Fundraising			
Membership development	57,439		57,439
Other fundraising	181,392		181,392
Total Expenses	\$ 745,285	0	\$ 745,285
 Change in Net Assets	 \$ (17,845)	 \$ 72,774	 \$ 54,929
<u>CHANGE IN NET ASSETS</u>			
Without donor restrictions	\$ (17,845)	0	\$ (17,845)
With donor restrictions	0	\$ 72,774	72,774
 Change in Net Assets	 \$ (17,845)	 \$ 72,774	 \$ 54,929
 Net Assets, Beginning	 313,354	 190,981	 504,335
 Net Assets, Ending	 \$ 295,509	 \$ 263,755	 \$ 559,264

The accompanying notes are an integral part of this statement.

PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

STATEMENT OF FUNCTIONAL EXPENSES Years ended December 31,

EXPENSES	2018					2017	
	Program Services	General & Administration	Fundraising			Total	Total
			Membership Development	Other Fundraising	Fundraising Total		
Salaries	\$ 203,179	\$ 21,385	\$ 38,239	\$ 96,031	\$ 134,270	\$ 358,834	\$ 339,520
Payroll tax expense	18,188	1,644	3,411	8,576	11,987	31,819	33,643
Employee benefits	28,843	3,005	5,428	13,682	19,110	50,958	38,243
Auditing and accounting	0	31,287	0	0	0	31,287	30,820
Conference and meetings	650	62	0	0	0	712	1,405
Consultants	73,292	914	1,563	7,870	9,433	83,639	55,178
Depreciation	1,939	204	365	916	1,281	3,424	2,629
Dues and subscriptions	575	1,433	2,527	0	2,527	4,535	3,214
Easement services	10,450	0	0	0	0	10,450	30,153
Equipment	2,502	263	471	1,183	1,654	4,419	6,307
Financial fees	1,997	3,261	0	4,473	4,473	9,731	11,884
Insurance	1,912	201	360	903	1,263	3,376	3,290
Legal fees	7,626	0	0	0	0	7,626	0
Office supplies	2,571	3,058	448	6,937	7,385	13,014	11,905
Postage and courier	1,150	304	155	973	1,128	2,582	2,444
Printing and graphics	10,108	869	1,230	11,860	13,090	24,067	22,824
Rent and occupancy	27,263	4,084	4,963	13,053	18,016	49,363	38,233
Special events	46,088	811	431	43,639	44,070	90,969	98,494
Telephone	3,787	627	713	1,790	2,503	6,917	9,183
Travel and meals	5,304	2,325	0	714	714	8,343	5,916
	<u>\$ 447,424</u>	<u>\$ 75,737</u>	<u>\$ 60,304</u>	<u>\$ 212,600</u>	<u>\$ 272,104</u>	<u>\$ 796,065</u>	<u>\$ 745,285</u>

The accompanying notes are an integral part of this statement.

PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2017

	Program Services	General & Administration	Fundraising			Total
			Membership Development	Other Fundraising	Fundraising Total	
EXPENSES						
Salaries	\$ 191,395	\$ 36,035	\$ 32,235	\$ 79,855	\$ 112,090	\$ 339,520
Payroll tax expense	18,836	3,731	3,211	7,865	11,076	33,643
Employee benefits	22,881	2,068	3,747	9,547	13,294	38,243
Auditing and accounting	0	30,820	0	0	0	30,820
Conference and meetings	1,395	10	0	0	0	1,405
Consultants	44,411	1,703	1,482	7,582	9,064	55,178
Depreciation	1,750	442	88	349	437	2,629
Dues and subscriptions	575	486	1,949	204	2,153	3,214
Easement services	30,153	0	0	0	0	30,153
Equipment	3,565	671	584	1,487	2,071	6,307
Financial fees	6,196	1,413	1,084	3,191	4,275	11,884
Insurance	1,859	350	305	776	1,081	3,290
Office supplies	3,094	4,284	464	4,063	4,527	11,905
Postage and courier	1,331	284	193	636	829	2,444
Printing and graphics	11,407	1,086	542	9,789	10,331	22,824
Rent and occupancy	20,949	5,113	3,431	8,740	12,171	38,233
Special events	46,288	25	7,364	44,817	52,181	98,494
Telephone	5,615	873	760	1,935	2,695	9,183
Travel and meals	4,092	1,268	0	556	556	5,916
	<u>\$ 415,792</u>	<u>\$ 90,662</u>	<u>\$ 57,439</u>	<u>\$ 181,399</u>	<u>\$ 238,831</u>	<u>\$ 745,285</u>

The accompanying notes are an integral part of this statement

PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

STATEMENT OF CASH FLOWS

Years ended December 31,

	2018	2017
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (26,804)	\$ 54,929
Adjustments to reconcile to cash from operations		
Depreciation	3,424	2,629
Donated securities	0	(3,237)
Unrealized (gain) loss on investments	321	(1,225)
(Increase) decrease in:		
Accounts receivable	0	250,000
Grants receivable	90,476	(190,661)
Prepaid expenses	(2,459)	470
Increase (decrease) in:		
Accounts payable	(19,040)	(9,801)
Accrued payroll liabilities	318	6,526
	\$ 46,236	\$ 109,630
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Reinvested dividends	\$ (185)	\$ (139)
Purchase of office furniture	0	(4,341)
	\$ (185)	\$ (4,480)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayment on term loan	\$ (65,292)	\$ (52,604)
Net Increase (Decrease) in Cash for Year	\$ (19,241)	\$ 52,546
Cash balance, beginning	395,569	343,023
Cash balance, ending	\$ 376,328	\$ 395,569
<u>SUPPLEMENTAL DISCLOSURES:</u>		
Cash paid for interest	\$ 3,197	\$ 6,389

The accompanying notes are an integral part of this statement.

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS December 31, 2018 and 2017

NOTE 1 - THE ORGANIZATION

Organization and Nature of Activities

The Preservation Alliance for Greater Philadelphia (the "Organization") was created on May 1, 1996 with the merger of the Preservation Coalition of Greater Philadelphia and the Philadelphia Historic Preservation Corporation. The Organization's primary operations are to encourage the restoration and preservation of historic buildings and landmarks in the Greater Philadelphia region, to acquire, inspect and monitor facade easements, to advocate and facilitate strong public preservation policies and to provide technical assistance and develop and administer private and public resources for preservation projects. The Organization's support comes primarily from Foundation grants and individual contributions, including special events and preservation easements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

Subsequent events were evaluated through June 11, 2019, which is the date the financial statements were available to be issued.

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in United States of America, which involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Basis of Presentation

The financial statements are presented in accordance with FASB ASC 958 Presentation of Financial Statements of Not-for-Profit Entities. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are detailed in Note 8.

Management 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. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents includes cash and highly liquid instruments purchased with an original maturity of three months or less.

Accounts Receivable Reserves

The Organization reviews its receivables on a regular basis for collectability. The Organization considers all receivables fully collectible; accordingly, no allowance for doubtful accounts is required. When a question of the collectability of a particular receivable arises it is written off or reserved for at that time. Recoveries of items previously charged off are recognized as income when received.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of property and equipment is provided over the estimated useful lives of the related assets, 5 to 10 years, using the straight-line method. Major renewals and improvements are recorded to the assets accounts while maintenance and repairs which do not improve or extend the life of the respected assets are expensed.

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS December 31, 2018 and 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Easement Acquisitions

Easements acquired are not capitalized. While the easements grant certain legal rights and remedies in relation to the properties, the Organization has no economic interest in the properties subject to an easement.

Contributions

In accordance with FASB ASC 958 (formerly SFAS No. 116) Accounting for Contributions Received and Contributions Made, contributions received are recorded as "without donor restrictions" or "with donor restrictions", depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as without donor restriction if the restriction expired in the reporting period in which the contribution was recognized.

All other donor-restricted support is reported as an increase in with donor restricted net assets. When a 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 Statement of Activities as net assets released from restrictions. Only a donor can impose a restriction; the Board may designate contributions for a purpose, but the contribution is classified as unrestricted in that case. If a contribution is made with a donor-imposed condition, it is not recorded until the condition has been met.

Promises to Give

Unconditional promises to give are recognized as support in the period received and as net assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Revenue

The organization accounts for its revenue primarily from tours, as exchange transactions. Revenue is recognized in the statement of activities when earned, and any amounts received but not earned are recorded as refundable advances on the statement of financial position.

Functional Allocation of Expenses

Salaries and benefits are allocated based on estimates of time and effort. Rent and occupancy, insurance, telephone, equipment, and depreciation are allocated based on the percentages derived from the estimated allocation of salaries. Professional fees, including those for legal, accounting, and easement related services, which can be related directly to either program or administrative are reflected as such. Certain other cost including conferences and meetings, consultants, dues and subscriptions, financial fees, office supplies, postage and courier, printing and graphics, special events, and travel and meals are allocated based on cost, usage and related benefits of the specific services provided.

Income Taxes

The Preservation Alliance for Greater Philadelphia is a non-profit corporation exempt from taxes under Section 501(c)(3) of the Internal Revenue Code.

Reclassifications

Certain prior year's amounts have been reclassified to conform with the December 31, 2018 presentation, primarily due to the changes in financial statement presentation required by ASU 2016-14. Such reclassifications had no effect on the Organization's net assets or changes in net assets.

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS December 31, 2018 and 2017

NOTE 3-LIQUIDITY MANAGEMENT

Preservation Alliance for Greater Philadelphia's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Financial assets at year end:	
Cash and cash equivalents	\$ 376,328
Grants and contributions receivable	174,655
Investments	<u>7,580</u>
Total financial assets	<u>\$ 558,563</u>
Less: Amounts not available to be used within one year:	
Net assets with purpose restrictions	
Cash	(\$ 99,295)
Grants and contributions receivable	(84,778)
Net assets with time restrictions beyond one year:	
Grants and contributions receivable	<u>(5,000)</u>
	<u>(\$ 189,073)</u>
Financial assets available to meet general expenditures Over the next year	<u>\$ 369,490</u>

Cash and cash equivalents of \$376,328 reflected on the statement of financial position includes \$99,295 of cash restricted by donors for certain purposes.

Grants and contributions receivable of \$174,655 reflected on the statement of financial position includes \$84,778 restricted by donors for certain purposes, and \$5,000 subject to a time implied restriction of one year.

The investments of \$7,580 reflected on the statement of financial position can be liquidated with board authorization and would be available if necessary.

Preservation Alliance for Greater Philadelphia's goal is generally to maintain financial assets available to meet 90 days of operating expenses.

As part of its liquidity plan, the finance committee performs a monthly review of its financial statements and cash flows with management and accountant. Excess cash is invested in short-term investments, primarily money market accounts, where it is available to be drawn upon as needed.

NOTE 4 - INVESTMENT AND FAIR VALUE MEASUREMENTS

The Organization's investments are reported at fair value in the accompanying statement of financial position as follows:

	<u>Cost</u>	<u>Fair Value</u>	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)
<u>2018</u>			
Equity securities	<u>\$ 6,295</u>	<u>\$ 7,580</u>	<u>\$ 7,580</u>
<u>2017</u>			
Equity securities	<u>\$ 6,109</u>	<u>\$ 7,716</u>	<u>\$ 7,716</u>

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS December 31, 2018 and 2017

NOTE 4 - INVESTMENT AND FAIR VALUE MEASUREMENTS -CONTINUED

Gains and losses (realized and unrealized) included in changes in net assets for the years ended December 31, 2018 and 2017 are reported in investment income. All such losses for 2018 and 2017 were a result of transactions where values have been measure using Level 1 inputs.

FASS ASC 820-10 (formerly No_ 157, *Fair Value Measurements*), establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs are those other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3 inputs are those unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities, and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investme11ts. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value, with fair value of investments based on quoted net asset values of shares held at year-end. Level 2 inputs were used where available to the Organization, and Level 3 inputs are only used when Level 1 and 2 inputs are not available

Level 1 Fair Value Measurements

The fair value of mutual funds are based on quoted net asset values of the shares held at year-end.

NOTE 5 - GRANTS AND CONTRIBUTIONS RECEIVABLE

Represents unconditional promises to give, as explained in Note 1, consisting of the following:

	<u>2018</u>	<u>2017</u>
Easements	\$120,000	0
Better Philadelphia Exhibition	7,200	\$ 7,200
Neighborhood Treasures Conference	0	2,800
Unrestricted contributions and pledges	32,455	155,131
Time restricted operating grants	<u>15,000</u>	<u>100,000</u>
	<u>\$174,655</u>	<u>\$265,131</u>
Amounts due in:		
Less than one year	\$169,655	\$218,131
One to five years	<u>5,000</u>	<u>47,000</u>
	<u>\$174,655</u>	<u>\$265,131</u>

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Office equipment	\$104,358	\$104,358
Office furniture	<u>4,341</u>	<u>4,341</u>
	108,699	108,699
Less: Accumulated depreciation	<u>104,005</u>	<u>100,581</u>
	<u>\$ 4,694</u>	<u>\$ 8,118</u>

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS December 31, 2018 and 2017

NOTE 7 - BANK TERM LOAN

The Organization had available a revolving line of credit with The Bancorp Bank in the amount of \$150,000.

Effective September 1, 2016, a Change in Terms Agreement was entered into, whereby the loan type was changed to a term loan. The principal amount of the new loan is \$146,923.76, which was the balance on the line on the date of the change of terms. The maturity date was also extended to June 1, 2019. Monthly payments required are interest only until June 1, 2019, when a payment of all outstanding principal and interest is due. Outstanding balances carry an interest rate of 5%, and are secured by the Organization's business assets.

Annual maturities are as follows:

Year ending December 31, 2019	\$ 28,271
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And none thereafter

The loan has subsequently been paid in full in May 2019.

NOTE 8 - NETASSETS

Net Assets without Donor Restrictions

Net assets without donor restrictions represent funds retained by The Preservation Alliance for Greater Philadelphia that were received without any donor-imposed restrictions. In addition, donor-restricted contributions whose restrictions have been met in the same reporting period are reported as unrestricted support.

Board Designated

The Board of Directors has elected to designate a certain amount of unrestricted net assets to be used for certain purposes as follows:

	<u>2018</u>	<u>2017</u>
Easement Fund	\$ 33,343	\$ 37,557
John Gallery Advocacy Fund	7,725	7,210
Squire Cheyney Easement Fund	0	<u>630</u>
	<u>\$ 41,068</u>	<u>\$ 45</u>

Net Assets with Donor Restrictions

Net Assets with donor restrictions represent resources restricted by the donor as to time or use with the expectation that such restrictions will be satisfied in the future.

Net assets with donor restrictions are available for the following purposes:

	<u>2018</u>	<u>2017</u>
Easements	\$130,145	\$ 50,145
Mid-Century Modern	46,350	46,350
1947 Better Philadelphia Exhibition	4,778	40,025
Community Preservation Workshops	0	21,341
Neighborhood Treasures Conference	2,800	2,800
Architecture Walking Tours	0	3,094
Time restricted	<u>55,000</u>	<u>100,000</u>
	<u>\$239,073</u>	<u>\$263,755</u>

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS December 31, 2018 and 2017

NOTE 9 - COMMITMENTS

The Organization entered into a lease for office space, which under a lease amendment dated August 28, 2017, has been extended through March 2023. The lease currently calls for minimum monthly payments of \$3,881 through December 2018, and increase annually up to \$4,322 in the final year of the lease. Total office rent expense was \$46,573 and \$35,209 for 2018 and 2017, respectively.

Future minimum rental payments, including those for office equipment, are as follows:

	<u>Office Space</u>	<u>Equipment</u>
Year ending December 31, 2019	\$ 47,633	\$ 4,333
2020	48,691	4,333
2021	49,750	4,333
2022	50,808	4,333
2023	<u>12,967</u>	<u>0</u>
	<u>\$209,849</u>	<u>\$ 17,332</u>

And none thereafter

NOTE 10 - CONCENTRATION OF REVENUE SOURCES

The Organization maintains cash balances in accounts with the same bank which at various times during the year exceed \$250,000, the amount insured by the Federal Deposit Insurance Corporation (FDIC).

Revenue

For the year ended December 31, 2018, revenue from one source was in excess of 10% of the organization's revenue. Revenue from this source totaled \$120,000 or 16% of total revenue.

For the year ended December 31, 2017, revenue from two sources was in excess of 10% of the organization's revenue. Revenue from these sources totaled \$219,271 or 27% of total revenue.