

**WILLOW GROVE COMMUNITY
DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

(See Independent Auditors' Report)

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936 Easton Rd., PO Box 754, Warrington, PA 18976 | 130 Almshouse Rd., Suite 201A, Richboro, PA 18954
215-343-2727 | www.bbco-cpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Willow Grove Community Development Corporation
Willow Grove, Pennsylvania

Opinion

We have audited the accompanying financial statements of the Willow Grove Community Development Corporation, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year 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 Willow Grove Community Development Corporation as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Willow Grove Community Development Corporation 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Willow Grove Community Development Corporation's ability to continue as a going concern within 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 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 are considered material if there is a substantial likelihood that they would influence the judgment made by a reasonable user based 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 Willow Grove Community Development Corporation'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 Willow Grove Community Development Corporation'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.

Report on Summarized Comparative Information

We have previously audited Willow Grove Community Development Corporation's 2022 financial statements, and our report dated March 24, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bee, Bergvall and Company, P.C.
Certified Public Accountants

Warrington, PA
March 25, 2024

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Statements of Financial Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 1,758,838	\$ 1,569,876
Grant receivable	30,000	-
Accounts receivable	6,285	9,063
Deferred finance costs, net	<u>2,449</u>	<u>3,674</u>
Total Current Assets	<u>1,797,572</u>	<u>1,582,613</u>
Tenant Security Deposits	<u>49,326</u>	<u>47,532</u>
Fixed Assets		
Buildings	8,196,967	6,945,964
Land	284,500	284,500
Furnishings	<u>12,818</u>	<u>9,601</u>
Total	8,494,285	7,240,065
Less: accumulated depreciation	<u>(5,194,426)</u>	<u>(4,961,598)</u>
Net Fixed Assets	<u>3,299,859</u>	<u>2,278,467</u>
 TOTAL ASSETS	 <u>\$ 5,146,757</u>	 <u>\$ 3,908,612</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Current portion of mortgage payable	\$ 71,245	\$ 68,561
Credit card payable	-	1,603
Grant advances	760,122	658,000
Rent advances	<u>8,414</u>	<u>3,666</u>
Total Current Liabilities	<u>839,781</u>	<u>731,830</u>
Long Term Liabilities		
Mortgage payable, less current portion	1,684,752	1,758,642
Tenant security deposits	<u>49,326</u>	<u>47,532</u>
Total Long Term Liabilities	<u>1,734,078</u>	<u>1,806,174</u>
Net Assets		
Without Donor Restrictions		
Board designated for capital improvement	\$ 220,336	-
Undesignated	<u>400,510</u>	<u>(581,444)</u>
	<u>620,846</u>	<u>(581,444)</u>
With Donor Restrictions		
Time restricted for future periods	641,034	641,034
Perpetual	<u>1,311,018</u>	<u>1,311,018</u>
	<u>1,952,052</u>	<u>1,952,052</u>
Total Net Assets	<u>2,572,898</u>	<u>1,370,608</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 5,146,757</u>	 <u>\$ 3,908,612</u>

See independent auditors' report and
accompanying notes to financial statements.

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Statements of Activities

For the Year Ended December 31, 2023

With Summarized Comparative Totals for the Year Ended December 31, 2022

	Without	With		
	Donor	Donor	2023	2022
	Restrictions	Restrictions	Total	Total
Revenue and Support				
Revenue				
Rental income				
Tenants	\$ 546,171	\$ -	\$ 546,171	\$ 507,632
Housing Assistance Payments	88,801	-	88,801	94,650
Total Rental Income	634,972	-	634,972	602,282
Interest income	25,565	-	25,565	4,146
Total Revenue	660,537	-	660,537	606,428
Support				
Grant income	45,000	1,248,878	1,293,878	146,200
Public support	3,589	-	3,589	6,524
Contributed nonfinancial assets	45,390	-	45,390	25,903
Total Support	93,979	1,248,878	1,342,857	178,627
Net Assets Released From Restriction	1,248,878	(1,248,878)	-	-
Total Revenue and Support	2,003,394	-	2,003,394	785,055
Expenses				
Program Services				
Maintenance	136,867	-	136,867	159,134
Real estate taxes	15,757	-	15,757	8,600
Interest expense	66,679	-	66,679	73,641
Payroll and related expenses	92,373	-	92,373	85,916
Food donations and vouchers	45,390	-	45,390	25,903
Insurance expense	42,858	-	42,858	33,308
Trash	21,155	-	21,155	19,757
Utilities	27,296	-	27,296	20,990
Advertising and promotion	1,550	-	1,550	741
Office expense and miscellaneous	12,212	-	12,212	8,724
Total Program Services	462,137	-	462,137	436,714
Support Services				
Payroll and related expenses	75,578	-	75,578	70,295
Professional fees	18,255	-	18,255	24,071
Insurance expense	661	-	661	589
Advertising and promotion	1,267	-	1,267	606
Office expense and miscellaneous	9,153	-	9,153	6,458
Total Support Services	104,914	-	104,914	102,019
Total Expenses	567,051	-	567,051	538,733
Change in Net Assets before Depreciation and Other Income	1,436,343	-	1,436,343	246,322
Depreciation	234,053	-	234,053	228,555
Change in Net Assets after Depreciation and Other Income	1,202,290	-	1,202,290	17,767
Net Assets, Beginning of Year	(581,444)	1,952,052	1,370,608	1,352,841
Net Assets, End of Year	\$ 620,846	\$ 1,952,052	\$ 2,572,898	\$ 1,370,608

See independent auditors' report and
accompanying notes to financial statements.

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Statements of Functional Expenses

For the Year Ended December 31, 2023

With Summarized Comparative Totals for the Year Ended December 31, 2022

	Program Services				Supporting Services			
					Management and General	Fund Raising	2023 Total	2022 Total
	Housing	Nutrition	VITA	Total				
Functional Expenses								
Maintenance	\$ 136,867	\$ -	\$ -	\$ 136,867	\$ -	\$ -	\$ 136,867	\$ 159,134
Interest expense	66,679	-	-	66,679	-	-	66,679	73,641
Payroll	49,978	16,659	16,660	83,297	37,862	30,289	151,448	140,592
Food donations and vouchers	-	45,390	-	45,390	-	-	45,390	25,903
Insurance expense	42,858	-	-	42,858	367	294	43,519	33,897
Trash	21,155	-	-	21,155	-	-	21,155	19,757
Utilities	27,296	-	-	27,296	-	-	27,296	20,990
Advertising and promotion	929	310	311	1,550	704	563	2,817	1,347
Professional fees	-	-	-	-	18,255	-	18,255	24,071
Real estate taxes	15,757	-	-	15,757	-	-	15,757	8,600
Taxes - payroll	5,446	1,815	1,815	9,076	4,126	3,301	16,503	15,619
Office expense	5,336	1,779	1,779	8,894	4,043	3,234	16,171	11,653
Miscellaneous	1,991	664	663	3,318	376	1,500	5,194	3,529
Total Expenses before								
Depreciation	374,292	66,617	21,228	462,137	65,733	39,181	567,051	538,733
Depreciation	234,053	-	-	234,053	-	-	234,053	228,555
Total Functional Expenses	\$ 608,345	\$ 66,617	\$ 21,228	\$ 696,190	\$ 65,733	\$ 39,181	\$ 801,104	\$ 767,288

See independent auditors' report and
accompanying notes to financial statements.

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Statements of Cash Flows

For the Year Ended December 31, 2023

With Comparative Totals for the Year Ended December 31, 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 1,202,290	\$ 17,767
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	234,053	228,555
Decrease (increase) in grants receivable	(30,000)	-
Decrease (increase) in accounts receivable	2,778	134
Decrease (increase) in security deposits	1,794	619
Increase in deferred finance costs, net	1,225	-
Increase in credit cards payable	(1,603)	1,603
Increase in grant advances	102,122	658,000
Increase (decrease) in rent advances	4,748	(7,976)
Net cash from operating activities	<u>1,517,407</u>	<u>898,702</u>
Cash flows from investing activities		
Capital expenditures for buildings	<u>(1,255,445)</u>	<u>(104,836)</u>
Net cash used in investing activities	<u>(1,255,445)</u>	<u>(104,836)</u>
Cash flows from financing activities		
Payment of debt principal	<u>(71,206)</u>	<u>(64,251)</u>
Net cash used in financing activities	<u>(71,206)</u>	<u>(64,251)</u>
Net change in cash and cash equivalents	190,756	729,615
Cash and cash equivalents at beginning of year	<u>1,617,408</u>	<u>887,793</u>
Cash and cash equivalents at end of year	<u>\$ 1,808,164</u>	<u>\$ 1,617,408</u>
Supplemental disclosure:		
Interest paid during year	<u>\$ 66,679</u>	<u>\$ 73,641</u>
<u>Reconciliation of cash and cash equivalents</u>		
Cash and cash equivalents	\$ 1,758,838	\$ 1,569,876
Tenants deposits	<u>49,326</u>	<u>47,532</u>
	<u>\$ 1,808,164</u>	<u>\$ 1,617,408</u>

See independent auditors' report and
accompanying notes to financial statements.

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

NOTE 1. Summary of Significant Accounting Policies

Organization - The Willow Grove Community Development Corporation (Corporation) was organized in Pennsylvania in 1990 as a non-profit corporation for the purpose of purchasing homes, rehabilitating the homes, and renting them to low to moderate income families or individuals. Their mission is helping families and communities by providing affordable housing. The Corporation currently concentrates its operations in the Montgomery County area of Pennsylvania. The primary sources of revenue are tenant rents and housing assistance payments received from Montgomery County Housing Authority (MCHA), and grant revenue from various sources.

Supportive rental housing programs - The Corporation provides affordable rental housing units and support services to individuals and families who qualify as low-to-moderate income households. Rents are well below market rates, and are subsidized to ensure that renters pay no more than 30% of their income for housing costs. Support team home visits are made 3 times a year, supplemented by counseling, classes, and social services at the office. Renters include elderly persons, disabled persons, families with children, and military veterans. Approximately 16% of rents are subsidized by HUD vouchers, and 84% are subsidized by Willow Grove CDC.

Senior nutrition programs - The Corporation offers 2 nutrition programs for very low-income persons over age 60. Both programs provide nutrition education and additional services. It distributes nearly 6 tons of food annually through the senior food box program, which offers monthly USDA food boxes and cheese. The food is supplemented by additional donated food, goods, and social services. It also distributes farmers' market nutrition vouchers, which provide fresh produce for qualified seniors. It participates in community outreach events to promote our nutrition programs and help qualified people access services. The Corporation is an active member of MontCo Anti-Hunger Network.

Volunteer Income Tax Assistance (VITA) program - The Corporation offers income tax assistance and e-filing for low-income households with income under \$54,000. Volunteers train through IRS to serve as greeters, intake interviewers, tax preparers, quality reviewers, and site coordinators. The office also offers financial education and asset-building activities, such as classes for financial education, credit, mortgages, and home buyer education. The Corporation is an active member of Montgomery County Partners for Homeownership, and participates in the annual Montgomery County Housing Fair geared toward first-time buyers.

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

NOTE 1. Summary of Significant Accounting Policies (Continued)

Method of Accounting - The Corporation uses the accrual method of accounting. Revenues are accounted for when earned and expenses are accounted for when incurred.

Comparative Financial Information - The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2022 from which the summarized information was derived.

Cash and Cash Equivalents - The Corporation consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Restricted Cash - Restricted cash represents security deposits held on behalf of tenants.

Receivables - Accounts receivable consist primarily of noninterest bearing amounts due for rent. The Corporation determines the allowance for credit losses based on historical experience. Accounts receivable are written off when deemed uncollectible. Receivables are considered past due when they are more than 60 days behind. At December 31, 2023, there are no amounts past due and the Corporation determined that no allowance was needed.

Promises to Give - The Corporation record unconditional promises to give that are expected to be collected within one year at net realizable value. There were no promises to give that extended beyond one year.

Property and Equipment - Property and equipment are stated at historical cost if over \$5,000 or if donated, at fair value on the date of donation. Buildings include expenses for rehabilitation. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets which range from 7 to 27 years. Depreciation expense for the year ended December 31, 2023 was \$232,828. Certain properties are liened by the grantor who provided the funds for the initial purchase of the property. This is discussed in more detail in the Net Assets with Donor Restrictions footnote.

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

NOTE 1. Summary of Significant Accounting Policies (Continued)

Deferred Finance Costs - Deferred finance costs resulted from loan re-financing and are being amortized over 10 years. Amortization expense for the year ended December 31, 2023 is \$1,225.

Net Assets - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operation and not subject to donor or grantor restrictions. The governing board has designated, from net assets without donor restrictions net assets for retirement.

Net Assets with Donor-Imposed Restrictions - Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition - Revenues are recognized when earned. Rent revenue is recognized as rents become due. Rents received in advance are deferred to the applicable period in which the rent is earned. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restriction. When a restriction expires, 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. Grants received with conditions that have not been met yet are recorded as grant advances.

Contribution of nonfinancial assets - The Corporation records the value of contributed nonfinancial assets or services when there is an objective basis available to measure their value. No amounts have been reflected in the statements for donated services, as no objective basis is available to measure the value of such services. Nevertheless, all the Board members are volunteers and have donated significant amounts of their time to the Corporation.

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

NOTE 1. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. The expenses that are allocated include occupancy, depreciation, salaries, benefits, payroll taxes, professional services, office expenses, interest, insurance, and other, which are allocated based on estimates of time and effort spent by each employee allocated to the program or supporting function.

Advertising - All advertising cost are expensed when incurred. Advertising expenses for the years ended December 31, 2023 was \$2,816.

Income Taxes - The Corporation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Corporation has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2023.

Accounting for Uncertainty in Income Taxes - The Corporation follows the accounting guidance for uncertainty in income taxes using the Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than not the position will be sustained upon examination of the tax authorities. The Corporation believes it has support for the income tax positions taken on its tax returns. The Corporation’s open tax audit periods are December 31, 2020 to 2022. As of December 31, 2023, the Corporation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

NOTE 1. Summary of Significant Accounting Policies (Continued)

Financial Instruments and Credit Risk - The Corporation manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. At December 31, 2023, the Corporation had approximately \$1,061,721 of uninsured balances. To date, the Corporation has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates.

Reclassifications - Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The Corporation has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report, which is the date the financial statements were available to be issued.

NOTE 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	<u>\$1,758,838</u>
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The Corporation uses their cash balances for liquidity and the entire cash balance is available for the coming year's expenses. As part of the Corporation's liquidity management plan, the Corporation invests cash in excess of daily requirements in money market funds.

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

NOTE 3. Fair Value of Financial Instruments

The Corporation follows Fair Value Measurements as required by the FASB Standards Codification, which defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements. It applies to other pronouncements that require or permit fair value but does not require any new fair value measurements. The statement defines fair value as “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.”

The Codification establishes a fair value hierarchy to increase consistency and comparability in fair value measurements and disclosures. The hierarchy is based on the inputs used in valuation and gives the highest priority to quoted prices in active markets. The highest possible level should be used to measure fair value.

The Codification requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Bank Loan Payable and Mortgage Payable (Level 2) - Fair value approximates carrying value since stated rates are similar to rates currently available to the Corporation for debt with similar terms and remaining maturities.

The estimated fair values of the Corporation’s financial instruments at December 31, 2023 are as follows:

		Carrying	Fair
		<u>Amount</u>	<u>Value</u>
Financial Liabilities:			
	Mortgage payable	<u>\$ 1,755,997</u>	<u>\$ 1,755,997</u>

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

NOTE 4. Net Assets With Donor Restrictions

The Corporation has an agreement with Abington Township (who provided property rehabilitation funds) that states if the properties are sold to an individual or organization that was not a non-profit venture serving low-income people then the Corporation would owe the Township the amount of the rehabilitation funds used (permanent lien). There were also properties that Abington Township assisted with a forgivable loan which were lienied against the properties and were forgiven over the course of 4-10 years. The forgivable loans were recorded as temporarily restricted net assets with the amount of forgiveness recorded as assets released from restrictions each year or at the end of the term as applicable. For some of these properties, the Township has loaned an additional amount of money that is a permanent lien against the property. Following the guidance of the Accounting for Contributions Received and Contributions Made topic of the FASB Standards Codification, the loans were recorded as revenue in the year they were received as the Corporation had substantially met the conditions of the loan. The permanent liens are recorded as permanently restricted net assets.

The Corporation has also received forgivable loans from the County. These loans will be forgiven as follows: 210 Cedar in 2024; 217/229 Summit in 2026; 337 Bonaire, 502 Arbutus and 308 N. York in 2028.

Net assets with donor restrictions were restricted for the following purposes or periods:

			Subject to the <u>Passage of Time</u>	Perpetual <u>in Nature</u>	Total Subject <u>to Restriction</u>
Loans provided by County			\$ 639,670	\$ -	\$ 639,670
Grant provided by Affordable Housing Trust			1,364	-	1,364
Loans provided by Abington Township			-	1,311,018	1,311,018
Total			<u>\$ 641,034</u>	<u>\$ 1,311,018</u>	<u>\$ 1,952,052</u>

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

NOTE 4. Net Assets With Donor Restrictions (Continued)

The amount of lien to be forgiven is classified as subject to the passage of time. The amount of permanent lien is perpetual in nature. Following is the status of the properties:

	Subject to the <u>Passage of Time</u>	Perpetual <u>in Nature</u>	Total Subject <u>to Restriction</u>
1700/02 Arnold	\$ -	\$ 56,990	\$ 56,990
1736 Prospect	-	101,170	101,170
1559 Prospect	-	60,014	60,014
2602 Phipps	-	38,294	38,294
2612 Lamott	-	75,014	75,014
1554 Fairview	-	75,026	75,026
1550 Fairview	-	75,026	75,026
1514 Fairview	-	85,026	85,026
2608 Lamott	-	65,014	65,014
2429 Hamilton	-	90,028	90,028
1567 Robinson	-	100,028	100,028
2544 Rubicam	-	50,014	50,014
2545 Pierce	-	59,314	59,314
210 Cedar	279,670	-	279,670
1607/1609 Prospect	-	340,310	340,310
1649/1651 High	-	39,750	39,750
217/229 Summit	210,000	-	210,000
337 Bonaire	87,438	-	87,438
502 Arbutus	20,000	-	20,000
308 N. York	42,562	-	42,562
Total	<u>\$ 639,670</u>	<u>\$ 1,311,018</u>	<u>\$ 1,950,688</u>

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

NOTE 5. Long-Term Debt

Debt interest rates and maturity dates are as follows. All debt is secured by the related property.

	<u>Property</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Payment Amount</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
1	1649 High Avenue	4.00%	10/43	\$ 310	\$ 1,718	\$ 49,212	\$ 50,930
2	1651 High	4.00%	10/43	191	1,057	30,287	31,344
3	1736 Prospect	4.00%	10/43	358	1,982	56,788	58,770
4	1604 Franklin	4.00%	10/43	191	1,057	30,287	31,344
5	1700/02 Arnold Ave	4.00%	10/43	358	1,982	56,788	58,770
6	14 Cherry Street	4.00%	10/43	310	1,718	49,212	50,930
7	217-229 Summit Avenue	3.00%	12/41	1,054	7,478	168,264	175,742
8	2544 Rubican/2545 Pierce	4.00%	10/43	228	1,057	30,287	31,344
9	235 Garden Ave	4.00%	10/43	334	1,850	53,003	54,853
10	502 Arbutus Ave	4.00%	10/43	334	1,850	53,003	54,853
11	308 N. York Road	4.00%	10/43	334	1,850	53,003	54,853
12	2602 Phipps	4.00%	10/43	191	1,057	30,287	31,344
13	1-3-5 Woodland	4.00%	10/43	501	2,775	79,498	82,273
14	435 Arbutus	4.00%	10/43	334	1,850	53,003	54,853
15	1565 Prospect	4.00%	1/37	477	3,472	54,531	58,003
16	262 Southern	4.63%	11/30	159	1,190	14,989	16,179
17	254 Southern	4.63%	11/30	159	1,190	14,989	16,179
18	1556 Franklin	2.95%	12/33	126	1,138	11,907	13,045
19	1554 Fairview	4.00%	10/43	191	1,057	30,287	31,344
20	1550 Fairview	4.00%	10/43	191	1,057	30,287	31,344
21	1500 Fairview	2.95%	12/33	126	1,138	11,907	13,045
22	1514 Fairview	4.00%	10/43	191	1,057	30,287	31,344
23	1646 Franklin	4.90%	8/39	905	3,149	65,323	68,472
24	2429 Hamilton Avenue	3.95%	9/34	162	1,328	16,107	17,435
25	1836 Fairview	4.00%	10/43	167	925	26,501	27,426
26	1646 Summit	4.00%	10/43	191	1,057	30,287	31,344
27	1567 Robinson	4.00%	10/35	167	1,273	17,607	18,880
28	337 Bonair	4.00%	10/43	334	1,850	53,003	54,853
29	1542/1546 Prospect	4.65%	8/38	773	4,784	94,181	98,965
30	281 Southern	4.00%	10/43	501	2,776	79,498	82,274
31	1607-09 Prospect	4.50%	10/43	1,767	3,596	88,603	92,199
32	210 Cedar	3.38%	12/40	1,291	8,869	191,249	200,118
33	2545 Pierce	4.00%	10/43	191	1,058	30,287	31,345
	Total				<u>\$ 71,245</u>	<u>\$ 1,684,752</u>	<u>\$ 1,755,997</u>

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

NOTE 5. Long-Term Debt (Continued)

The schedule of the maturities of principal is as follows:

	<u>Principal</u>
2024	\$ 71,245
2025	74,041
2026	76,950
2027	79,973
2028	83,118
Thereafter	<u>1,370,670</u>
Total	<u>\$ 1,755,997</u>

The schedule of changes in debt during the year is as follows:

	<u>Balance</u>		<u>Balance</u>
	<u>January 1,</u>	<u>Principal</u>	<u>December 31,</u>
	<u>2023</u>	<u>Repayments</u>	<u>2023</u>
Debt	<u>\$ 1,827,203</u>	<u>\$ 71,206</u>	<u>\$ 1,755,997</u>

In October 2013, mortgages for 23 of the properties were refinanced at a rate of 4.00% for a 30-year term. The net proceeds of the refinancing of approximately \$530,000 was designated by the Board as Capital Improvement Funds, which will be used for future property acquisitions and expenditures for major rehabilitation and maintenance of existing properties. The balance of the Capital Improvement Fund at December 31, 2023 was \$220,336.

Willow Grove Community Development Corporation established a line of credit of \$325,000 with Truist Bank. At December 31, 2023, there was no amount outstanding on this loan.

NOTE 6. Conditional Grant

In 2022, Upper Moreland awarded a grant of \$320,000 to purchase up to three single family residences and assist two first time home buyers. Montgomery County awarded a grant for \$1,880,000 to purchase six new properties and assist five first time home buyers.

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

NOTE 6. Conditional Grant (Continued)

In 2023, four of the six properties were purchased using \$300,000 of the Upper Moreland funds and \$948,878 of the Montgomery County funds. Funds totaling \$1,709,000 have been received from Montgomery County. An amount of \$760,122 has been recorded as a grant advance since the funds are contingent upon the property purchase. Property is anticipated to be purchased in 2024 and then the funds will be recognized into income. Both grant funds are from the American Rescue Plan Act (ARPA) fund awards to the Township and County.

In 2023, Upper Moreland awarded an additional \$80,000 and \$40,000 to go towards property acquisition and to provide first time homebuyer assistance respectively. This program will start in 2024 and no funds have been received yet.

Also in 2023, Abington Township awarded \$90,000 to rehabilitate three properties. Funds can be drawn down once the expenses are incurred. No expenses have been incurred yet and no funds have been drawn down.

NOTE 7. Contributed Nonfinancial Assets

The Corporation received the following contributions of nonfinancial assets for the year ending December 31, 2023.

Food boxes	\$ 26,100
Farmers market vouchers	10,790
Gift bags for seniors	6,500
Gift cards	2,000
	<u>\$ 45,390</u>

Contributed food boxes, vouchers, gift bags and gift cards received by the Corporation are recorded as Contribution of nonfinancial asset revenue with a corresponding increase to food. The Corporation utilized two valuation methods during the year ended December 31, 2023. These methods include (1) estimated cost at the local food store and (2) face value of the gift card.

Contributed food boxes, vouchers, gift bags and gift cards are used in the nutrition program expense.

WILLOW GROVE COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

NOTE 8. Retirement Plans

The Corporation maintains a Simple 401-K retirement savings plan for all eligible employees as defined. Under the plan, employees may contribute a percentage of their eligible gross wages to the plan and the Corporation matched 3% for the year ended, December 31, 2023. Pension expense incurred for the year ended, December 31, 2023 was \$2,939.