

**THE PRESERVATION ALLIANCE  
FOR GREATER PHILADELPHIA**

**FINANCIAL REPORT  
December 31, 2021 and 2020**

# THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

## TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	
Year ended December 31, 2021	4
Year ended December 31, 2020	5
Schedule of Functional Expenses	
Year ended December 31, 2021	6
Year ended December 31, 2020	7
Statement of Cash Flows	8
Notes to Financial Statements	9

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**INDEPENDENT AUDITOR'S REPORT**

**Board of Directors**  
**The Preservation Alliance for Greater Philadelphia**  
**Philadelphia, Pennsylvania**

**Opinion**

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, 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 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, 2021, and 2020, and the changes in 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Preservation Alliance for Greater Philadelphia and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Preservation Alliance for Greater Philadelphia's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's 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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Preservation Alliance for Greater Philadelphia'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 Preservation Alliance for Greater Philadelphia'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.



SNYDER, DAITZ & COMPANY

Philadelphia, PA

May 25, 2022

**PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA**

STATEMENT OF FINANCIAL POSITION  
December 31,

	<u>2021</u>	<u>2020</u>
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 770,422	\$ 682,443
Grants and contributions receivable	147,682	144,693
Prepaid expenses	<u>28,310</u>	<u>26,853</u>
<b>Total Current Assets</b>	<b><u>\$ 946,414</u></b>	<b><u>\$ 853,989</u></b>
<b><u>NON-CURRENT ASSETS</u></b>		
Grants and contributions receivable	\$ -	\$ 129,663
Investments	13,977	8,709
Deposits	10,081	10,081
Property and equipment, net of depreciation	<u>5,812</u>	<u>4,357</u>
	<b><u>\$ 29,870</u></b>	<b><u>\$ 152,810</u></b>
<b>Total Assets</b>	<b><u>\$ 976,284</u></b>	<b><u>\$ 1,006,799</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable and accrued liabilities	\$ 21,302	\$ 13,017
Accrued payroll liabilities	17,010	14,552
Current portion of long-term debt	<u>1,734</u>	<u>1,734</u>
<b>Total Current Liabilities</b>	<b><u>\$ 40,046</u></b>	<b><u>\$ 29,303</u></b>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Note payable	<u>\$ 148,266</u>	<u>\$ 148,266</u>
<b>Total Liabilities</b>	<b><u>\$ 188,312</u></b>	<b><u>\$ 177,569</u></b>
<b><u>NET ASSETS</u></b>		
Without donor restrictions	\$ 533,977	\$ 438,072
With donor restrictions	<u>253,995</u>	<u>391,158</u>
	<b><u>\$ 787,972</u></b>	<b><u>\$ 829,230</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 976,284</u></b>	<b><u>\$ 1,006,799</u></b>

The accompanying notes are an integral part of this statement.

# PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

## STATEMENT OF ACTIVITIES Years ended December 31, 2021 and 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2021 Total	2020 Total
<b><u>REVENUE</u></b>				
Grants	\$ 122,037	\$ 5,000	\$ 127,037	\$ 169,549
Contributions	87,333	0	87,333	67,712
Easement donations	16,087	0	16,087	16,168
Member dues	261,389	0	261,389	258,556
Special projects and events	324,637	0	324,637	238,598
Investment income	1,715	0	1,715	1,635
Fees for program services	26,451	0	26,451	9,930
Net assets released from restrictions	142,163	(142,163)	0	0
<b>Total Support and Revenue</b>	<b>\$ 981,812</b>	<b>\$ (137,163)</b>	<b>\$ 844,649</b>	<b>\$ 762,148</b>
<b><u>EXPENSES</u></b>				
Program services	\$ 452,122		\$ 452,122	359,981
General and administrative	125,169		125,169	86,124
Fundraising				
Membership development	81,720		81,720	75,707
Other fundraising	226,896		226,896	193,040
<b>Total Expenses</b>	<b>\$ 885,907</b>	<b>0</b>	<b>\$ 885,907</b>	<b>\$ 714,852</b>
<b>Change in Net Assets</b>	<b>\$ 95,905</b>	<b>\$ (137,163)</b>	<b>\$ (41,258)</b>	<b>\$ 47,296</b>
<b><u>CHANGE IN NET ASSETS</u></b>				
Without donor restrictions	\$ 95,905	0	\$ 95,905	\$ 67,923
With donor restrictions	0	\$ (137,163)	(137,163)	(20,627)
<b>Change in Net Assets</b>	<b>\$ 95,905</b>	<b>\$ (137,163)</b>	<b>\$ (41,258)</b>	<b>\$ 47,296</b>
<b>Net Assets, Beginning</b>	<b>438,072</b>	<b>391,158</b>	<b>829,230</b>	<b>781,934</b>
<b>Net Assets, Ending</b>	<b>\$ 533,977</b>	<b>\$ 253,995</b>	<b>\$ 787,972</b>	<b>\$ 829,230</b>

The accompanying notes are an integral part of this statement.

# PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

## STATEMENT OF ACTIVITIES Year ended December 31, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>REVENUE</b>			
Grants	\$ 134,549	\$ 35,000	\$ 169,549
Contributions	67,712	0	67,712
Easement donations	7,300	8,868	16,168
Member dues	258,556	0	258,556
Special projects and events	238,598	0	238,598
Investment income	1,635	0	1,635
Fees for program services	9,930	0	9,930
Net assets released from restrictions	64,495	(64,495)	0
<b>Total Support and Revenue</b>	<b>\$ 782,775</b>	<b>\$ (20,627)</b>	<b>\$ 762,148</b>
<b>EXPENSES</b>			
Program services	\$ 359,981		\$ 359,981
General and administrative	86,124		86,124
Fundraising			
Membership development	75,707		75,707
Other fundraising	193,040		193,040
<b>Total Expenses</b>	<b>\$ 714,852</b>	<b>0</b>	<b>\$ 714,852</b>
<b>Change in Net Assets</b>	<b>\$ 67,923</b>	<b>\$ (20,627)</b>	<b>\$ 47,296</b>
<b>CHANGE IN NET ASSETS</b>			
Without donor restrictions	\$ 67,923	0	\$ 67,923
With donor restrictions	0	\$ (20,627)	(20,627)
<b>Change in Net Assets</b>	<b>\$ 67,923</b>	<b>\$ (20,627)</b>	<b>\$ 47,296</b>
<b>Net Assets, Beginning</b>	<b>370,149</b>	<b>411,785</b>	<b>781,934</b>
<b>Net Assets, Ending</b>	<b>\$ 438,072</b>	<b>\$ 391,158</b>	<b>\$ 829,230</b>

The accompanying notes are an integral part of this statement.

## PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

### STATEMENT OF FUNCTIONAL EXPENSES Year ended December 31, 2021 and 2020

<b>EXPENSES</b>	2021					2020	
	Program Services	General & Administration	Fundraising			Total	Total
			Membership Development	Other Fundraising	Fundraising Total		
Salaries	\$ 221,196	\$ 23,709	\$ 53,290	\$ 109,030	\$ 162,320	\$ 407,225	\$ 364,183
Payroll tax expense	18,166	934	4,374	8,951	13,325	32,425	31,862
Employee benefits	22,740	2,438	5,479	11,208	16,687	41,865	35,899
Auditing and accounting	0	32,523	0	0	0	32,523	31,506
Conference and meetings	510	260	0	0	0	770	970
Consultants	77,472	36,526	1,180	5,894	7,074	121,072	66,437
Depreciation	1,395	150	336	688	1,024	2,569	1,780
Dues and subscriptions	2,925	1,433	2,527	0	2,527	6,885	6,942
Easement services	683	0	0	0	0	683	3,387
Equipment	3,515	377	847	1,733	2,580	6,472	6,521
Financial fees	0	13,309	0	0	0	13,309	9,949
Insurance	4,499	458	1,030	1,882	2,912	7,869	4,109
Legal fees	0	5,164	0	0	0	5,164	0
Office supplies	5,875	2,907	624	8,016	8,640	17,422	13,310
Postage and courier	1,184	212	255	648	903	2,299	1,922
Printing and graphics	11,215	760	0	14,698	14,698	26,673	20,571
Rent and occupancy	27,392	2,936	6,600	13,501	20,101	50,429	49,252
Special events	48,754	0	4,274	48,710	52,984	101,738	55,765
Telephone	3,637	390	876	1,794	2,670	6,697	6,613
Travel and meals	964	683	28	143	171	1,818	3,874
	<b>\$ 452,122</b>	<b>\$ 125,169</b>	<b>\$ 81,720</b>	<b>\$ 226,896</b>	<b>\$ 308,616</b>	<b>\$ 885,907</b>	<b>\$ 714,852</b>

The accompanying notes are an integral part of this statement.



**PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA**

**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended December 31, 2020

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

The accompanying notes are an integral part of this statement.

# PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

## STATEMENT OF CASH FLOWS Years ended December 31, 2021 and 2020

	2021	2020
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ (41,258)	\$ 47,296
Adjustments to reconcile to cash from operations		
Depreciation	2,569	1,780
Forgiveness of debt of PPP loan	(66,565)	(101,000)
Donated securities	(4,257)	(3,724)
Dividends	(294)	(121)
Unrealized (gain) loss on investments	(717)	(856)
(Increase) decrease in:		
Grants receivable	126,674	48,085
Prepaid expenses	(1,457)	(16,195)
Increase (decrease) in:		
Accounts payable	8,285	(3,812)
Accrued payroll liabilities	2,458	2,862
	<u>\$ 25,438</u>	<u>\$ (25,685)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Dividends	\$ 294	\$ 121
Reinvested dividends	(294)	(121)
Purchase of office furniture	(4,024)	0
	<u>\$ (4,024)</u>	<u>\$ -</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Borrowing on EIDL loan	\$ -	\$ 150,000
Borrowing on PPP loan	66,565	101,000
	<u>\$ 66,565</u>	<u>\$ 251,000</u>
Net cash provided by financing	<u>\$ 66,565</u>	<u>\$ 251,000</u>
Net Increase in Cash for Year	\$ 87,979	\$ 225,315
Cash balance, beginning	<u>682,443</u>	<u>457,128</u>
Cash balance, ending	<u>\$ 770,422</u>	<u>\$ 682,443</u>
<b><u>SUPPLEMENTAL DISCLOSURES:</u></b>		
Cash paid for interest	<u>\$ -</u>	<u>\$ 29</u>

The accompanying notes are an integral part of this statement.

# THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

## NOTES TO FINANCIAL STATEMENTS December 31, 2021 and 2020

### 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 May 25, 2022, 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 9.

#### 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, 2021 and 2020

### 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, 2021 and 2020

### 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	\$ 770,422
Grants and contributions receivable	147,682
Investments	<u>13,977</u>
Total financial assets	<u>\$ 932,081</u>
Less: Amounts not available to be used within one year:	
Net assets with purpose restrictions	
Cash	<u>(\$ 121,495)</u>
Financial assets available to meet general expenditures Over the next year	<u>\$ 810,586</u>

Cash and cash equivalents of \$770,422 reflected on the statement of financial position includes \$121,495 of cash restricted by donors for certain purposes.

The investments of \$13,977 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, 2021 and 2020

### 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>2021</u>			
Equity securities	<u>\$ 12,339</u>	<u>\$ 13,977</u>	<u>\$ 13,977</u>
<u>2020</u>			
Equity securities	<u>\$ 7,787</u>	<u>\$ 8,709</u>	<u>\$ 8,709</u>

Gains and losses (realized and unrealized) included in changes in net assets for the years ended December 31, 2021 and 2020 are reported in investment income. All such losses for 2021 and 2020 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, 2021 and 2020

### NOTE 5 – GRANTS AND CONTRIBUTIONS RECEIVABLE

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

	<u>2021</u>	<u>2020</u>
Marian Anderson House	\$ 0	\$ 10,000
Eastern North Arts & Culture	0	5,000
Unrestricted contributions and pledges	12,682	24,693
Time restricted operating grants	<u>135,000</u>	<u>235,000</u>
	\$ 147,682	\$ 274,693
Less: Unamortized discount	0	( 337)
	<u>\$ 147,682</u>	<u>\$ 274,356</u>
Amounts due in:		
Less than one year	\$ 147,682	\$ 144,693
One to five years	0	129,663
	<u>\$ 147,682</u>	<u>\$ 274,356</u>

### NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Office equipment	\$112,864	\$108,840
Office furniture	<u>4,341</u>	<u>4,341</u>
	117,205	113,181
Less: Accumulated depreciation	<u>111,393</u>	<u>108,824</u>
	<u>\$ 5,812</u>	<u>\$ 4,357</u>

### NOTE 7 – 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.

On February 10, 2021, The Organization received a second loan from Firsttrust Bank in the amount of \$66,565, 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 February 10, 2021, matures on February 10, 2026, and bears an interest rate of 1%. 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 3200.18 issued in June 2020, the loans are accounted for as conditional contributions. The Organization has used both loan amounts for qualifying expenses, and has thus met the conditions for forgiveness and recognition of the full grant amounts. The first loan was forgiven on February 10, 2021, and the second loan was forgiven on October 25, 2021.

# THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

## NOTES TO FINANCIAL STATEMENTS December 31, 2021 and 2020

### NOTE 8 – 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 two years 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, 2022	\$ 1,734
2023	3,530
2024	3,628
2025	3,729
2026	3,833
And thereafter	<u>133,546</u>
	<u>\$150,000</u>

### NOTE 9 – 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>2021</u>	<u>2020</u>
Easement Fund	\$140,091	\$ 91,758
John Gallery Advocacy Fund	18,325	9,915
	<u>\$158,416</u>	<u>\$101,673</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>2021</u>	<u>2020</u>
Easements	\$ 50,145	\$ 50,145
Mid-Century Modern	46,350	46,350
Historic Religious Properties Fund	22,500	25,000
Marian Anderson House	0	30,000
Eastern North Arts & Culture	0	5,000
Time restricted	<u>135,000</u>	<u>234,663</u>
	<u>\$253,995</u>	<u>\$391,158</u>



# THE PRESERVATION ALLIANCE FOR GREATER PHILADELPHIA

## NOTES TO FINANCIAL STATEMENTS December 31, 2021 and 2020

### 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 \$4,146 through March 2022, and increase annually up to \$4,234 in the final year of the lease. Total office rent expense was approximately \$50,400 and \$49,300 for 2021 and 2020, respectively.

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

	<u>Office Space</u>	<u>Equipment</u>
Year ending December 31, 2022	\$ 50,543	4,333
2023	<u>12,702</u>	<u>0</u>
	<u>\$ 63,245</u>	<u>\$ 4,333</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.