

**NORTH PENN VALLEY BOYS
AND GIRLS CLUB, INC.
Financial Report
December 31, 2022 and 2021**



NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
December 31, 2022 and 2021

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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, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Club as of December 31, 2022 and 2021, 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 14, 2023

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash	\$ 3,145,602	\$ 2,007,001
Prepaid Expenses	5,916	6,326
Certificates of Deposit	102,749	102,366
Pledge and Estate Receivables	458,000	10,000,000
Total Current Assets	3,712,267	12,115,693
Noncurrent Assets		
Cash Restricted	9,958,375	137,600
Property and Equipment, Net of Accumulated Depreciation	1,905,974	2,150,350
Net Right-of-Use Asset - Operating Lease	28,538	-
Net Right-of-Use Asset - Finance Lease	300,000	-
Total Noncurrent Assets	12,192,887	2,287,950
 Total Assets	 \$ 15,905,154	 \$ 14,403,643
 Liabilities and Net Assets		
Current Liabilities		
Current Portion of Operating Lease Liability	\$ 13,515	\$ -
Current Portion of Finance Lease Liability	10,218	10,115
Accounts Payable	5,431	6,792
Accrued Expenses	23,517	23,231
Accrued and Withheld Payroll Taxes	6,775	3,762
Deferred Membership and Grant Revenue	17,327	-
Total Current Liabilities	76,783	43,900
Long-Term Liabilities		
Operating Lease Liability - Net of Current Portion	11,859	-
Finance Lease Liability - Net of Current Portion	130,604	140,821
Total Long-Term Liabilities	142,463	140,821
 Total Liabilities	 219,246	 184,721
Net Assets		
Without Donor Restrictions	5,727,533	4,081,322
With Donor Restrictions	9,958,375	10,137,600
Total Net Assets	15,685,908	14,218,922
 Total Liabilities and Net Assets	 \$ 15,905,154	 \$ 14,403,643

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Statements of Activities
Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support						
Contributions	\$ 2,930,503	\$ 331,057	\$ 3,261,560	\$ 1,410,952	\$ 10,181,550	\$ 11,592,502
United Way	3,922	-	3,922	3,702	-	3,702
Program Income, Net of Camp Scholarships of of 2022 \$14,925; 2021 \$0	83,075	-	83,075	5,390	-	5,390
Special Event Revenue	100,200	-	100,200	-	-	-
Membership Dues, Net of Scholarships of 2022 \$6,600; 2021 \$0	8,125	-	8,125	2,590	-	2,590
Miscellaneous Income	43,342	-	43,342	16,256	-	16,256
Investment Income (Loss)	10,782	(202,587)	(191,805)	3,205	-	3,205
Loss on Disposal of Property and Equipment	(19,194)	-	(19,194)	-	-	-
Net Assets Released from Restrictions	307,695	(307,695)	-	166,000	(166,000)	-
Total Revenues and Support	3,468,450	(179,225)	3,289,225	1,608,095	10,015,550	11,623,645
Expenses						
Program Services	1,391,350	-	1,391,350	1,176,982	-	1,176,982
Supporting Services						
General and Administrative	256,210	-	256,210	142,838	-	142,838
Fundraising	174,679	-	174,679	90,158	-	90,158
Total Expenses	1,822,239	-	1,822,239	1,409,978	-	1,409,978
Change in Net Assets	1,646,211	(179,225)	1,466,986	198,117	10,015,550	10,213,667
Net Assets						
Beginning of Year	4,081,322	10,137,600	14,218,922	3,883,205	122,050	4,005,255
End of Year	\$ 5,727,533	\$ 9,958,375	\$ 15,685,908	\$ 4,081,322	\$ 10,137,600	\$ 14,218,922

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Statements of Functional Expenses
Years Ended December 31, 2022 and 2021

	<u>2022</u>				<u>2021</u>			
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 687,706	\$ 188,532	\$ 84,180	\$ 960,418	\$ 543,558	\$ 99,668	\$ 61,638	\$ 704,864
Employee Benefits	80,371	35,958	25,373	141,702	113,154	20,748	12,831	146,733
Payroll Taxes	62,257	14,871	6,964	84,092	44,632	8,184	5,061	57,877
Total Salaries and Related Expenses	830,334	239,361	116,517	1,186,212	701,344	128,600	79,530	909,474
Depreciation	146,791	3,863	3,863	154,517	161,566	4,252	4,252	170,070
Lease Costs - Operating	88,069	899	899	89,867	42,374	432	432	43,238
Program Expenses	79,540	-	-	79,540	48,588	-	-	48,588
Insurance	71,061	1,870	1,870	74,801	80,324	2,114	2,114	84,552
Repairs and Maintenance	47,594	1,253	1,253	50,100	33,337	877	877	35,091
Club Dinner	-	-	46,658	46,658	-	-	-	-
Utilities	39,720	1,045	1,045	41,810	33,865	891	891	35,647
Professional Fees	31,144	820	820	32,784	24,393	642	642	25,677
Awards	19,106	-	-	19,106	11,787	-	-	11,787
Supplies and Communications	15,877	418	418	16,713	19,858	523	523	20,904
Travel and Meetings	5,345	6,681	1,336	13,362	3,593	4,507	897	8,997
Membership Dues / B&GCA	9,725	-	-	9,725	11,186	-	-	11,186
Miscellaneous Expenses	5,492	-	-	5,492	3,113	-	-	3,113
Interest Expense	1,552	-	-	1,552	1,654	-	-	1,654
Total Expenses	<u>\$ 1,391,350</u>	<u>\$ 256,210</u>	<u>\$ 174,679</u>	<u>\$ 1,822,239</u>	<u>\$ 1,176,982</u>	<u>\$ 142,838</u>	<u>\$ 90,158</u>	<u>\$ 1,409,978</u>

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,466,986	\$ 10,213,667
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities		
Depreciation	154,517	170,070
Loss on Disposal of Property and Equipment	19,194	-
Accrued Interest on Certificates of Deposit	(383)	(666)
Change in Value of Right of Use Asset - Operating Lease	36,044	-
Change in Assets and Liabilities		
(Increase) Decrease in		
Prepaid Expenses	410	8,449
Pledge and Estate Receivables	9,542,000	(10,000,000)
Increase (Decrease) in		
Operating Lease Liability	(39,208)	-
Accounts Payable	(1,361)	1,081
Accrued Expenses	286	3,172
Accrued and Withheld Payroll Taxes	3,013	2,095
Deferred Membership and Grant Revenue	17,327	-
Net Cash Provided by Operating Activities	11,198,825	397,868
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(229,335)	(147,024)
Cash Flows from Financing Activities		
Principal Payments on Finance Lease Liability	(10,114)	(10,012)
Net Increase in Cash	10,959,376	240,832
Cash		
Beginning of Year	2,144,601	1,903,769
End of Year	\$ 13,103,977	\$ 2,144,601
Cash		
Undesignated	\$ 3,145,602	\$ 2,007,001
Restricted	9,958,375	137,600
Total	\$ 13,103,977	\$ 2,144,601

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
(Continued)		
Supplemental Disclosures of Cash Flow Information		
Cash Payments for		
Amounts Included in Operating Lease Liability	\$ 37,186	\$ -
Interest On Finance Lease Liability	\$ 1,552	\$ 1,654
Noncash Investing and Financing Activities		
Right of Use Asset Obtained in Exchange for New Operating Lease Liability	\$ 64,582	\$ -

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021.

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, 2022 and 2021, the Club has restricted cash of \$9,958,375 and \$137,600, 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, 2022 and 2021

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:

Classifications	Years
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, 2022 and 2021 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 2022 and 2021.

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, 2022 and 2021

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.

Adoption of New Accounting Standard

Effective January 1, 2022, the Club adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases* (Topic 842). The Club has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Club accounted for its existing operating leases as an operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments (as of December 31, 2021) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. As a result of the adoption of the new lease accounting guidance, the Club recognized on January 1, 2022 (a) a lease liability of \$61,147, which represents the present value of the remaining lease payments of \$63,331, discounted using the interest risk free rate of return, and (b) a right-of-use asset of \$64,582. The Club accounted for its existing capital leases as finance leases under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, and (b) whether classification of the capital lease would be different in accordance with ASC Topic 842. As a result of the adoption of the new lease accounting guidance, the Club recognized on January 1, 2022 a lease liability at the carrying amount of the capital lease obligation on December 31, 2021, of \$150,936 and a right-of-use asset at the carrying amount of the capital lease asset of \$300,000.

The Club has elected the practical expedient option for each class of its assets to account for each separate component and the non-lease components associated with that lease component as a single lease component.

2. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditures, that is, without donor restrictions limiting their use within one year of December 31, 2022, comprise the following:

Financial Assets	
Cash	\$ 13,103,977
Certificates of Deposit	102,749
Pledge and Estate Receivables	458,000
Total Financial Assets	<u>13,664,726</u>
Less Amounts Not Available to be Used Within One Year	
Net Assets with Donor Restrictions	<u>9,958,375</u>
Financial Assets Available to Meet General Expenditures	
Over the Next Year	<u><u>\$ 3,706,351</u></u>

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2022 and 2021

2. AVAILABILITY AND LIQUIDITY (continued)

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.

3. CERTIFICATES OF DEPOSIT

At December 31, 2022 and 2021, certificates of deposit held are as follows:

	<u>2022</u>	<u>2021</u>
Univest Bank	\$ 51,623	\$ 51,438
C&N Bank	<u>51,126</u>	<u>50,928</u>
	<u>\$ 102,749</u>	<u>\$ 102,366</u>

4. RECEIVABLE FROM ESTATES AND TRUSTS

The Club's policy is to record the receivable from an estate or trust in the year the Club is notified that an associated will is valid and has been admitted to probate, and an estimated value is provided by an executor. The Club has been notified of an estate in which the Club is a beneficiary and has recorded the projected value provided by the executor. In 2022, the Club received \$918,000 and expects to receive an additional \$458,000 in 2023 from this estate gift.

5. 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 does not yet have an estimate of the cost of the project.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2022 and 2021

6. PROPERTY AND EQUIPMENT

At December 31, 2022 and 2021, the detail of property and equipment is as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ -	\$ 300,000
Buildings	2,957,703	2,588,702
Building Improvements	1,052,834	1,471,968
Office Furniture and Fixtures	172,286	172,286
Equipment and Signs	<u>436,230</u>	<u>436,230</u>
	4,619,053	4,969,186
Accumulated Depreciation	<u>(2,713,079)</u>	<u>(2,818,836)</u>
Net Property and Equipment	<u>\$ 1,905,974</u>	<u>\$ 2,150,350</u>

During the year ended December 31, 2022, the land of \$300,000 was reclassified to become a right-of-use asset due to the adoption of the new accounting standard referred to in Note 1. For the years ended December 31, 2022 and 2021, depreciation expense totaled \$154,517 and \$170,070, respectively.

7. DEFERRED REVENUE

The following table provides information about significant changes in deferred revenue for the year ended December 31, 2022:

Deferred Grant and Membership Revenue, Beginning of Year	\$ -
Increase in Deferred Revenue Due to Cash Received	
During the Period	31,750
Decrease in Deferred Revenue Due to Amounts Spent	
During the Period	<u>(14,423)</u>
Deferred Grant and Membership Revenue, End of Year	<u>\$ 17,327</u>

8. FINANCE LEASE LIABILITY

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, 2022 and 2021

8. FINANCE LEASE LIABILITY (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.

At December 31, 2022 and 2021, finance lease liability (2021 – capital lease) consisted of the following:

	2022	2021
Loan for land bearing interest at 1.025% and maturing in June 2034. This loan has an annual payment of \$11,667, including interest, and is secured by land.	\$ 140,822	\$ 150,936
Less portion due within one year	10,218	10,115
Net Long-Term Finance Liability	\$ 130,604	\$ 140,821

Other Information as of December 31, 2022

Weighted-average remaining lease term - finance leases	138 Months
Weighted average discount rate - finance leases	1.025%
Interest on finance lease liability	\$1,552

The following is a maturity analysis of the annual undiscounted cash flows of the finance lease liability:

Year Ending December 31,	Amount
2023	\$ 11,667
2024	11,667
2025	11,667
2026	11,667
2027	11,667
2028 and Thereafter	92,800
Total Lease Payments	151,135
Less Imputed Interest	(10,313)
Total Finance Liabilities	\$ 140,822

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2022 and 2021

9. OPERATING LEASE COMMITMENTS

The Club entered into a five-year lease for modular classrooms, which expired September 21, 2022. Rent was paid at \$3,603 per month for 60 months. The Club also has a lease for Wissahickon Valley classroom space at a church which expires September 2023 as well as a vehicle lease which expires September 2025. All of these lease are accounted for as operating leases. The payments for the classroom space and the vehicle are \$2,500 per quarter and \$565 per month, respectively.

Other Information as of December 31, 2022

Weighted-average remaining lease term - operating leases	20 Months
Weighted average discount rate - finance leases	3.630%

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liability as of December 31, 2022:

Year Ending December 31,	Amount
2023	\$ 14,280
2024	6,780
2025	<u>5,085</u>
Total Undiscounted Cash Flows	26,145
Less: Present Value Discount	<u>(771)</u>
Total Lease Liabilities	<u><u>\$ 25,374</u></u>

10. NET ASSETS

At December 31, 2022 and 2021, net assets with donor restrictions available for the following purposes:

	<u>2022</u>	<u>2021</u>
Wissahickon Valley Building and Operation	\$ 9,813,341	\$ 10,000,000
Scholarships	<u>145,034</u>	<u>137,600</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 9,958,375</u></u>	<u><u>\$ 10,137,600</u></u>

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2022 and 2021

10. NET ASSETS (continued)

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:

	2022	2021
Purposes Restrictions Accomplished		
Project Learn	\$ 69,000	\$ 153,000
Wissahickon Project	209,695	10,000
Scholarships	29,000	3,000
 Total Net Assets Released from Restrictions	 \$ 307,695	 \$ 166,000

11. 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, 2022 and 2021, the endowment has a balance of \$55,215 and \$61,928, respectively.

12. SPECIAL EVENTS

During the year ended December 31, 2022, the Club conducted a special event in the form of a Club dinner to inform supporters about current operations and activities, and to raise funds for the Club. The table below summarizes support received and related costs of this event. Tickets were not sold for this event, therefore, there was no cost of direct benefits to donors.

	Support	Expenses	2022 Net Proceeds
Club Dinner	\$ 100,200	\$ 46,658	\$ 53,542

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13. 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, 2022 and 2021, the retirement plan expense was \$48,088 and \$47,275, respectively.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 14, 2023, the date the financial statements were available to be issued.