

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

*Years Ended June 30, 2022 and 2021*

# PHOENIXVILLE COMMUNITY HEALTH FOUNDATION AND SUBSIDIARY

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YEARS ENDED JUNE 30, 2022 AND 2021

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## ***Independent Auditors' Report***

To the Board of Directors  
Phoenixville Community Health Foundation  
and Subsidiary  
Phoenixville, Pennsylvania

### ***Report on the Audit of the Consolidated Financial Statements***

#### ***Opinion***

We have audited the financial statements of Phoenixville Community Health Foundation and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Phoenixville Community Health Foundation and Subsidiary as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Phoenixville Community Health Foundation and Subsidiary 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Phoenixville Community Health Foundation and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

To the Board of Directors  
Phoenixville Community Health Foundation  
and Subsidiary  
Phoenixville, Pennsylvania

### ***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 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 Phoenixville Community Health Foundation and Subsidiary'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 Phoenixville Community Health Foundation and Subsidiary'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.

To the Board of Directors  
Phoenixville Community Health Foundation  
and Subsidiary  
Phoenixville, Pennsylvania

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 17 through 20 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Maillie LLP*

Limerick, Pennsylvania  
January 11, 2023

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 435,462	\$ 480,700
Prepaid expenses	11,002	6,504
TOTAL CURRENT ASSETS	<u>446,464</u>	<u>487,204</u>
PROPERTY, PLANT AND EQUIPMENT, net	<u>537,971</u>	<u>563,823</u>
LONG-TERM INVESTMENTS		
Long-term investments, marketable securities	<u>52,415,587</u>	<u>66,325,790</u>
TOTAL ASSETS	<u>\$ 53,400,022</u>	<u>\$ 67,376,817</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 21,967	\$ 21,500
Grants payable	-	9,000
TOTAL CURRENT LIABILITIES	<u>21,967</u>	<u>30,500</u>
NET ASSETS		
Without donor restrictions	51,310,723	65,278,985
With donor restrictions	2,067,332	2,067,332
TOTAL NET ASSETS	<u>53,378,055</u>	<u>67,346,317</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 53,400,022</u>	<u>\$ 67,376,817</u>

*See accompanying notes.*

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
	Without Donor Restrictions	Without Donor Restrictions
REVENUES, GAINS (LOSSES) AND OTHER SUPPORT		
Donations	\$ 13,250	\$ 72,730
Investment appreciation (depreciation), net	(11,835,426)	14,713,576
Interest and dividend income	1,152,397	1,030,943
TOTAL REVENUES, GAINS (LOSSES) AND OTHER SUPPORT	<u>(10,669,779)</u>	<u>15,817,249</u>
PROGRAM EXPENSES		
Grants made	<u>2,461,116</u>	<u>2,355,171</u>
MANAGEMENT AND GENERAL EXPENSES		
Salaries	277,000	264,581
Payroll taxes	20,673	20,214
Employee benefits	43,978	59,703
Repairs and maintenance	42,676	37,179
Depreciation	25,852	26,534
Professional fees	39,243	34,881
General operating expenses	362,182	196,279
Community relations	25,763	8,654
TOTAL MANAGEMENT AND GENERAL EXPENSES	<u>837,367</u>	<u>648,025</u>
INCOME TAX EXPENSE	<u>-</u>	<u>6,901</u>
TOTAL EXPENSES	<u>3,298,483</u>	<u>3,010,097</u>
CHANGE IN NET ASSETS	<u>\$ (13,968,262)</u>	<u>\$ 12,807,152</u>

See accompanying notes.

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**  
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
NET ASSETS, JULY 1, 2020	\$ 52,471,833	\$ 2,067,332	\$ 54,539,165
Increase in net assets	12,807,152	-	12,807,152
NET ASSETS, JUNE 30, 2021	<u>65,278,985</u>	<u>2,067,332</u>	<u>67,346,317</u>
Decrease in net assets	<u>(13,968,262)</u>	<u>-</u>	<u>(13,968,262)</u>
NET ASSETS, JUNE 30, 2022	<u>\$ 51,310,723</u>	<u>\$ 2,067,332</u>	<u>\$ 53,378,055</u>

*See accompanying notes.*



**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ (13,968,262)	\$ 12,807,152
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities		
Depreciation	25,852	26,534
Realized gain on sale of investments	(2,592,859)	(11,818,641)
Unrealized (gain) loss in market value of investments	14,428,285	(2,894,935)
(Increase) decrease in		
Prepaid expenses	(4,498)	4,739
Increase (decrease) in		
Accounts payable and accrued expenses	467	18,786
Grants payable	(9,000)	(46,000)
<b>NET CASH USED BY OPERATING     ACTIVITIES</b>	<u>(2,120,015)</u>	<u>(1,902,365)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	3,137,978	2,900,000
Purchase of investments	(1,063,201)	(1,166,039)
<b>NET CASH PROVIDED BY INVESTING     ACTIVITIES</b>	<u>2,074,777</u>	<u>1,733,961</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	(45,238)	(168,404)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>480,700</u>	<u>649,104</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 435,462</u>	<u>\$ 480,700</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid for income taxes	\$ -	\$ 6,901

*See accompanying notes.*

# PHOENIXVILLE COMMUNITY HEALTH FOUNDATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

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## NOTE A - ORGANIZATION

The Phoenixville Community Health Foundation (the "Foundation") is a Pennsylvania nonprofit, non-stock corporation that was incorporated on June 26, 1997. The Foundation was organized in connection with the consummation of the merger of the Phoenixville Hospital into the University of Pennsylvania Health System ("PHUP"). The Foundation is governed by a self-perpetuating board of Directors composed of citizens of the Greater Phoenixville area.

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Basis of Accounting**

The consolidated financial statements of the Foundation are prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles.

### **Financial Statement Presentation**

Under Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 958), the Foundation is required to report information regarding its financial position and activities according to two mutually exclusive classes according to the existence or absence of donor-imposed restrictions. See Net Assets with Donor Restrictions and Net Assets without Donor Restrictions.

### **Net Assets with Donor Restrictions**

Net assets with donor restrictions include the part of net assets of the Foundation that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). Some donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. There were no revenues received with donor restrictions nor expenses spent to relieve donor restrictions during June 30, 2022 and 2021.

### **Net Assets without Donor Restrictions**

Net assets without donor restrictions include the part of net assets of the Foundation that is not subject to donor-imposed restrictions.

# PHOENIXVILLE COMMUNITY HEALTH FOUNDATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

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## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Consolidation Policy**

The consolidated financial statements include the accounts of the Foundation and Ches-Mont Valley Ventures, Inc. a wholly-owned for-profit subsidiary. Intercompany transactions and balances have been eliminated in consolidation. Ches-Mont Valley Ventures was dissolved during the year ended June 30, 2021.

### **Cash and Cash Equivalents**

The Foundation places its cash in high credit quality institutions. At times, balances may be in excess of the FDIC insurance limit. Banking institutions are insured by the FDIC up to \$250,000.

During the years ended June 30, 2022 and 2021, the Foundation maintained cash balances with financial institutions in amounts that exceeded the FDIC limits. Accordingly, those balances would have been at risk in the event of nonperformance by the institutions. Management of the Foundation does not anticipate nonperformance. The uninsured balances as of June 30, 2022 and 2021 were \$33,416 and \$94,951, respectively which consisted fully of deposits invested in a Federal Money Market Fund.

Cash and equivalents include investments in highly liquid debt instruments with an original maturity of three months or less which the Foundation used for general operating purposes.

### **Property, Plant, and Equipment**

The Foundation's property and equipment are stated at cost, which are capitalized if the costs are greater than \$2,500, less accumulated depreciation. Depreciation of property and equipment is computed on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building	39
Leasehold improvements	15-39
Equipment	5-7

### **Investments**

The Foundation carries investments in marketable securities with readily determinable fair values in the Statement of Financial Position. Investment income or loss (including realized gains and losses on investment, interest and dividends) is included in investment returns without donor restrictions unless the income or loss is restricted by donor or laws. Investment return or investments of donor-restricted funds are added to (deducted from) the appropriate net asset category based on the donor's restrictions. Unrealized gains and losses on investments are also included in net investment return in the accompanying Consolidated Statement of Activities. The average cost method is used to determine the cost of a security sold.

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Endowment Funds**

FASB ASC 958-205, *Presentation of Financial Statements*, provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FASB ASC 958-205 also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The Commonwealth of Pennsylvania has not yet enacted UPMIFA.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Grants**

Grants authorized but unpaid at year end are reported as liabilities in accordance with FASB ASC No. 958-605 as it relates to accounting for contributions received and contributions made. Grants payable after one year are reflected at an appropriate discount.

**Income Tax Status**

The subsidiary is a corporation which is subject to Federal and State income taxes.

Based on professional accounting standards, deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the entity's assets and liabilities.

The entity believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Foundation has received a tax determination letter from the Internal Revenue Service stating that it qualifies under the provisions of 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. The Foundation is also exempt from Commonwealth of Pennsylvania taxation.

**Functional Expenses**

The costs of providing the Foundation's program and other supporting services have been summarized on a functional basis in the consolidated statements of activities. Accordingly, the expenses directly related to the program are charged to program expenses. The Foundation's only program expense are grants. All other costs are charged to management and general expenses.

**Date of Management's Review**

Management has evaluated subsequent events through January 11, 2023, the date which the financial statements were available to be issued.

**NOTE C - LIQUIDITY**

The Foundation's financial assets available for general expenditures due within one year of the balance sheet date are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 435,462	\$ 480,700
Current liabilities	<u>(21,967)</u>	<u>(30,500)</u>
Assets available for general expenditures	<u>\$ 413,495</u>	<u>\$ 450,200</u>

The Foundation structures its financial assets to be available as general expenditures and commitments come due. As discussed in Note F, the Foundation has an endowment which may be drawn upon in the event of immediate liquidity need resulting from events outside the typical life cycle of converting financial assets or settling financial liabilities.

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

**NOTE D - CASH AND CASH EQUIVALENTS**

At June 30, 2022 and 2021, consolidated cash and cash equivalents consist of:

	<u>2022</u>	<u>2021</u>
Cash accounts	\$ 152,046	\$ 145,881
Money market accounts	<u>283,416</u>	<u>334,819</u>
	<u>\$ 435,462</u>	<u>\$ 480,700</u>

**NOTE E - PROPERTY, PLANT, AND EQUIPMENT**

Consolidated property, plant, and equipment as of June 30, 2022 and 2021, consists of the following:

	<u>2022</u>	<u>2021</u>
Building and land	\$ 725,000	\$ 725,000
Leasehold improvements	79,942	79,942
Equipment	<u>161,185</u>	<u>161,185</u>
	966,127	966,127
Accumulated depreciation	<u>(428,156)</u>	<u>(402,304)</u>
TOTAL	<u>\$ 537,971</u>	<u>\$ 563,823</u>

Total consolidated depreciation expense for the year ended June 30, 2022 and 2021, was \$25,852 and \$26,534, respectively.

**NOTE F - LONG TERM INVESTMENTS, ENDOWMENT FUNDS**

Effective July 1, 2009, the Foundation has adopted a spending policy of appropriating for distribution each year 5% of its board-designated endowment fund's fair value of the Foundation's previous year assets for the fiscal year in which the distribution is planned. In establishing the policy, the Foundation considered a long-term expected investment return on its endowment. Accordingly, the Foundation has adopted an investment policy that allows asset allocations of 30-75% of its investments in equities, 25-70% in fixed income securities, and 0-20% in Real Estate Investment Trusts, based on market conditions and advice of advisors, the investments are made with an expectation of a long-term investment horizon. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

**NOTE F - LONG TERM INVESTMENTS, ENDOWMENT FUNDS (Continued)**

To achieve that objective, the Foundation has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the fund if possible. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to limit the exposure of the fund to unacceptable levels of risk.

The consolidated financial statements reflect the adoption of FASB ASC 820, as it relates to *Fair Value Measurements and Disclosures*. FASB ASC 820 established a single authoritative definition of fair value, sets a framework for measuring fair value and requires additional disclosures about fair value measurement.

The Foundation classifies its investments into Level 1, which refers to securities traded in an active market, Level 2 which refers to securities not traded in an active market but for which observable inputs are readily available or Level 1 securities where there is a contractual restriction, and Level 3, which refers to securities not traded in an active market and for which no significant observable market inputs are available. As of June 30, 2022 and 2021, all of the Foundation's investments were classified as Level 1 investments.

The composition of endowment funds, as included in net assets by category, as of June 30, 2022 and 2021, is as follows:

	Without Donor Restrictions		With Donor Restrictions		Total	
	2022	2021	2022	2021	2022	2021
Donor restricted endowment funds	\$ -	\$ -	\$ 2,067,332	\$ 2,067,332	\$ 2,067,332	\$ 2,067,332
Board designated endowment funds	50,348,255	64,258,458	-	-	50,348,255	64,258,458
<b>TOTAL</b>	<b>\$ 50,348,255</b>	<b>\$ 64,258,458</b>	<b>\$ 2,067,332</b>	<b>\$ 2,067,332</b>	<b>\$ 52,415,587</b>	<b>\$ 66,325,790</b>

Securities are recorded at market value as of June 30, 2022 and 2021, and are comprised of the following:

	Cost		Market Value		Unrealized Appreciation (Depreciation)	
	2022	2021	2022	2021	2022	2021
Stock and equity funds	\$ 38,515,818	\$ 36,277,821	\$ 38,916,512	\$ 48,407,743	\$ 400,694	\$ 12,129,922
Bond funds	14,998,049	16,715,543	13,499,075	17,918,047	(1,498,974)	1,202,504
<b>TOTAL LONG-TERM INVESTMENTS, marketable securities</b>	<b>\$ 53,513,867</b>	<b>\$ 52,993,364</b>	<b>\$ 52,415,587</b>	<b>\$ 66,325,790</b>	<b>\$ (1,098,280)</b>	<b>\$ 13,332,426</b>

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE F - LONG TERM INVESTMENTS, ENDOWMENT FUNDS (Continued)**

Changes in endowment funds, as included in net assets by category, as of June 30, 2022 and 2021 is as follows:

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Balance beginning of year	\$ 64,258,458	\$ 2,067,332	\$ 66,325,790	\$ 51,278,842	\$ 2,067,332	\$ 53,346,174
Interest and dividends	1,152,397	-	1,152,397	1,030,943	-	1,030,943
Asset management fees	(88,498)	-	(88,498)	(53,502)	-	(53,502)
Realized gains	2,592,859	-	2,592,859	11,818,641	-	11,818,641
Net unrealized gains (losses)	(14,428,285)	-	(14,428,285)	2,894,935	-	2,894,935
Contributions to endowment	-	-	-	190,819	-	190,819
Amounts appropriated for expenditure	<u>(3,138,676)</u>	<u>-</u>	<u>(3,138,676)</u>	<u>(2,902,220)</u>	<u>-</u>	<u>(2,902,220)</u>
Balance end of year	\$ <u>50,348,255</u>	\$ <u>2,067,332</u>	\$ <u>52,415,587</u>	\$ <u>64,258,458</u>	\$ <u>2,067,332</u>	\$ <u>66,325,790</u>

Total net consolidated investment income as of June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 1,152,397	\$ 1,030,943
Realized gains, net	2,592,859	11,818,641
Net unrealized gains (losses)	<u>(14,428,285)</u>	<u>2,894,935</u>
<b>TOTAL NET CONSOLIDATED INVESTMENT INCOME (LOSS)</b>	<b>\$ <u>(10,683,029)</u></b>	<b>\$ <u>15,744,519</u></b>

**NOTE G - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions totaling \$2,067,332 as of June 30, 2022 and 2021, consisted of endowment fund assets to be held indefinitely. The income from the assets are available for various purposes at the Foundation. There were no changes to net assets with donor restrictions during June 30, 2022 and 2021.

Net assets with donor restrictions as of June 30, 2022 and 2021, consisted of the following:

Charles J. Baker Memorial Endowment	\$ 269,396
2nd Century Society Endowment	1,792,435
Seagrave Family Memorial	<u>5,501</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>\$ <u>2,067,332</u></b>



**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

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**NOTE H - INCOME TAXES**

The provision for income taxes consists of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Current taxes	\$ <u>-</u>	\$ <u>6,901</u>
TOTAL PROVISION FOR INCOME TAXES	\$ <u><u>-</u></u>	\$ <u><u>6,901</u></u>

**NOTE I - GRANT COMMITMENTS**

The Foundation had \$9,000 in outstanding grant commitments as of June 30, 2021. There were no outstanding grant commitments as of June 30, 2022.

**NOTE J - RETIREMENT PLAN - 401(k)**

The Foundation adopted a retirement plan effective July 1, 2011. The retirement plan provides that employees will become participants after completing at least one year of eligible service.

The Retirement Plan has a 401(k) feature, whereby the employees may contribute a percentage of their compensation up to the annual IRS limits. There is a safe harbor match provision for the Foundation to match 100% of elective deferrals up to 4% of plan compensation. The Foundation may also make certain discretionary contributions to the Plan.

The Foundation's contributions to the plan were \$10,968 and \$30,275 for the years ending June 30, 2022 and 2021, respectively.

Each participant in the plan is 100% vested at all times.

## **SUPPLEMENTARY INFORMATION**

# PHOENIXVILLE COMMUNITY HEALTH FOUNDATION AND SUBSIDIARY

## CONSOLIDATING STATEMENTS OF FINANCIAL POSITION YEARS ENDED JUNE 30, 2022 AND 2021

	2022				2021			
	Phoenixville Community Health Foundation	Ches-Mont Valley Ventures, Inc.	Eliminations	Consolidated Totals	Phoenixville Community Health Foundation	Ches-Mont Valley Ventures, Inc.	Eliminations	Consolidated Totals
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Cash and cash equivalents	\$ 435,462	\$ -	\$ -	\$ 435,462	\$ 480,700	\$ -	\$ -	\$ 480,700
Prepaid expenses	11,002	-	-	11,002	6,504	-	-	6,504
<b>TOTAL CURRENT ASSETS</b>	<u>446,464</u>	<u>-</u>	<u>-</u>	<u>446,464</u>	<u>487,204</u>	<u>-</u>	<u>-</u>	<u>487,204</u>
PROPERTY, PLANT AND EQUIPMENT, net	537,971	-	-	537,971	563,823	-	-	563,823
<b>LONG-TERM INVESTMENTS</b>								
Marketable securities	52,415,587	-	-	52,415,587	66,325,790	-	-	66,325,790
<b>TOTAL ASSETS</b>	<u>\$ 53,400,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,400,022</u>	<u>\$ 67,376,817</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,376,817</u>
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable and accrued expenses	\$ 21,967	\$ -	\$ -	\$ 21,967	\$ 21,500	\$ -	\$ -	\$ 21,500
Grants payable	-	-	-	-	9,000	-	-	9,000
<b>TOTAL CURRENT LIABILITIES</b>	<u>21,967</u>	<u>-</u>	<u>-</u>	<u>21,967</u>	<u>30,500</u>	<u>-</u>	<u>-</u>	<u>30,500</u>
<b>NET ASSETS</b>								
Without donor restrictions	51,310,723	-	-	51,310,723	65,278,985	-	-	65,278,985
With donor restrictions	2,067,332	-	-	2,067,332	2,067,332	-	-	2,067,332
Common stock	-	-	-	-	-	1,000	(1,000)	-
Additional paid-in capital	-	-	-	-	-	2,030,238	(2,030,238)	-
Accumulated deficit	-	-	-	-	-	(2,031,238)	2,031,238	-
<b>TOTAL NET ASSETS</b>	<u>53,378,055</u>	<u>-</u>	<u>-</u>	<u>53,378,055</u>	<u>67,346,317</u>	<u>-</u>	<u>-</u>	<u>67,346,317</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 53,400,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,400,022</u>	<u>\$ 67,376,817</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,376,817</u>

# PHOENIXVILLE COMMUNITY HEALTH FOUNDATION AND SUBSIDIARY

## CONSOLIDATING STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2022 AND 2021

	2022				2021			
	Phoenixville Community Health Foundation	Ches-Mont Valley Ventures, Inc.	Eliminations	Consolidated Totals	Phoenixville Community Health Foundation	Ches-Mont Valley Ventures, Inc.	Eliminations	Consolidated Totals
REVENUES, GAINS (LOSSES) AND OTHER SUPPORT								
Donations	\$ 13,250	\$ -	\$ -	\$ 13,250	\$ 72,730	\$ -	\$ -	\$ 72,730
Investment appreciation (depreciation), net	(11,835,426)	-	-	(11,835,426)	14,713,576	-	-	14,713,576
Interest and dividend income	1,152,397	-	-	1,152,397	1,030,171	772	-	1,030,943
Equity in loss of subsidiary	-	-	-	-	(6,129)	-	6,129	-
TOTAL REVENUE, GAINS (LOSSES) AND OTHER SUPPORT	(10,669,779)	-	-	(10,669,779)	15,810,348	772	6,129	15,817,249
PROGRAM EXPENSES								
Grants made	2,461,116	-	-	2,461,116	2,355,171	-	-	2,355,171
MANAGEMENT AND GENERAL EXPENSES								
Salaries	277,000	-	-	277,000	264,581	-	-	264,581
Payroll taxes	20,673	-	-	20,673	20,214	-	-	20,214
Employee benefits	43,978	-	-	43,978	59,703	-	-	59,703
Repairs and maintenance	42,676	-	-	42,676	37,179	-	-	37,179
Depreciation	25,852	-	-	25,852	26,534	-	-	26,534
Professional fees	39,243	-	-	39,243	34,881	-	-	34,881
General operating expenses	362,182	-	-	362,182	196,279	-	-	196,279
Community relations	25,763	-	-	25,763	8,654	-	-	8,654
TOTAL MANAGEMENT AND GENERAL EXPENSES	837,367	-	-	837,367	648,025	-	-	648,025
INCOME TAX EXPENSE	-	-	-	-	-	6,901	-	6,901
TOTAL EXPENSES	3,298,483	-	-	3,298,483	3,003,196	6,901	-	3,010,097
INCREASE (DECREASE) IN NET ASSETS BEFORE DIVIDENDS PAID	(13,968,262)	-	-	(13,968,262)	12,807,152	(6,129)	6,129	12,807,152
DIVIDENDS PAID	-	-	-	-	-	(197,795)	197,795	-
INCREASE (DECREASE) IN NET ASSETS	\$ (13,968,262)	\$ -	\$ -	\$ (13,968,262)	\$ 12,807,152	\$ (203,924)	\$ 203,924	\$ 12,807,152

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**CONSOLIDATING STATEMENTS OF GENERAL OPERATING EXPENSES--  
NET ASSETS WITHOUT DONOR RESTRICTIONS, BY COMPANY  
YEARS ENDED JUNE 30, 2022 AND 2021**

	2022				2021			
	Phoenixville Community Health Foundation	Ches-Mont Valley Ventures, Inc.	Eliminations	Consolidated Totals	Phoenixville Community Health Foundation	Ches-Mont Valley Ventures, Inc.	Eliminations	Consolidated Totals
Adopt a Family	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 3,180	\$ -	\$ -	\$ 3,180
Bank fees	180	-	-	180	324	-	-	324
Clerical	2,760	-	-	2,760	1,444	-	-	1,444
Dues and subscriptions	1,115	-	-	1,115	559	-	-	559
Federal excise tax	180,790	-	-	180,790	66,668	-	-	66,668
Insurance	9,722	-	-	9,722	8,235	-	-	8,235
Internet	2,320	-	-	2,320	4,193	-	-	4,193
Investment management fees	88,498	-	-	88,498	53,502	-	-	53,502
Membership dues	13,623	-	-	13,623	12,175	-	-	12,175
Office supplies	3,864	-	-	3,864	5,995	-	-	5,995
Payroll services	2,655	-	-	2,655	2,393	-	-	2,393
Postage and delivery	375	-	-	375	401	-	-	401
Printing	272	-	-	272	120	-	-	120
Program support	6,000	-	-	6,000	-	-	-	-
Real estate taxes	9,450	-	-	9,450	10,354	-	-	10,354
Security	240	-	-	240	240	-	-	240
Software support	6,626	-	-	6,626	-	-	-	-
Staff development/seminars	2,666	-	-	2,666	5,349	-	-	5,349
Taxes	3,699	-	-	3,699	-	-	-	-
Telephone	3,924	-	-	3,924	3,017	-	-	3,017
Trash, water and sewer	779	-	-	779	629	-	-	629
Travel	73	-	-	73	-	-	-	-
Trustee and board meetings/conference/ educational expenses	7,897	-	-	7,897	11,417	-	-	11,417
Utilities	4,654	-	-	4,654	6,084	-	-	6,084
	<u>\$ 362,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,182</u>	<u>\$ 196,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,279</u>

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**CONSOLIDATING STATEMENTS OF CASH FLOWS BY COMPANY  
EXPENSES--NET ASSETS WITHOUT DONOR RESTRICTIONS, BY COMPANY  
YEARS ENDED JUNE 30, 2022 AND 2021**

	2022				2021			
	Phoenixville Community Health Foundation	Ches-Mont Valley Ventures, Inc.	Eliminations	Consolidated Totals	Phoenixville Community Health Foundation	Ches-Mont Valley Ventures, Inc.	Eliminations	Consolidated Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Change in net assets	\$ (13,968,262)	\$ -	\$ -	\$ (13,968,262)	\$ 12,807,152	\$ -	\$ -	\$ 12,807,152
Net loss	-	-	-	-	-	(6,129)	6,129	-
Adjustments to reconcile change in net assets to net cash used by operating activities								
Depreciation	25,852	-	-	25,852	26,534	-	-	26,534
Realized gain on sale of investments	(2,592,859)	-	-	(2,592,859)	(11,818,641)	-	-	(11,818,641)
Unrealized (gain) loss in market value of investments	14,428,285	-	-	14,428,285	(2,894,935)	-	-	(2,894,935)
(Increase) decrease in								
Prepaid expenses	(4,498)	-	-	(4,498)	4,739	-	-	4,739
Investment in subsidiary	-	-	-	-	6,129	-	(6,129)	-
Increase (decrease) in								
Accounts payable and accrued expenses	467	-	-	467	18,786	-	-	18,786
Grants payable	(9,000)	-	-	(9,000)	(46,000)	-	-	(46,000)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>(2,120,015)</b>	<b>-</b>	<b>-</b>	<b>(2,120,015)</b>	<b>(1,896,236)</b>	<b>(6,129)</b>	<b>-</b>	<b>(1,902,365)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Proceeds from sale of investments	3,137,978	-	-	3,137,978	2,900,000	-	-	2,900,000
Purchase of investments	(1,063,201)	-	-	(1,063,201)	(1,166,039)	-	-	(1,166,039)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>2,074,777</b>	<b>-</b>	<b>-</b>	<b>2,074,777</b>	<b>1,733,961</b>	<b>-</b>	<b>-</b>	<b>1,733,961</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Dividends received (paid)	-	-	-	-	197,795	(197,795)	-	-
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(45,238)</b>	<b>-</b>	<b>-</b>	<b>(45,238)</b>	<b>35,520</b>	<b>(203,924)</b>	<b>-</b>	<b>(168,404)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>480,700</b>	<b>-</b>	<b>-</b>	<b>480,700</b>	<b>445,180</b>	<b>203,924</b>	<b>-</b>	<b>649,104</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 435,462</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 435,462</b>	<b>\$ 480,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 480,700</b>
<b>SUPPLEMENTAL DISCLOSURES</b>								
Cash paid for income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,901	\$ -	\$ 6,901