

PHOENIXVILLE COMMUNITY HEALTH FOUNDATION

FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

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PHOENIXVILLE COMMUNITY HEALTH FOUNDATION
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Independent Auditors' Report

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

Opinion

We have audited the financial statements of Phoenixville Community Health Foundation, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Phoenixville Community Health Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Phoenixville Community Health Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Phoenixville Community Health Foundation'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'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.

Limerick, Pennsylvania
REPORT DATE

PHOENIXVILLE COMMUNITY HEALTH FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 11,961,438	\$ 2,535,826
Accounts receivable	-	8,000
Prepaid expenses	17,240	8,917
TOTAL CURRENT ASSETS	<u>11,978,678</u>	<u>2,552,743</u>
PROPERTY, PLANT AND EQUIPMENT, net	<u>486,971</u>	<u>512,324</u>
LONG-TERM INVESTMENTS		
Long-term investments, marketable securities	<u>49,247,472</u>	<u>54,147,785</u>
TOTAL ASSETS	<u>\$ 61,713,121</u>	<u>\$ 57,212,852</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 32,036</u>	<u>\$ 2,564</u>
NET ASSETS		
Without donor restrictions	59,613,753	55,142,956
With donor restrictions	2,067,332	2,067,332
TOTAL NET ASSETS	<u>61,681,085</u>	<u>57,210,288</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 61,713,121</u>	<u>\$ 57,212,852</u>

See accompanying notes.

PHOENIXVILLE COMMUNITY HEALTH FOUNDATION

STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>
REVENUES, GAINS AND OTHER SUPPORT		
Donations	\$ 8,250	\$ 162,594
Investment gain, net	5,570,503	4,279,763
Interest and dividend income	1,681,830	1,977,947
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>7,260,583</u>	<u>6,420,304</u>
PROGRAM EXPENSES		
Grants made	<u>2,072,609</u>	<u>1,879,201</u>
MANAGEMENT AND GENERAL EXPENSES		
Salaries	316,694	292,265
Payroll taxes	25,195	21,920
Employee benefits	47,865	41,145
Repairs and maintenance	33,945	33,765
Depreciation	25,353	25,647
Professional fees	23,603	38,032
General operating expenses	183,997	201,610
Community relations	60,525	54,486
TOTAL MANAGEMENT AND GENERAL EXPENSES	<u>717,177</u>	<u>708,870</u>
TOTAL EXPENSES	<u>2,789,786</u>	<u>2,588,071</u>
CHANGE IN NET ASSETS	<u>\$ 4,470,797</u>	<u>\$ 3,832,233</u>

See accompanying notes.

PHOENIXVILLE COMMUNITY HEALTH FOUNDATION
STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
NET ASSETS, JULY 1, 2023	\$ 51,310,723	\$ 2,067,332	\$ 53,378,055
Increase in net assets	3,832,233	-	3,832,233
NET ASSETS, JUNE 30, 2023	<u>55,142,956</u>	<u>2,067,332</u>	<u>57,210,288</u>
Increase in net assets	<u>4,470,797</u>	<u>-</u>	<u>4,470,797</u>
NET ASSETS, JUNE 30, 2024	<u><u>\$ 59,613,753</u></u>	<u><u>\$ 2,067,332</u></u>	<u><u>\$ 61,681,085</u></u>

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See accompanying notes.

PHOENIXVILLE COMMUNITY HEALTH FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 4,470,797	\$ 3,832,233
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities		
Depreciation	25,353	25,647
Realized loss on sale of investments	361,107	5,116
Unrealized gain on market value of investments	(5,931,610)	(4,284,879)
(Increase) decrease in		
Accounts receivable	8,000	(8,000)
Prepaid expenses	(8,323)	2,085
Increase (decrease) in		
Accounts payable and accrued expenses	29,472	(19,403)
NET CASH USED BY OPERATING ACTIVITIES	<u>(1,045,204)</u>	<u>(447,201)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	45,216,559	4,382,319
Purchase of investments	(34,745,743)	(1,834,754)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>10,470,816</u>	<u>2,547,565</u>
INCREASE IN CASH AND CASH EQUIVALENTS	9,425,612	2,100,364
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,535,826</u>	<u>435,462</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 11,961,438</u>	<u>\$ 2,535,826</u>

See accompanying notes.

PHOENIXVILLE COMMUNITY HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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 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, 2024 and 2023.

Net Assets without Donor Restrictions

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

PHOENIXVILLE COMMUNITY HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 year ended June 30, 2024, 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. At June 30, 2024, the Foundation maintained uninsured cash and cash equivalent balances of \$11,729,929. Of this balance, \$11,699,000 represents cash equivalents held with an investment institution that were reinvested into various investments subsequent to year-end June 30, 2024. The large cash equivalent position occurred temporarily with the change of investment custodians during the fiscal year-end.

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 Statement of Activities. The average cost method is used to determine the cost of a security sold.

PHOENIXVILLE COMMUNITY HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

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.

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 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.

PHOENIXVILLE COMMUNITY HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Date of Management's Review

Management has evaluated subsequent events through **REPORT DATE**, 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>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 11,961,438	\$ 2,535,826
Current liabilities	<u>(32,036)</u>	<u>(2,564)</u>
Assets available for general expenditures	<u>\$ 11,929,402</u>	<u>\$ 2,533,262</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. As mentioned previously, the large cash equivalent position occurred temporarily with the change of investment custodians during the fiscal year-end.

NOTE D - CASH AND CASH EQUIVALENTS

At June 30, 2024 and 2023, cash and cash equivalents consists of:

	<u>2024</u>	<u>2023</u>
Cash accounts	\$ 262,438	\$ 365,514
Certificates of deposit	3,000,000	-
Money market accounts	<u>8,699,000</u>	<u>2,169,312</u>
	<u>\$ 11,961,438</u>	<u>\$ 2,534,826</u>

PHOENIXVILLE COMMUNITY HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE E - PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment as of June 30, 2024 and 2023, consists of the following:

	<u>2024</u>	<u>2023</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>(479,156)</u>	<u>(453,803)</u>
TOTAL	<u>\$ 486,971</u>	<u>\$ 512,324</u>

Total depreciation expense for the years ended June 30, 2024 and 2023, were \$25,353 and \$25,647, respectively.

NOTE F - LONG TERM INVESTMENTS, ENDOWMENT FUNDS

Effective September 13, 2021, 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 30-80% of its investments in equities, 20-70% 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.

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 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.

PHOENIXVILLE COMMUNITY HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

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.

The composition of endowment funds, as included in net assets by category, as of June 30, 2024 and 2023, is as follows:

	Without Donor Restrictions		With Donor Restrictions		Total	
	2024	2023	2024	2023	2024	2023
Donor restricted endowment funds	\$ -	\$ -	\$ 2,067,332	\$ 2,067,332	\$ 2,067,332	\$ 2,067,332
Board designated endowment funds	47,180,140	52,080,453	-	-	47,180,140	52,080,453
TOTAL	\$ 47,180,140	\$ 52,080,453	\$ 2,067,332	\$ 2,067,332	\$ 49,247,472	\$ 54,147,785

Securities are recorded at market value as of June 30, 2024 and 2023, and are comprised of the following:

	Cost		Market Value		Unrealized Appreciation (Depreciation)	
	2024	2023	2024	2023	2024	2023
Equity securities	\$ 20,604,354	\$ -	\$ 20,499,786	\$ -	\$ (104,568)	\$ -
Stock and equity funds	13,449,557	36,542,099	22,701,666	41,519,755	9,252,109	4,977,656
Bond funds	-	14,419,082	-	12,628,030	-	(1,791,052)
Corporate bonds	3,590,172	-	3,572,253	-	(17,919)	-
Mortgage-backed bonds	1,156,818	-	1,151,411	-	(5,407)	-
U.S. Government obligations	1,324,843	-	1,322,356	-	(2,487)	-
TOTAL LONG-TERM INVESTMENTS, marketable securities	\$ 40,125,744	\$ 50,961,181	\$ 49,247,472	\$ 54,147,785	\$ 9,121,728	\$ 3,186,604

PHOENIXVILLE COMMUNITY HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

Fair values of assets measured on a recurring basis are as follows:

	June 30, 2024			June 30, 2023		
	Fair Value	Level 1	Level 2	Fair Value	Level 1	Level 2
Equity securities	\$ 20,499,786	20,499,786	-	-	-	-
Stock and equity funds	22,701,666	22,701,666	-	41,519,755	41,519,755	-
Bond funds	-	-	-	12,628,030	12,628,030	-
Corporate bonds	3,572,253	-	3,572,253	-	-	-
Mortgage-backed bonds	1,151,411	-	1,151,411	-	-	-
U.S. Government obligations	1,322,356	-	1,322,356	-	-	-
	<u>\$ 49,247,472</u>	<u>43,201,452</u>	<u>6,046,020</u>	<u>54,147,785</u>	<u>54,147,785</u>	<u>-</u>

Changes in endowment funds, as included in net assets by category, as of June 30, 2024 and 2023 is as follows:

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Balance beginning of year	\$ 52,080,453	\$ 2,067,332	\$ 54,147,785	\$ 50,348,255	\$ 2,067,332	\$ 52,415,587
Interest and dividends	1,681,830	-	1,681,830	1,977,947	-	1,977,947
Asset management fees	(87,550)	-	(87,550)	(88,352)	-	(88,352)
Realized losses	(361,107)	-	(361,107)	(5,116)	-	(5,116)
Net unrealized gains	5,931,610	-	5,931,610	4,284,879	-	4,284,879
Reclassifications to cash and amounts appropriated for expenditure	(12,065,096)	-	(12,065,096)	(4,437,160)	-	(4,437,160)
Balance end of year	<u>\$ 47,180,140</u>	<u>\$ 2,067,332</u>	<u>\$ 49,247,472</u>	<u>\$ 52,080,453</u>	<u>\$ 2,067,332</u>	<u>\$ 54,147,785</u>

Total net investment income (loss) as of June 30, 2024 and 2023 is as follows:

	2024	2023
Interest and dividends	\$ 1,681,830	\$ 1,977,947
Realized gains (losses), net	(361,107)	(5,116)
Net unrealized gains	<u>5,931,610</u>	<u>4,284,879</u>
TOTAL NET INVESTMENT INCOME	<u>\$ 7,252,333</u>	<u>\$ 6,257,710</u>

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions totaling \$2,067,332 as of June 30, 2024 and 2023, 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, 2024 and 2023.

PHOENIXVILLE COMMUNITY HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions as of June 30, 2024 and 2023, 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>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ <u>2,067,332</u>

NOTE H - 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 \$11,913 and \$8,677 for the years ending June 30, 2024 and 2023, respectively.

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