

**NORTH PENN VALLEY BOYS
AND GIRLS CLUB, INC.
Financial Report
December 31, 2025 and 2024**

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
December 31, 2025 and 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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 9, 2026

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Statements of Financial Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets		
Cash	\$ 1,648,641	\$ 1,324,208
Prepaid Expenses	11,760	6,259
Certificates of Deposit	1,654,806	1,498,369
Total Current Assets	<u>3,315,207</u>	<u>2,828,836</u>
Noncurrent Assets		
Cash Restricted	204,955	206,493
Investments	-	66,267
Property and Equipment, Net of Accumulated Depreciation	12,270,190	12,626,693
Net Right-of-Use Asset - Operating Lease	-	6,290
Net Right-of-Use Asset - Finance Lease	300,000	300,000
Total Noncurrent Assets	<u>12,775,145</u>	<u>13,205,743</u>
Total Assets	<u>\$ 16,090,352</u>	<u>\$ 16,034,579</u>
Liabilities and Net Assets		
Current Liabilities		
Current Portion of Operating Lease Liability	\$ -	\$ 5,085
Current Portion of Finance Lease Liability	10,429	20,752
Accounts Payable	19,340	5,045
Accrued Expenses	12,323	40,894
Deferred Membership and Grant Revenue	17,280	1,650
Total Current Liabilities	<u>59,372</u>	<u>73,426</u>
Long-Term Liabilities		
Finance Lease Liability - Net of Current Portion	<u>109,851</u>	<u>109,851</u>
Total Liabilities	<u>169,223</u>	<u>183,277</u>
Net Assets		
Without Donor Restrictions	15,716,174	15,644,809
With Donor Restrictions	204,955	206,493
Total Net Assets	<u>15,921,129</u>	<u>15,851,302</u>
Total Liabilities and Net Assets	<u>\$ 16,090,352</u>	<u>\$ 16,034,579</u>

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Statements of Activities
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support						
Contributions	\$ 1,083,461	\$ 736,378	\$ 1,819,839	\$ 764,231	\$ 702,081	\$ 1,466,312
United Way	3,089	-	3,089	2,188	-	2,188
Program Income, Net of Camp Scholarships of of 2025 \$20,063; 2024 \$9,325	214,564	-	214,564	149,176	-	149,176
Special Event Revenue	192,075	-	192,075	168,100	-	168,100
Membership Dues, Net of Scholarships of 2025 \$15,450; 2024 \$11,650	16,285	-	16,285	12,975	-	12,975
Miscellaneous Income	23,359	-	23,359	18,906	-	18,906
Investment Income	216,938	-	216,938	150,804	13,270	164,074
Loss on Disposal of Property and Equipment	-	-	-	(2,708)	-	(2,708)
Net Assets Released from Restrictions	737,916	(737,916)	-	8,740,856	(8,740,856)	-
Total Revenues and Support	2,487,687	(1,538)	2,486,149	10,004,528	(8,025,505)	1,979,023
Expenses						
Program Services	1,938,320	-	1,938,320	1,528,480	-	1,528,480
Supporting Services						
General and Administrative	279,922	-	279,922	269,175	-	269,175
Fundraising	198,080	-	198,080	179,981	-	179,981
Total Expenses	2,416,322	-	2,416,322	1,977,636	-	1,977,636
Change in Net Assets	71,365	(1,538)	69,827	8,026,892	(8,025,505)	1,387
Net Assets						
Beginning of Year	15,644,809	206,493	15,851,302	7,617,917	8,231,998	15,849,915
End of Year	\$ 15,716,174	\$ 204,955	\$ 15,921,129	\$ 15,644,809	\$ 206,493	\$ 15,851,302

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.

**Statements of Functional Expenses
Years Ended December 31, 2025 and 2024**

	2025				2024			
	<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	\$ 913,833	\$ 199,968	\$ 102,383	\$ 1,216,184	\$ 824,082	\$ 195,111	\$ 94,084	\$ 1,113,277
Employee Benefits	77,724	33,288	10,793	121,805	65,179	39,175	26,476	130,830
Payroll Taxes	78,136	16,110	8,543	102,789	72,175	15,244	7,659	95,078
Total Salaries and Related Expenses	1,069,693	249,366	121,719	1,440,778	961,436	249,530	128,219	1,339,185
Depreciation	414,851	10,917	10,917	436,685	159,350	4,193	4,193	167,736
Insurance	106,762	2,810	2,810	112,382	84,763	2,231	2,231	89,225
Utilities	89,854	2,365	2,365	94,584	41,570	1,094	1,094	43,758
Program Expenses	84,371	-	-	84,371	102,024	-	-	102,024
Club Dinner	-	-	54,767	54,767	-	-	39,289	39,289
Repairs and Maintenance	51,353	1,351	1,351	54,055	48,109	1,266	1,266	50,641
Professional Fees	51,238	1,348	1,348	53,934	38,254	1,007	1,007	40,268
Travel and Meetings	8,961	11,203	2,241	22,405	7,171	8,965	1,793	17,929
Supplies and Communications	19,256	507	507	20,270	25,839	680	680	27,199
Awards	13,434	-	-	13,434	8,279	-	-	8,279
Membership Dues / B&GCA	11,921	-	-	11,921	13,903	-	-	13,903
Miscellaneous Expenses	9,903	-	-	9,903	17,329	-	-	17,329
Lease Costs - Operating	5,380	55	55	5,490	20,453	209	209	20,871
Interest Expense	1,343	-	-	1,343	-	-	-	-
Total Expenses	\$ 1,938,320	\$ 279,922	\$ 198,080	\$ 2,416,322	\$ 1,528,480	\$ 269,175	\$ 179,981	\$ 1,977,636

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 69,827	\$ 1,387
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities		
Depreciation	436,685	167,736
Loss on Disposal of Property and Equipment	-	2,708
Accrued Interest on Certificates of Deposit	-	(199)
Unrealized Gain on Investments	(5,913)	(33,832)
Change in Value of Right of Use Asset - Operating Lease	6,290	7,431
Change in Assets and Liabilities		
(Increase) Decrease in		
Prepaid Expenses	(5,501)	1,891
Increase (Decrease) in		
Operating Lease Liability	(5,085)	(6,054)
Accounts Payable	14,295	(274)
Accrued Expenses	(28,571)	13,233
Accrued and Withheld Payroll Taxes	-	(3,161)
Deferred Membership and Grant Revenue	15,630	(14,539)
Net Cash Provided by Operating Activities	<u>497,657</u>	<u>136,327</u>
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(80,182)	(8,699,042)
Redemption (Purchases) of Certificates of Deposit	(156,437)	76,935
Proceeds from Sale of Investments	72,180	-
Purchases of Investments	-	(32,435)
Net Cash Used in Investing Activities	<u>(164,439)</u>	<u>(8,654,542)</u>
Cash Flows from Financing Activities		
Principal Payments on Finance Lease Liability	<u>(10,323)</u>	<u>-</u>
Net Increase (Decrease) in Cash	322,895	(8,518,215)
Cash		
Beginning of Year	<u>1,530,701</u>	<u>10,048,916</u>
End of Year	<u>\$ 1,853,596</u>	<u>\$ 1,530,701</u>
Cash		
Undesignated	\$ 1,648,641	\$ 1,324,208
Restricted	<u>204,955</u>	<u>206,493</u>
Total	<u>\$ 1,853,596</u>	<u>\$ 1,530,701</u>

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
(Continued)		
Supplemental Disclosures of Cash Flow Information		
Cash Payments for		
Amounts Included in Operating Lease Liability	<u>\$ 5,085</u>	<u>\$ 14,280</u>
Interest On Finance Lease Liability	<u>\$ 1,343</u>	<u>\$ 1,344</u>

See notes to financial statements.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2025 and 2024

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, 2025 and 2024

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, 2025 and 2024.

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, 2025 and 2024, the Club has restricted cash of \$204,955 and \$206,493, respectively. This represents the funds that were given to the Club for scholarships, the Wissahickon Valley building project, and Wissahickon Valley operating expenses.

Certificates of Deposit

Certificates of deposit are presented at fair value which is the price that would be received to sell the investment in an orderly transaction between market participants at the measurement date.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2025 and 2024

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

Investments

Investments are presented at fair value based on the quoted market prices of the underlying securities at the end of the year. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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, 2025 and 2024 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 2025 and 2024.

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, 2025 and 2024

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.

2. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditures, that is, without donor restrictions limiting their use within one year of December 31, 2025, comprise the following:

Financial Assets	
Cash	\$ 1,853,596
Certificates of Deposit	<u>1,654,806</u>
Total Financial Assets	3,508,402
Less: Amounts Not Available to be Used Within One Year	
Net Assets with Donor Restrictions	<u>(204,955)</u>
Financial Assets Available to Meet General Expenditures	
Over the Next Year	<u><u>\$ 3,303,447</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.

3. CERTIFICATES OF DEPOSIT

At December 31, 2025 and 2024, certificates of deposit held are as follows:

	<u>2025</u>	<u>2024</u>
C&N Bank	<u>\$ 1,654,806</u>	<u>\$ 1,498,369</u>

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2025 and 2024

4. FAIR VALUE MEASUREMENT

Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under these standards are described as follows:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Club has the ability to access. |
| Level 2 | <p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none">• quoted prices for similar assets or liabilities in active markets;• quoted prices for identical or similar assets or liabilities in inactive markets;• inputs other than quoted prices that are observable for the asset or liability;• inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2025. The certificates of deposit are valued based on inputs for similar investments. The Certificates of deposit are classified as Level 2.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2025 and 2024

5. PROPERTY AND EQUIPMENT

At December 31, 2025 and 2024, the detail of property and equipment is as follows:

	<u>2025</u>	<u>2024</u>
Buildings	\$ 13,382,017	\$ 13,327,756
Building Improvements	1,352,443	1,326,522
Office Furniture and Fixtures	462,671	462,671
Equipment and Signs	488,590	488,590
	<u>15,685,721</u>	<u>15,605,539</u>
Accumulated Depreciation	<u>(3,415,531)</u>	<u>(2,978,846)</u>
Net Property and Equipment	<u>\$ 12,270,190</u>	<u>\$ 12,626,693</u>

For the years ended December 31, 2025 and 2024, depreciation expense totaled \$436,685 and \$167,736, respectively.

6. DEFERRED REVENUE

The following table provides information about significant changes in deferred revenue for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Deferred Grant and Membership Revenue,		
Beginning of Year	\$ 1,650	\$ 16,189
Increase in Deferred Revenue Due to Cash Received		
During the Year	92,280	1,650
Decrease in Deferred Revenue Due to Amounts Spent		
During the Year	<u>(76,650)</u>	<u>(16,189)</u>
Deferred Grant and Membership Revenue, End of Year	<u>\$ 17,280</u>	<u>\$ 1,650</u>

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2025 and 2024

7. 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. The payment for 2025 was made in early 2026.

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 right of use asset relating to the finance lease liability is not being amortized as it relates to land.

At December 31, 2025 and 2024, finance lease liability consisted of the following:

	<u>2025</u>	<u>2024</u>
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.	\$ 120,280	\$ 130,603
Less portion due within one year	<u>10,429</u>	<u>20,752</u>
Net Long-Term Finance Liability	<u><u>\$ 109,851</u></u>	<u><u>\$ 109,851</u></u>

Other Information

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term – finance leases	102 Months	114 Months
Weighted-average discount rate – finance leases	1.025%	1.025%
Interest on finance lease liability	\$1,343	\$1,344

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2025 and 2024

7. FINANCE LEASE LIABILITY (continued)

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

Year Ending December 31,	Amount
2026	\$ 10,429
2027	11,667
2028	11,667
2029	11,667
2030	11,667
Thereafter	70,794
Total Lease Payments	127,891
Less Imputed Interest	(7,611)
Total Finance Lease Liability	\$ 120,280

8. LINE OF CREDIT

The Club has a line of credit with a commercial bank which permits borrowings up to \$1 million. The loan is due on demand and the interest rate is 0.75 points under the prime rate. The Club has not had to draw down on this line of credit as of December 31, 2025.

9. OPERATING LEASE COMMITMENTS

The Club had a vehicle lease which expired September 2025. This lease was accounted for as an operating lease. The payment for the vehicle was \$565 per month.

Other Information

	2025	2024
Weighted-average remaining lease term –operating leases	0 Months	9 Months
Weighted-average discount rate –operating leases	0%	4.10%

There was no operating lease liability remaining as of December 31, 2025.

NORTH PENN VALLEY BOYS AND GIRLS CLUB, INC.
Notes to Financial Statements
December 31, 2025 and 2024

10. NET ASSETS

At December 31, 2025 and 2024, net assets with donor restrictions are available for the following purposes:

	<u>2025</u>	<u>2024</u>
Scholarships	<u>\$ 204,955</u>	<u>\$ 206,493</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>2025</u>	<u>2024</u>
Purposes Restrictions Accomplished		
Wissahickon Project	\$ 649,333	\$ 8,684,492
Project Learn	60,000	32,750
Scholarships	<u>28,583</u>	<u>23,614</u>
Total Net Assets Released from Restrictions	<u>\$ 737,916</u>	<u>\$ 8,740,856</u>

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, 2025 and 2024, the endowment has a balance of \$75,775 and \$67,717, respectively.

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12. SPECIAL EVENTS

During the years ended December 31, 2025 and 2024, 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.

	<u>2025</u>	<u>2024</u>
Support	\$ 192,075	\$ 168,100
Expenses	<u>\$ (54,767)</u>	<u>(39,289)</u>
Net Proceeds	<u><u>\$ 137,308</u></u>	<u><u>\$ 128,811</u></u>

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, 2025 and 2024, the retirement plan expense was \$55,853 and \$52,565, respectively.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 9, 2026, the date the financial statements were available to be issued.