

**THE PRESERVATION ALLIANCE
FOR GREATER PHILADELPHIA**

**FINANCIAL REPORT
December 31, 2020 and 2019**

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	
Year ended December 31, 2020	3
Year ended December 31, 2019	4
Schedule of Functional Expenses	
Year ended December 31, 2020	5
Year ended December 31, 2019	6
Statement of Cash Flows	7
Notes to Financial Statements	8

SNYDER, DAITZ & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
1617 JOHN F. KENNEDY BLVD., STE. 720
PHILADELPHIA, PA 19103-1821
(215) 563-6141
FAX (215) 563-6620

350 RIVER ROAD
SUITE G14
NEW HOPE, PA 18938

DENNIS NATALI, CPA
JOSEPH P. LEONARD, CPA

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, 2020 and 2019 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, 2020 and 2019 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.



SNYDER, DAITZ & COMPANY
Philadelphia, PA

August 24, 2021

PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

STATEMENT OF FINANCIAL POSITION

December 31,

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 682,443	\$ 457,128
Grants and contributions receivable	144,693	96,646
Prepaid expenses	26,853	10,658
	<hr/>	<hr/>
Total Current Assets	\$ 853,989	\$ 564,432
<u>NON-CURRENT ASSETS</u>		
Grants and contributions receivable	\$ 129,663	\$ 225,795
Investments	8,709	4,008
Deposits	10,081	10,081
Property and equipment, net of depreciation	4,357	6,137
	<hr/>	<hr/>
Total Assets	\$ 1,006,799	\$ 810,453
	<hr/>	<hr/>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued liabilities	\$ 13,017	\$ 16,829
Accrued payroll liabilities	14,552	11,690
Current portion of long-term debt	1,734	0
	<hr/>	<hr/>
Total Current Liabilities	\$ 29,303	\$ 28,519
<u>NON-CURRENT LIABILITIES</u>		
Loan payable	\$ 148,266	0
	<hr/>	<hr/>
Total Liabilities	\$ 177,569	\$ 28,519
<u>NET ASSETS</u>		
Without donor restrictions	\$ 438,072	\$ 370,149
With donor restrictions	391,158	411,785
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 1,006,799	\$ 810,453
	<hr/>	<hr/>

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	2020 Total	2019 Total
REVENUE				
Grants	\$ 134,549	\$ 35,000	\$ 169,549	\$ 8,259
Contributions	67,712	0	67,712	85,691
Easement donations	7,300	8,868	16,168	377,522
Member dues	258,556	0	258,556	236,902
Special projects and events	238,598	0	238,598	341,776
Investment income	1,635	0	1,635	1,543
Fees for program services	9,930	0	9,930	26,495
Net assets released from restrictions	64,495	(64,495)	0	0
Total Support and Revenue	\$ 782,775	\$ (20,627)	\$ 762,148	\$ 1,078,188
EXPENSES				
Program services	\$ 359,981		\$ 359,981	\$ 401,500
General and administrative	86,124		86,124	117,711
Fundraising				
Membership development	75,707		75,707	100,575
Other fundraising	193,040		193,040	208,928
Total Expenses	\$ 714,852	0	\$ 714,852	\$ 828,714
Change in Net Assets	\$ 67,923	\$ (20,627)	\$ 47,296	\$ 249,474
CHANGE IN NET ASSETS				
Without donor restrictions	\$ 67,923	0	\$ 67,923	\$ 76,762
With donor restrictions	0	\$ (20,627)	(20,627)	172,712
Change in Net Assets	\$ 67,923	\$ (20,627)	\$ 47,296	\$ 249,474
Net Assets, Beginning	370,149	411,785	781,934	532,460
Net Assets, Ending	\$ 438,072	\$ 391,158	\$ 829,230	\$ 781,934

The accompanying notes are an integral part of this statement.

PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

STATEMENT OF ACTIVITIES Year ended December 31, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<u>REVENUE</u>			
Grants	\$ 8,259		\$ 8,259
Contributions	45,691	\$ 40,000	85,691
Easement donations	56,727	320,795	377,522
Member dues	236,902	0	236,902
Special projects and events	341,776	0	341,776
Investment income	1,543	0	1,543
Fees for program services	26,495	0	26,495
Net assets released from restrictions	188,083	(188,083)	0
Total Support and Revenue	\$ 905,476	\$ 172,712	\$ 1,078,188
<u>EXPENSES</u>			
Program services	\$ 401,500		\$ 401,500
General and administrative	117,711		117,711
Fundraising			
Membership development	100,575		100,575
Other fundraising	208,928		208,928
Total Expenses	\$ 828,714	0	\$ 828,714
Change in Net Assets	\$ 76,762	\$ 172,712	\$ 249,474
<u>CHANGE IN NET ASSETS</u>			
Without donor restrictions	\$ 76,762	0	\$ 76,762
With donor restrictions	0	\$ 172,712	172,712
Change in Net Assets	\$ 76,762	\$ 172,712	\$ 249,474
Net Assets, Beginning	293,387	239,073	532,460
Net Assets, Ending	\$ 370,149	\$ 411,785	\$ 781,934

The accompanying notes are an integral part of this statement.

PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

STATEMENT OF FUNCTIONAL EXPENSES
Years ended December 31,

	2020					2019	
	Program Services	General & Administration	Membership Development	Fundraising		Total	Total
				Other Fundraising	Fundraising Total		
EXPENSES							
Salaries	\$ 191,584	\$ 22,157	\$ 50,663	\$ 99,779	\$ 150,442	\$ 364,183	\$ 384,100
Payroll tax expense	16,760	1,927	4,437	8,738	13,175	31,862	34,377
Employee benefits	18,887	2,182	4,995	9,835	14,830	35,899	50,038
Auditing and accounting	0	31,506	0	0	0	31,506	32,319
Conference and meetings	725	245	0	0	0	970	833
Consultants	47,532	8,410	1,738	8,757	10,495	66,437	90,354
Depreciation	896	214	0	670	670	1,780	3,039
Dues and subscriptions	2,875	1,540	2,527	0	2,527	6,942	6,094
Easement services	3,387	0	0	0	0	3,387	12,819
Equipment	3,431	397	907	1,786	2,693	6,521	5,834
Financial fees	0	9,949	0	0	0	9,949	8,091
Insurance	2,162	250	572	1,125	1,697	4,109	3,747
Office supplies	3,773	1,726	614	7,197	7,811	13,310	16,738
Postage and courier	923	283	215	501	716	1,922	2,833
Printing and graphics	8,054	615	1,175	10,727	11,902	20,571	23,042
Rent and occupancy	25,909	2,996	6,852	13,495	20,347	49,252	46,666
Special events	27,966	0	0	27,799	27,799	55,765	94,284
Telephone	3,479	402	920	1,812	2,732	6,613	6,632
Travel and meals	1,638	1,325	92	819	911	3,874	6,874
	<u>\$ 359,981</u>	<u>\$ 86,124</u>	<u>\$ 75,707</u>	<u>\$ 193,040</u>	<u>\$ 268,747</u>	<u>\$ 714,852</u>	<u>\$ 828,714</u>

The accompanying notes are an integral part of this statement.

PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2019

EXPENSES	Program Services	General & Administration	Fundraising		Fundraising Total	Total
			Membership Development	Other Fundraising		
Salaries	\$ 204,558	\$ 22,121	\$ 55,422	\$ 101,999	\$ 157,421	\$ 384,100
Payroll tax expense	18,188	2,170	4,971	9,048	14,019	34,377
Employee benefits	26,582	3,000	7,202	13,254	20,456	50,038
Auditing and accounting	0	32,319	0	0	0	32,319
Conference and meetings	737	96	0	0	0	833
Consultants	43,748	36,070	2,244	8,292	10,536	90,354
Depreciation	1,468	404	365	802	1,167	3,039
Dues and subscriptions	1,829	1,688	2,577	0	2,577	6,094
Easement services	12,819	0	0	0	0	12,819
Equipment	3,103	329	824	1,578	2,402	5,834
Financial fees	0	8,091	0	0	0	8,091
Insurance	1,995	216	541	995	1,536	3,747
Office supplies	3,873	3,390	532	8,943	9,475	16,738
Postage and courier	1,478	291	266	798	1,064	2,833
Printing and graphics	9,657	1,650	0	11,735	11,735	23,042
Rent and occupancy	24,409	3,474	6,613	12,170	18,783	46,666
Special events	39,521	453	17,701	36,609	54,310	94,284
Telephone	3,510	420	951	1,751	2,702	6,632
Travel and meals	4,025	1,529	366	954	1,320	6,874
	<u>\$ 401,500</u>	<u>\$ 117,711</u>	<u>\$ 100,575</u>	<u>\$ 208,928</u>	<u>\$ 309,503</u>	<u>\$ 828,714</u>

The accompanying notes are an integral part of this statement.

PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

STATEMENT OF CASH FLOWS Years ended December 31,

	2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 47,296	\$ 249,474
Adjustments to reconcile to cash from operations		
Depreciation	1,780	3,039
Forgiveness of debt of PPP loan	(101,000)	0
Donated securities	(3,724)	(3,938)
Dividends	(121)	(203)
Realized gain on investments	0	(714)
Unrealized loss on investments	(856)	783
(Increase) decrease in:		
Grants and contributions receivable	48,085	(147,786)
Prepaid expenses	(16,195)	1,933
Increase (decrease) in:		
Accounts payable	(3,812)	5,048
Accrued payroll liabilities	2,862	(1,727)
	\$ (25,685)	\$ 105,909
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from sale of investments	0	\$ 7,644
Dividends	\$ 121	203
Reinvested dividends	(121)	(203)
Purchase of office furniture	0	(4,482)
	0	\$ 3,162
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Borrowing on EIDL loan	\$ 150,000	0
Borrowing on PPP loan	101,000	0
Repayment on bank term loan	0	\$ (28,271)
	\$ 251,000	\$ (28,271)
Net cash provided (used) by financing		
Net Increase in Cash for Year	\$ 225,315	\$ 80,800
Cash balance, beginning	457,128	376,328
Cash balance, ending	\$ 682,443	\$ 457,128
<u>SUPPLEMENTAL DISCLOSURES:</u>		
Cash paid for interest	\$ 29	\$ 331

The accompanying notes are an integral part of this statement.

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS December 31, 2020 and 2019

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 façade 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 August 24, 2021, 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 10.

Adoption of New Accounting Standards

Effective January 1, 2019, the Organization adopted ASU 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, ASC 606) which (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets. The Organization's revenue that fall within the scope of ASC 606 are presented as such and are recognized as revenue as the Organization satisfies its obligation to the customer. Revenue within the scope of ASC 606 primarily includes its fees for program services. Funds received in advance, with the obligation to the customer yet to be delivered are recorded as deposit liabilities on the balance sheet. Results for the reporting period beginning January 1, 2019 are presented under ASC 606 while prior period amounts continue to be reported in accordance with legacy GAAP. The net effect of the change on revenue and net assets was immaterial.

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.

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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.

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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, financial, 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, 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, 2020 presentation. Such reclassifications were not material and had no effect on the Organization's net assets or changes in net assets.

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	\$ 682,443
Grants and contributions receivable	274,356
Investments	<u>8,709</u>
Total financial assets	<u>\$ 965,508</u>
Less: Amounts not available to be used within one year:	
Net assets with purpose restrictions	
Cash	(\$ 141,495)
Grants and contributions receivable	(15,000)
Net assets with time restrictions beyond one year:	
Grants and contributions receivable	<u>(129,663)</u>
	<u>(\$ 286,158)</u>
Financial assets available to meet general expenditures	
Over the next year	<u>\$ 679,350</u>

Cash and cash equivalents of \$682,443 reflected on the statement of financial position includes \$141,495 of cash restricted by donors for certain purposes.

Grants and contributions receivable of \$274,356 reflected on the statement of financial position includes \$15,000 restricted by donors for certain purposes, and \$129,663 subject to a time implied restriction beyond one year.

The investments of \$8,709 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.

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS December 31, 2020 and 2019

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>2020</u>			
Equity securities	<u>\$ 7,787</u>	<u>\$ 8,709</u>	<u>\$ 8,709</u>
<u>2019</u>			
Equity securities	<u>\$ 3,942</u>	<u>\$ 4,008</u>	<u>\$ 4,008</u>

Gains and losses (realized and unrealized) included in changes in net assets for the years ended December 31, 2020 and 2019 are reported in investment income. All such losses for 2020 and 2019 were a result of transactions where values have been measure using Level 1 inputs.

FASB 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 investments. 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.

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 5 – GRANTS AND CONTRIBUTIONS RECEIVABLE

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

	<u>2020</u>	<u>2019</u>
Historic Religious Properties Fund	\$ 0	\$ 25,000
Marian Anderson House	10,000	0
Eastern North Arts & Culture	5,000	0
Unrestricted contributions and pledges	24,693	11,646
Time restricted operating grants	<u>235,000</u>	<u>295,000</u>
	<u>\$274,693</u>	<u>\$331,646</u>
Less: Unamortized discount	<u>(337)</u>	<u>(9,205)</u>
	<u>\$274,356</u>	<u>\$322,441</u>
Amounts due in:		
Less than one year	\$ 144,693	\$ 96,646
One to five years	<u>129,663</u>	<u>225,795</u>
	<u>\$274,356</u>	<u>\$322,441</u>

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Office equipment	\$108,840	\$108,840
Office furniture	<u>4,341</u>	<u>4,341</u>
	113,181	113,181
Less: Accumulated depreciation	<u>108,824</u>	<u>107,044</u>
	<u>\$ 4,357</u>	<u>\$ 6,137</u>

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 were 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.

The loan was paid in full in May 2019.

NOTE 8 – FORGIVEABLE LOAN

On April 27, 2020, the Company received a loan from Firsttrust Bank in the amount of \$101,000, pursuant to the Payroll Protection Program (PPP) under the CARES Act, which was enacted March 27, 2020. The loan, which was in the form of a note dated April 27, 2020, matures on April 27, 2022, and bears an interest rate of 1%, payable monthly commencing on November 27, 2020. The note may be prepaid at any time prior to maturity with no prepayment penalty. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, rent, and utilities. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

Accordingly, pursuant to the above, and with FASB TQA 2300.18 issued in June 2020, the loan is accounted for as a conditional contribution. As of December 31, 2020, the Organization has used the entire loan amount for qualifying expenses, and has thus met the conditions for forgiveness and recognition of the full grant amount.

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 9 – ECONOMIC INJURY DISASTER LOAN

On June 18, 2020, the Company received an Economic Injury Disaster Loan (EIDL) from the Small Business Administration in the amount of \$150,000. The loan calls for monthly payments of \$641, beginning one year from the date of the loan. Payments include principal, and interest rate of 2.75% on outstanding balances. The balance of principal and interest is payable in full thirty years from the date of the loan. The loan is secured by all tangible and intangible property of the Organization.

Future minimum principal payments under the loan are as follows:

Year ending December 31, 2021	\$ 1,734
2022	3,530
2023	3,628
2024	3,729
2025	3,833
And thereafter	<u>133,546</u>
	<u>\$150,000</u>

NOTE 10 – NET ASSETS

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>2020</u>	<u>2019</u>
Easement Fund	\$ 91,758	\$ 77,931
John Gallery Advocacy Fund	9,915	11,760
	<u>\$101,673</u>	<u>\$ 89,691</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>2020</u>	<u>2019</u>
Easements	\$ 50,145	\$ 50,145
Mid-Century Modern	46,350	46,350
Historic Religious Properties Fund	25,000	25,000
Marian Anderson House	30,000	0
Eastern North Arts & Culture	5,000	0
1947 Better Philadelphia Exhibition	0	4,495
Time restricted	<u>234,663</u>	<u>285,795</u>
	<u>\$391,158</u>	<u>\$411,785</u>

THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 11 – 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 \$4,058 through March 2021, and increase annually up to \$4,234 in the final year of the lease. Total office rent expense was \$49,252 and \$46,666 for 2020 and 2019, respectively.

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

	<u>Office Space</u>	<u>Equipment</u>
Year ending December 31, 2021	\$ 49,485	4,333
2022	50,543	4,333
2023	12,702	0
	<u>\$112,730</u>	<u>\$ 8,666</u>

And none thereafter

NOTE 12 – CONCENTRATIONS

Cash

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, 2020, revenue from one source was in excess of 10% of the organization's revenue. Revenue from this source totaled \$106,000 or 14% of total revenue.

For the year ended December 31, 2019, revenue from one source was in excess of 10% of the organization's revenue. Revenue from this source totaled approximately \$330,000 or 31% of total revenue.