

**NORTH PENN VALLEY BOYS
AND GIRLS CLUB, INC.
Financial Report
December 31, 2021 and 2020**

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
December 31, 2021 and 2020

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Independent Auditors' Report

To the Board of Directors
North Penn Valley Boys and Girls Club, Inc.
Lansdale, Pennsylvania

Opinion

We have audited the accompanying financial statements of North Penn Valley Boys and Girls Club, Inc. (the Club) which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Club as of December 31, 2021 and 2020, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Club 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 Club's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Club's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Club's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

DunlapSLK, PC

Chalfont, Pennsylvania
June 21, 2022

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash	\$ 2,007,001	\$ 1,781,719
Prepaid Expenses	6,326	14,775
Certificates of Deposit	102,366	101,700
Pledge Receivable	10,000,000	-
Total Current Assets	12,115,693	1,898,194
Cash Restricted	137,600	122,050
Property and Equipment, Net of Accumulated Depreciation	2,150,350	2,173,396
Total Assets	\$ 14,403,643	\$ 4,193,640
 Liabilities and Net Assets		
Current Liabilities		
Current Obligations Under Capital Lease	\$ 10,115	\$ 10,013
Accounts Payable	6,792	5,711
Accrued Expenses	23,231	20,059
Accrued and Withheld Payroll Taxes	3,762	1,667
Total Current Liabilities	43,900	37,450
Long-Term Liabilities		
Obligations Under Capital Lease	140,821	150,935
Total Liabilities	184,721	188,385
Net Assets		
Without Donor Restrictions	4,081,322	3,883,205
With Donor Restrictions	10,137,600	122,050
Total Net Assets	14,218,922	4,005,255
Total Liabilities and Net Assets	\$ 14,403,643	\$ 4,193,640

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.

Statements of Activities

Years Ended December 31, 2021 and 2020

	2021			2020		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Support						
Contributions	\$ 1,410,952	\$ 10,181,550	\$ 11,592,502	\$ 1,333,116	\$ 159,234	\$ 1,492,350
Grant Revenue- PPP	-	-	-	259,016	-	259,016
United Way	3,702	-	3,702	5,003	-	5,003
Program Income	5,390	-	5,390	5,266	-	5,266
Membership Dues	2,590	-	2,590	9,000	-	9,000
Rental Income	-	-	-	19,249	-	19,249
Miscellaneous Income	16,256	-	16,256	9,389	-	9,389
Interest Income	3,205	-	3,205	9,854	-	9,854
Net Assets Released from Restrictions	166,000	(166,000)	-	155,350	(155,350)	-
Total Revenues and Support	<u>1,608,095</u>	<u>10,015,550</u>	<u>11,623,645</u>	<u>1,805,243</u>	<u>3,884</u>	<u>1,809,127</u>
Expenses						
Program Services	1,176,982	-	1,176,982	1,214,366	-	1,214,366
Supporting Services						
General and Administrative	142,838	-	142,838	186,817	-	186,817
Fundraising	90,158	-	90,158	101,897	-	101,897
Total Expenses	<u>1,409,978</u>	<u>-</u>	<u>1,409,978</u>	<u>1,503,080</u>	<u>-</u>	<u>1,503,080</u>
Change in Net Assets	198,117	10,015,550	10,213,667	302,163	3,884	306,047
Net Assets						
Beginning of Year	<u>3,883,205</u>	<u>122,050</u>	<u>4,005,255</u>	<u>3,581,042</u>	<u>118,166</u>	<u>3,699,208</u>
End of Year	<u>\$ 4,081,322</u>	<u>\$ 10,137,600</u>	<u>\$ 14,218,922</u>	<u>\$ 3,883,205</u>	<u>\$ 122,050</u>	<u>\$ 4,005,255</u>

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Statements of Functional Expenses
Years Ended December 31, 2021 and 2020

	2021				2020			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Salaries and Wages	\$ 543,558	\$ 99,668	\$ 61,638	\$ 704,864	\$ 599,379	\$ 128,275	\$ 65,219	\$ 792,873
Employee Benefits	113,154	20,748	12,831	146,733	84,493	32,663	20,769	137,925
Payroll Taxes	44,632	8,184	5,061	57,877	47,685	11,486	5,893	65,064
Total Salaries and Related Expenses	701,344	128,600	79,530	909,474	731,557	172,424	91,881	995,862
Depreciation	161,566	4,252	4,252	170,070	156,894	4,129	4,129	165,152
Insurance	80,324	2,114	2,114	84,552	69,601	1,853	1,853	73,307
Program Expenses	48,588	-	-	48,588	45,482	-	-	45,482
Modular Classroom Lease	42,374	432	432	43,238	42,374	432	432	43,238
Utilities	33,865	891	891	35,647	31,510	808	808	33,126
Repairs and Maintenance	33,337	877	877	35,091	26,378	694	694	27,766
Professional Fees	24,393	642	642	25,677	24,985	658	658	26,301
Supplies and Communications	19,858	523	523	20,904	17,136	451	451	18,038
Awards	11,787	-	-	11,787	48,224	-	-	48,224
Membership Dues / B&GCA	11,186	-	-	11,186	9,839	-	-	9,839
Travel and Meetings	3,593	4,507	897	8,997	4,103	5,368	991	10,462
Miscellaneous Expenses	3,113	-	-	3,113	4,594	-	-	4,594
Interest Expense	1,654	-	-	1,654	1,689	-	-	1,689
Total Expenses	\$ 1,176,982	\$ 142,838	\$ 90,158	\$ 1,409,978	\$ 1,214,366	\$ 186,817	\$ 101,897	\$ 1,503,080

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in Net Assets	\$ 10,213,667	\$ 306,047
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities		
Depreciation	170,070	165,152
Grant Revenue - PPP Loan Forgiven	-	(259,016)
Change in Assets and Liabilities		
(Increase) Decrease in		
Prepaid Expenses	8,449	3,688
Pledges Receivable	(10,000,000)	-
Increase (Decrease) in		
Accounts Payable	1,081	(14,118)
Accrued Expenses	3,172	4,290
Accrued and Withheld Payroll Taxes	2,095	(9,203)
Deferred Membership and Grant Revenue	-	(3,600)
Net Cash Provided by Operating Activities	398,534	193,240
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(147,024)	(23,752)
Additions to Certificates of Deposit	(666)	(27,210)
Net Cash Used in Investing Activities	(147,690)	(50,962)
Cash Flows from Financing Activities		
Principal Payments on Capital Leases	(10,012)	(9,911)
Proceeds from PPP Loan	-	259,016
Net Cash Provided by (Used in) Financing Activities	(10,012)	249,105
Net Increase in Cash	240,832	391,383
Cash		
Beginning of Year	1,903,769	1,512,386
End of Year	\$ 2,144,601	\$ 1,903,769
Cash		
Undesignated	\$ 2,007,001	\$ 1,781,719
Restricted	137,600	122,050
Total	\$ 2,144,601	\$ 1,903,769
Supplemental Disclosures of Cash Flow Information		
Cash Payments for Interest	\$ 1,654	\$ 1,689

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2021 and 2020

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

North Penn Valley Boys and Girls Club, Inc. (the Club) is a not-for-profit community service organization incorporated in 1967. The Club provides a variety of recreational, social, vocational and educational programs for boys and girls between the ages of six through eighteen. The Club serves over 4,000 children at their three locations which are the North Penn Valley Club in Lansdale, the Indian Valley Club in Souderton, and the Wissahickon Valley Club in Ambler, Pennsylvania.

Basis of Accounting

The financial statements of the Club have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned, and expenses are recognized when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Net Assets

Accounting standards prescribe the format for general-purpose financial statements for all not-for-profit organizations. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Club to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Club's management and Board of Directors.

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Club or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Club has no assets with perpetual donor restrictions.

Contributions

Contributions, including unconditional promises to give, are recorded as revenue when received. Investments, property, and other non-cash contributions are recorded at fair value at the date of gift or bequest. Contributions are considered to be available for unrestricted use unless they are received with donor stipulations that limit the use of the donated assets. When restrictions expire (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.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2021 and 2020

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Program Fees

The Club offers many programs and classes during the school year that vary in duration. The Club also offers a summer camp program outside of the school year. Scholarships are also provided for children from low-income households. Payments for program fees are made before the program begins, generally when a participant registers for the program. The Club recognizes revenue from program fees over the time of the program.

Membership Dues

Membership at the Club gives members access to the Club amenities like the gym and weight room and access to programs are at reduced costs. Scholarships are also provided for children from low-income households. The membership fees are paid on an annual calendar year basis. Typically, the membership fee for the calendar year will be paid at the start of the year in January. If a membership fee is paid for the following calendar year, the fee is recognized as deferred revenue at year end.

Special Events

Revenue and expenses from special events are recognized during the period the event is held. Receipts received prior to the period when the event is held are recognized as deferred revenue. Expenses incurred prior to the period the event is held are recognized as prepaid expenses.

Contributed Services

Many individuals volunteer their time and perform a variety of tasks that assist the Club in carrying out its programs. Because no objective basis is available to measure the value of these services, the value of these services was not recorded during the years ended December 31, 2021 and 2020.

Cash

The Club maintains its cash accounts in several commercial banks. The amount on deposit may exceed the federally insured limit. The Club has not experienced any losses in such accounts. The Club believes it is not exposed to any significant credit risk on cash.

Restricted Cash

At December 31, 2021 and 2020, the Club has restricted cash of \$137,600 and \$122,050, respectively. This represents the funds that were given to the Club for scholarships, the Wissahickon Valley building project, and Wissahickon Valley operating expenses.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2021 and 2020

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Property and Equipment

Property and equipment are stated at cost. Major replacements and betterments are capitalized while maintenance and repairs are expensed as incurred.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. 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 support. If the donor does not stipulate how long those donated assets must be maintained, then the Club reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Club reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives of depreciable assets are:

<u>Classifications</u>	<u>Years</u>
Buildings	39
Building Improvements	7-39
Office Furniture and Fixtures	3-10
Equipment and Signs	5-10

Income Tax Status

The Club has qualified as a tax-exempt organization under existing provisions of the Internal Revenue Code Section 501(c)(3). Accordingly, its income related to its tax exempt purpose is not subject to federal or state income taxes. The Club did not have any unrelated business income for the years ended December 31, 2021 and 2020 that would be subject to federal or state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

The Club accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in 2021 and 2020.

The Club's Forms 990 – *Return of Organization Exempt from Income Tax* for the previous three years remains subject to examination by the Internal Revenue Service.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2021 and 2020

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time and effort.

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread around world. The COVID-19 virus led to a severe economic downturn worldwide. This outbreak disrupted a range of industries, including not-for-profits. The extent of further economic impact of COVID-19 on the Club's operations and financial performance depends on certain developments, including the duration and spread of the outbreak, and the impact on donors and fundraising activities, all of which are uncertain and cannot be predicted. In June 2021, the Club brought back its summer camp in a limited capacity and in September 2021, the homework program operated in a limited capacity. As of June 21, 2022, the extent to which COVID-19 may impact the Club's financial condition or results of operations is uncertain.

2. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditures, that is, without donor restrictions limiting their use within one year of December 31, 2021, comprise the following:

Financial Assets	
Cash	\$ 2,144,601
Certificates of Deposit	102,366
Pledge Receivable	<u>10,000,000</u>
Total Financial Assets	12,246,967
Less Amounts Not Available to be Used Within One Year	
Net Assets with Donor Restrictions	<u>10,137,600</u>
Financial Assets Available to Meet General Expenditures	
Over the Next Year	<u><u>\$ 2,109,367</u></u>

Management believes that the Club has sufficient financial assets on hand to meet operating cash flow needs. As part of its liquidity plan, excess cash is invested in money market accounts and certificates of deposit.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2021 and 2020

3. CERTIFICATES OF DEPOSIT

At December 31, 2021 and 2020, certificates of deposit held are as follows:

	<u>2021</u>	<u>2020</u>
Univest Bank	\$ 51,438	\$ 51,130
C&N Bank	<u>50,928</u>	<u>50,570</u>
	<u>\$ 102,366</u>	<u>\$ 101,700</u>

4. PROPERTY AND EQUIPMENT

At December 31, 2021 and 2020, the detail of property and equipment is as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 300,000	\$ 300,000
Buildings	2,588,702	2,588,702
Building Improvements	1,471,968	1,332,302
Office Furniture and Fixtures	172,286	172,286
Equipment and Signs	<u>436,230</u>	<u>428,872</u>
	4,969,186	4,822,162
Accumulated Depreciation	<u>(2,818,836)</u>	<u>(2,648,766)</u>
Net Property and Equipment	<u>\$ 2,150,350</u>	<u>\$ 2,173,396</u>

For the years ended December 31, 2021 and 2020, depreciation expense totaled \$170,070 and \$165,152, respectively.

5. OBLIGATIONS UNDER CAPITAL LEASE

The Club has entered into a thirty-year land lease agreement with the Borough of Souderton. The Club is responsible for all improvements, maintenance and insurance on the property and must have a general liability policy of \$1,000,000 naming the lessor as an additional insured. The annual payment on this lease is \$11,667, and runs through June 13, 2034, at which time the Club will take ownership of the land. The land will continue to have the following restrictions and conditions, which are perpetual and shall run with the land.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2021 and 2020

5. OBLIGATIONS UNDER CAPITAL LEASE (continued)

The use of the property and the facilities erected thereon shall be restricted to uses similar to that of the Club, namely, activities of a recreational and athletic nature conducted on a nonprofit basis for the benefit of boys and girls in the Souderton area. The Borough of Souderton and members of the public shall retain the right to use the outdoor recreational facilities and the parking area.

The capitalized cost of the land is \$300,000. The following is a schedule by years of the future minimum lease payments under this lease, together with the present value of the net minimum lease payments as of December 31, 2021.

Year Ending December 31,	Amount
2022	\$ 11,667
2023	11,667
2024	11,667
2025	11,667
2026	11,667
2027 and Thereafter	104,566
	162,901
Less Interest Portion	(11,965)
	150,936
Less Current Obligation	(10,115)
Long-Term Obligation	\$ 140,821

6. INTEREST EXPENSE

For the years ended December 31, 2021 and 2020, interest expense was \$1,654 and \$1,689, respectively.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2021 and 2020

7. NET ASSETS

At December 31, 2021 and 2020, net assets with donor restrictions available for the following purposes:

	<u>2021</u>	<u>2020</u>
Wissahickon Valley Building and Operation	\$ 10,000,000	\$ -
Scholarships	<u>137,600</u>	<u>122,050</u>
Total Net Assets with Donor Restrictions	<u>\$ 10,137,600</u>	<u>\$ 122,050</u>

Net assets were released from net assets with donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	<u>2021</u>	<u>2020</u>
Purposes Restrictions Accomplished		
Project Learn	\$ 153,000	\$ 122,500
Wissahickon Project	10,000	27,500
Scholarships	<u>3,000</u>	<u>5,350</u>
Total Net Assets Released from Restrictions	<u>\$ 166,000</u>	<u>\$ 155,350</u>

8. ENDOWMENT

The Club has an endowment fund that is administered by the Philadelphia Foundation, as agent. The Club has no control over the funds as the donors contribute directly to the Philadelphia Foundation. Distributions from the fund do not begin until the fund reaches \$150,000 in value. Distributions will then be made at 5% per year of the fund balance, of which the Philadelphia Foundation will retain 1% for administrative fees. Distributions will be considered as grants to the Club.

In accordance with accounting standards, the fund is not recorded on the books of the Club. At December 31, 2021 and 2020, the endowment has a balance of \$61,928 and \$55,338, respectively.

9. RETIREMENT BENEFITS

The Club provides a 401(k) program to full-time and part-time employees who are at least 21 years old and who have completed one year and 1,000 hours of service. The Club can make a discretionary matching contribution as well as a profit sharing contribution. For the years ended December 31, 2021 and 2020, the retirement plan expense was \$47,275 and \$46,604, respectively.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2021 and 2020

10. OPERATING LEASE – MODULAR CLASSROOMS

The Club entered into a five-year lease for modular classrooms, which expires September 21, 2022. Rent is paid at \$3,603 per month for 60 months. At December 31, 2021, future minimum lease payments are as follows:

Year Ending December 31,	Amount
2022	\$ 28,824

11. RECENT ACCOUNTING PRONOUNCEMENT ISSUED, NOT YET EFFECTIVE

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases*, which creates a new Topic ASC 842, *Leases*. Under the new guidance, a lessee will be required to recognize on the balance sheet a liability to make lease payments and a right-to-use asset representing its right to use the underlying asset for the lease term for both finance and operating leases. For leases with a term of 12 months or less, an entity can elect to not recognize lease assets and lease liabilities and expense the lease over a straight-line basis for the term of the lease. The updated standard will replace current lease guidance in US GAAP when it becomes effective. Also, the guidance requires new disclosures that depict the amount, timing, and uncertainty of cash flows pertaining to an entity's leases. On June 3, 2020, the FASB issued Accounting Standards Update 2020-05 which delayed the effective date another year for this new standard. So now for non-public entities, the update is effective for annual reporting periods beginning after December 15, 2021. The Club plans to adopt and apply the guidance for its year ending December 31, 2022. Management has not yet determined the effect this standard will have on the Club's financial statements.

12. GRANT - PPP

In May 2020, the Club received a loan in the amount of \$259,016 through the Paycheck Protection Program (PPP). PPP funds are a form of low interest loans where some or all of the principal and interest may be eligible for forgiveness, subject to compliance and approval based on timing and use of funds in accordance with PPP guidelines. The PPP funds were subject to review and any amount deemed not forgiven would be converted to an amortizing term loan payable, due by May 1, 2022. The PPP loan bears interest at a fixed rate of 1.0% per annum, unless forgiven. In April 2021, pursuant to the provisions of the CARES Act, the Club applied for forgiveness of the \$259,016 loan and the Club received full forgiveness in May 2021. Accordingly, the loan was recorded as grant revenue in the statement of activities for the year ended December 31, 2020.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2021 and 2020

13. PLEDGE – WISSAHICKON VALLEY BUILDING

In June 2021, the Club received a ten million dollar written commitment to design, build, maintain, and operate a building for the Wissahickon Valley Branch. In May 2022, the pledge was fulfilled when the Club received the ten million dollars in stocks that were transferred into an investment account. The pledge is all considered current. The Club is currently in the process of working on design plans for the Wissahickon Valley Building and do not yet have an estimate of the cost of the project.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 21, 2022, the date the financial statements were available to be issued.