

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

*Years Ended June 30, 2021 and 2020*

# PHOENIXVILLE COMMUNITY HEALTH FOUNDATION AND SUBSIDIARY

TABLE OF CONTENTS  
YEARS ENDED JUNE 30, 2021 AND 2020

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	<b>Page</b>
<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Changes in Net Assets	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
<b>Supplementary Information</b>	
Consolidating Statements of Financial Position	16
Consolidating Statements of Activities	17
Consolidating Statements of General Operating Expenses-- Net Assets Without Donor Restrictions, by Company	18
Consolidating Statements of Cash Flows by Company Expenses-- Net Assets Without Donor Restrictions, by Company	19

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

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

We have audited the accompanying consolidated financial statements of Phoenixville Community Health Foundation and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, 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.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Phoenixville Community Health Foundation and Subsidiary as of June 30, 2021 and 2020, 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.

***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 16 through 19 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.



Limerick, Pennsylvania  
December 1, 2021

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**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 480,700	\$ 649,104
Prepaid expenses	6,504	11,243
TOTAL CURRENT ASSETS	<u>487,204</u>	<u>660,347</u>
PROPERTY, PLANT AND EQUIPMENT, net	<u>563,823</u>	<u>590,358</u>
LONG-TERM INVESTMENTS		
Long-term investments, marketable securities	<u>66,325,790</u>	<u>53,346,174</u>
TOTAL ASSETS	<u>\$ 67,376,817</u>	<u>\$ 54,596,879</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 21,500	\$ 2,714
Grants payable	9,000	55,000
TOTAL CURRENT LIABILITIES	<u>30,500</u>	<u>57,714</u>
NET ASSETS		
Without donor restrictions	65,278,985	52,471,833
With donor restrictions	<u>2,067,332</u>	<u>2,067,332</u>
TOTAL NET ASSETS	<u>67,346,317</u>	<u>54,539,165</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 67,376,817</u>	<u>\$ 54,596,879</u>

*See accompanying notes.*

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021		Totals
	Without Donor Restrictions	With Donor Restrictions	
REVENUES, GAINS (LOSSES) AND OTHER SUPPORT			
Donations	\$ 72,730	\$ -	\$ 72,730
Investment return, net	14,713,576	-	14,713,576
Interest and dividend income	1,030,943	-	1,030,943
Rental income	-	-	-
TOTAL REVENUES, GAINS (LOSSES) AND OTHER SUPPORT	<u>15,817,249</u>	<u>-</u>	<u>15,817,249</u>
PROGRAM EXPENSES			
Grants made	<u>2,355,171</u>	<u>-</u>	<u>2,355,171</u>
MANAGEMENT AND GENERAL EXPENSES			
Salaries	264,581	-	264,581
Payroll taxes	20,214	-	20,214
Employee benefits	59,703	-	59,703
Repairs and maintenance	37,179	-	37,179
Depreciation	26,534	-	26,534
Professional fees	34,881	-	34,881
General operating expenses	196,279	-	196,279
Community relations	8,654	-	8,654
TOTAL MANAGEMENT AND GENERAL EXPENSES	<u>648,025</u>	<u>-</u>	<u>648,025</u>
INCOME TAX EXPENSE	<u>6,901</u>	<u>-</u>	<u>6,901</u>
TOTAL EXPENSES	<u>3,010,097</u>	<u>-</u>	<u>3,010,097</u>
CHANGE IN NET ASSETS	<u>\$ 12,807,152</u>	<u>\$ -</u>	<u>\$ 12,807,152</u>

*See accompanying notes.*

2020		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
\$ -	\$ -	\$ -
(108,228)	-	(108,228)
1,907,789	-	1,907,789
<u>23,685</u>	<u>-</u>	<u>23,685</u>
<u>1,823,246</u>	<u>-</u>	<u>1,823,246</u>
<u>1,914,211</u>	<u>-</u>	<u>1,914,211</u>
376,297	-	376,297
29,738	-	29,738
44,047	-	44,047
31,776	-	31,776
26,999	-	26,999
58,005	-	58,005
273,269	-	273,269
<u>13,407</u>	<u>-</u>	<u>13,407</u>
<u>853,538</u>	<u>-</u>	<u>853,538</u>
<u>30,948</u>	<u>-</u>	<u>30,948</u>
<u>2,798,697</u>	<u>-</u>	<u>2,798,697</u>
<u>\$ (975,451)</u>	<u>\$ -</u>	<u>\$ (975,451)</u>



**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**  
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
NET ASSETS, JULY 1, 2019	\$ 53,447,284	\$ 2,067,332	\$ 55,514,616
Decrease in net assets	<u>(975,451)</u>	<u>-</u>	<u>(975,451)</u>
NET ASSETS, JUNE 30, 2020	52,471,833	2,067,332	54,539,165
Increase in net assets	<u>12,807,152</u>	<u>-</u>	<u>12,807,152</u>
NET ASSETS, JUNE 30, 2021	<u>\$ 65,278,985</u>	<u>\$ 2,067,332</u>	<u>\$ 67,346,317</u>

*See accompanying notes.*

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 12,807,152	\$ (975,451)
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities		
Depreciation	26,534	26,999
Realized gain on sale of investments	(11,818,641)	(1,139,700)
Unrealized (gain) loss in market value of investments	(2,894,935)	1,247,928
(Increase) decrease in		
Other receivable	-	1,135
Prepaid expenses	4,739	(741)
Increase (decrease) in		
Accounts payable and accrued expenses	18,786	(6,617)
Current taxes payable	-	(376,820)
Grants payable	(46,000)	(171,000)
<b>NET CASH USED BY OPERATING     ACTIVITIES</b>	<u>(1,902,365)</u>	<u>(1,394,267)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	2,900,000	2,935,000
Purchase of investments	(1,166,039)	(1,844,564)
Purchase of equipment	-	(2,325)
<b>NET CASH PROVIDED BY INVESTING     ACTIVITIES</b>	<u>1,733,961</u>	<u>1,088,111</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(168,404)</b>	<b>(306,156)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>649,104</u>	<u>955,260</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 480,700</u></u>	<u><u>\$ 649,104</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid for income taxes	\$ 6,901	\$ 407,768

*See accompanying notes.*

# PHOENIXVILLE COMMUNITY HEALTH FOUNDATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

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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) 958-10-65-1, 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.

### **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, 2021 AND 2020

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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.

### **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, 2021 and 2020, 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, 2021 and 2020 were \$94,951 and \$342,363, 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 \$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
Building and 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, 2021 AND 2020

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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, 2021 AND 2020

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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 December 1, 2021, 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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 480,700	\$ 649,104
Current liabilities	<u>(30,500)</u>	<u>(57,714)</u>
Assets available for general expenditures	<u>\$ 450,200</u>	<u>\$ 591,390</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, 2021 AND 2020

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**NOTE D - CASH AND CASH EQUIVALENTS**

At June 30, 2021 and 2020, consolidated cash and cash equivalents consist of:

	<u>2021</u>	<u>2020</u>
Cash accounts	\$ 145,881	\$ 113,514
Money market accounts	<u>334,819</u>	<u>535,590</u>
	<u>\$ 480,700</u>	<u>\$ 649,104</u>

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

Consolidated property, plant, and equipment as of June 30, 2021 and 2020, consists of the following:

	<u>2021</u>	<u>2020</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>(402,304)</u>	<u>(375,769)</u>
TOTAL	<u>\$ 563,823</u>	<u>\$ 590,358</u>

Total consolidated depreciation expense for the year ended June 30, 2021 and 2020, was \$26,534 and \$26,999, 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, 2021 AND 2020

**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 on 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 active market and for which no significant observable market inputs are available. As of June 30, 2021 and 2020, 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, 2021 and 2020, is as follows:

	Without Donor Restrictions		With Donor Restrictions		Total	
	2021	2020	2021	2020	2021	2020
Donor restricted endowment funds	\$ -	\$ -	\$ 2,067,332	\$ 2,067,332	\$ 2,067,332	\$ 2,067,332
Board designated endowment funds	64,258,458	51,278,842	-	-	64,258,458	51,278,842
<b>TOTAL</b>	<b>\$ 64,258,458</b>	<b>\$ 51,278,842</b>	<b>\$ 2,067,332</b>	<b>\$ 2,067,332</b>	<b>\$ 66,325,790</b>	<b>\$ 53,346,174</b>

Securities are recorded at market value as of June 30, 2021 and 2020, and are comprised of the following:

	Cost		Market Value		Unrealized Appreciation	
	2021	2020	2021	2020	2021	2020
Stock and equity funds	\$ 36,277,821	\$ 29,564,571	\$ 48,407,743	\$ 38,912,905	\$ 12,129,922	\$ 9,348,334
Bond funds	16,715,543	13,343,014	17,918,047	14,433,269	1,202,504	1,090,255
<b>TOTAL LONG-TERM INVESTMENTS, marketable securities</b>	<b>\$ 52,993,364</b>	<b>\$ 42,907,585</b>	<b>\$ 66,325,790</b>	<b>\$ 53,346,174</b>	<b>\$ 13,332,426</b>	<b>\$ 10,438,589</b>



**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

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

Changes in endowment funds, as included in net assets by category, as of June 30, 2021 and 2020 is as follows:

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Balance beginning of year	\$ 51,278,842	\$ 2,067,332	\$ 53,346,174	\$ 52,477,506	\$ 2,067,332	\$ 54,544,838
Interest and dividends	1,030,943	-	1,030,943	1,907,789	-	1,907,789
Asset management fees	(53,502)	-	(53,502)	(52,358)	-	(52,358)
Realized gains	11,818,641	-	11,818,641	1,139,700	-	1,139,700
Net unrealized (gains) losses	2,894,935	-	2,894,935	(1,247,928)	-	(1,247,928)
Contributions to endowment	190,819	-	190,819	23,685	-	23,685
Amounts appropriated for expenditure	(2,902,220)	-	(2,902,220)	(2,969,552)	-	(2,969,552)
Balance end of year	<u>\$ 64,258,458</u>	<u>\$ 2,067,332</u>	<u>\$ 66,325,790</u>	<u>\$ 51,278,842</u>	<u>\$ 2,067,332</u>	<u>\$ 53,346,174</u>

Investment income of the subsidiary, net, as of June 30, 2021 and 2020, consists of the following:

	2021	2020
Interest and dividends	\$ <u>772</u>	\$ <u>5,767</u>
<b>TOTAL INVESTMENT INCOME</b>	<u>\$ <u>772</u></u>	<u>\$ <u>5,767</u></u>

Total net consolidated investment income as of June 30, 2021 and 2020 is as follows:

	2021	2020
Interest and dividends	\$ 1,030,943	\$ 1,907,789
Realized gains, net	11,818,641	1,139,700
Net unrealized gains	<u>2,894,935</u>	<u>(1,247,928)</u>
<b>TOTAL NET CONSOLIDATED INVESTMENT INCOME</b>	<u>\$ <u>15,744,519</u></u>	<u>\$ <u>1,799,561</u></u>

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

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

Net assets with donor restrictions totaling \$2,067,332 as of June 30, 2021 and 2020, consisted of endowment fund assets to be held indefinitely. The income from the assets are available for various purposes at the Foundation.

Net assets with donor restrictions as of June 30, 2021 and 2020, 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 - INCOME TAXES**

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

	<u>2021</u>	<u>2020</u>
Current taxes	\$ <u>6,901</u>	\$ <u>30,948</u>
TOTAL PROVISION FOR INCOME TAXES		<u>\$ 6,901</u> <u>\$ 30,948</u>

**NOTE I - GRANT COMMITMENTS**

The Foundation had \$9,000 and \$55,000 in outstanding grant commitments as of June 30, 2021 and 2020, respectively.

**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 no provision for the Foundation to match the elective deferrals. The Foundation may also make certain discretionary contributions to the Plan.

The Foundation's discretionary contributions to the plan were \$30,275 and \$21,775 for the years ending June 30, 2021 and 2020, respectively.

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

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

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**NOTE K - RETIREMENT PLAN – 403(b)**

The Foundation adopted a retirement plan effective January 1, 2009. The retirement plan permits its employees to enter into a salary reduction agreement under the PCHF 403(b) Retirement Plan to have the Foundation contribute elective deferrals to various vendors for investment in annuity contracts, including custodial accounts. The Foundation has not made any contributions to this plan in the last two years.

**NOTE L - RISKS AND UNCERTAINTIES**

On March 11, 2020, the World Health Organization declared the novel coronavirus (“COVID-19”) outbreak a pandemic which has impacted the global economy. Although no significant financial impact has occurred thus far, the COVID-19 pandemic is still on-going and the duration and extent of the related impact on the Foundation’s financial position and statement of activities is uncertain and cannot be reasonably estimated at this time.

## **SUPPLEMENTARY INFORMATION**

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021				2020			
	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	\$ 480,700	\$ -	\$ -	\$ 480,700	\$ 445,180	\$ 203,924	\$ -	\$ 649,104
Prepaid expenses	6,504	-	-	6,504	11,243	-	-	11,243
<b>TOTAL CURRENT ASSETS</b>	<u>487,204</u>	<u>-</u>	<u>-</u>	<u>487,204</u>	<u>456,423</u>	<u>203,924</u>	<u>-</u>	<u>660,347</u>
PROPERTY, PLANT AND EQUIPMENT, net	563,823	-	-	563,823	590,358	-	-	590,358
<b>LONG-TERM INVESTMENTS</b>								
Marketable securities	66,325,790	-	-	66,325,790	53,346,174	-	-	53,346,174
Investment in subsidiary	-	-	-	-	203,924	-	(203,924)	-
<b>TOTAL LONG-TERM         INVESTMENTS</b>	<u>66,325,790</u>	<u>-</u>	<u>-</u>	<u>66,325,790</u>	<u>53,550,098</u>	<u>-</u>	<u>(203,924)</u>	<u>53,346,174</u>
<b>TOTAL ASSETS</b>	<u>\$ 67,376,817</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,376,817</u>	<u>\$ 54,596,879</u>	<u>\$ 203,924</u>	<u>\$ (203,924)</u>	<u>\$ 54,596,879</u>
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable and accrued expenses	\$ 21,500	\$ -	\$ -	\$ 21,500	\$ 2,714	\$ -	\$ -	\$ 2,714
Grants payable	9,000	-	-	9,000	55,000	-	-	55,000
<b>TOTAL CURRENT LIABILITIES</b>	<u>30,500</u>	<u>-</u>	<u>-</u>	<u>30,500</u>	<u>57,714</u>	<u>-</u>	<u>-</u>	<u>57,714</u>
<b>NET ASSETS</b>								
Without donor restrictions	65,278,985	-	-	65,278,985	52,471,833	-	-	52,471,833
With donor restrictions	2,067,332	-	-	2,067,332	2,067,332	-	-	2,067,332
Common stock	-	1,000	(1,000)	-	-	1,000	(1,000)	-
Additional paid-in capital	-	2,030,238	(2,030,238)	-	-	2,030,238	(2,030,238)	-
Accumulated deficit	-	(2,031,238)	2,031,238	-	-	(1,827,314)	1,827,314	-
<b>TOTAL NET ASSETS</b>	<u>67,346,317</u>	<u>-</u>	<u>-</u>	<u>67,346,317</u>	<u>54,539,165</u>	<u>203,924</u>	<u>(203,924)</u>	<u>54,539,165</u>
<b>TOTAL LIABILITIES AND NET         ASSETS</b>	<u>\$ 67,376,817</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,376,817</u>	<u>\$ 54,596,879</u>	<u>\$ 203,924</u>	<u>\$ (203,924)</u>	<u>\$ 54,596,879</u>

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**CONSOLIDATING STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021				2020			
	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	\$ 72,730	\$ -	\$ -	\$ 72,730	\$ -	\$ -	\$ -	\$ -
Investment appreciation (depreciation), net	14,713,576	-	-	14,713,576	(108,228)	-	-	(108,228)
Interest and dividend income	1,030,171	772	-	1,030,943	1,902,022	5,767	-	1,907,789
Rental income	-	-	-	-	-	23,685	-	23,685
Equity in earnings of subsidiary	(6,129)	-	6,129	-	(10,104)	-	10,104	-
TOTAL REVENUE, GAINS (LOSSES) AND OTHER SUPPORT	<u>15,810,348</u>	<u>772</u>	<u>6,129</u>	<u>15,817,249</u>	<u>1,783,690</u>	<u>29,452</u>	<u>10,104</u>	<u>1,823,246</u>
PROGRAM EXPENSES								
Grants made	<u>2,355,171</u>	<u>-</u>	<u>-</u>	<u>2,355,171</u>	<u>1,914,211</u>	<u>-</u>	<u>-</u>	<u>1,914,211</u>
MANAGEMENT AND GENERAL EXPENSES								
Salaries	264,581	-	-	264,581	376,297	-	-	376,297
Payroll taxes	20,214	-	-	20,214	29,738	-	-	29,738
Employee benefits	59,703	-	-	59,703	44,047	-	-	44,047
Repairs and maintenance	37,179	-	-	37,179	31,776	-	-	31,776
Depreciation	26,534	-	-	26,534	26,999	-	-	26,999
Professional fees	34,881	-	-	34,881	51,678	6,327	-	58,005
General operating expenses	196,279	-	-	196,279	270,988	2,281	-	273,269
Community relations	8,654	-	-	8,654	13,407	-	-	13,407
TOTAL MANAGEMENT AND GENERAL EXPENSES	<u>648,025</u>	<u>-</u>	<u>-</u>	<u>648,025</u>	<u>844,930</u>	<u>8,608</u>	<u>-</u>	<u>853,538</u>
INCOME TAX EXPENSE	<u>-</u>	<u>6,901</u>	<u>-</u>	<u>6,901</u>	<u>-</u>	<u>30,948</u>	<u>-</u>	<u>30,948</u>
TOTAL EXPENSES	<u>3,003,196</u>	<u>6,901</u>	<u>-</u>	<u>3,010,097</u>	<u>2,759,141</u>	<u>39,556</u>	<u>-</u>	<u>2,798,697</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE DIVIDENDS PAID	12,807,152	(6,129)	6,129	12,807,152	(975,451)	(10,104)	10,104	(975,451)
DIVIDENDS PAID	<u>-</u>	<u>(197,795)</u>	<u>197,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ 12,807,152</u>	<u>\$ (203,924)</u>	<u>\$ 203,924</u>	<u>\$ 12,807,152</u>	<u>\$ (975,451)</u>	<u>\$ (10,104)</u>	<u>\$ 10,104</u>	<u>\$ (975,451)</u>

**PHOENIXVILLE COMMUNITY HEALTH FOUNDATION  
AND SUBSIDIARY**

**CONSOLIDATING STATEMENTS OF GENERAL OPERATING EXPENSES--  
NET ASSETS WITHOUT DONOR RESTRICTIONS, BY COMPANY  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021				2020			
	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	\$ 3,180	\$ -	\$ -	\$ 3,180	\$ 2,320	\$ -	\$ -	\$ 2,320
Bank fees	324	-	-	324	637	-	-	637
Clerical	1,444	-	-	1,444	32,966	-	-	32,966
Dues and subscriptions	559	-	-	559	418	-	-	418
Federal excise tax	66,668	-	-	66,668	86,340	-	-	86,340
Grant analysis	-	-	-	-	9,405	-	-	9,405
Insurance	8,235	-	-	8,235	7,549	2,266	-	9,815
Internet	4,193	-	-	4,193	2,751	-	-	2,751
Management fees	53,502	-	-	53,502	52,358	-	-	52,358
Membership dues	12,175	-	-	12,175	7,262	-	-	7,262
Office supplies	5,995	-	-	5,995	9,905	-	-	9,905
Payroll services	2,393	-	-	2,393	2,446	15	-	2,461
Postage and delivery	401	-	-	401	1,274	-	-	1,274
Printing	120	-	-	120	668	-	-	668
Program support (TV/website)	-	-	-	-	7,125	-	-	7,125
Real estate taxes	10,354	-	-	10,354	9,992	-	-	9,992
Repairs and maintenance equipment	-	-	-	-	5,700	-	-	5,700
Security	240	-	-	240	240	-	-	240
Staff development/seminars	5,349	-	-	5,349	604	-	-	604
Telephone	3,017	-	-	3,017	5,286	-	-	5,286
Trash, water and sewer	629	-	-	629	973	-	-	973
Travel	-	-	-	-	916	-	-	916
Trustee and board meetings/conference/ educational expenses	11,417	-	-	11,417	18,719	-	-	18,719
Utilities	6,084	-	-	6,084	5,134	-	-	5,134
	<u>\$ 196,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,279</u>	<u>\$ 270,988</u>	<u>\$ 2,281</u>	<u>\$ -</u>	<u>\$ 273,269</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, 2021 AND 2020

	2021				2020			
	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	\$ 12,807,152	\$ -	\$ -	\$ 12,807,152	\$ (975,451)	\$ -	\$ -	\$ (975,451)
Net loss	-	(6,129)	6,129	-	-	(10,104)	10,104	-
Adjustments to reconcile change in net assets to net cash used by operating activities								
Depreciation	26,534	-	-	26,534	26,999	-	-	26,999
Realized gain on sale of investments	(11,818,641)	-	-	(11,818,641)	(1,139,700)	-	-	(1,139,700)
Unrealized (gain) loss in market value of investments	(2,894,935)	-	-	(2,894,935)	1,247,928	-	-	1,247,928
(Increase) decrease in								
Other receivable	-	-	-	-	-	1,135	-	1,135
Prepaid expenses	4,739	-	-	4,739	(3,699)	2,958	-	(741)
Investment in subsidiary	6,129	-	(6,129)	-	10,104	-	(10,104)	-
Increase (decrease) in								
Accounts payable and accrued expenses	18,786	-	-	18,786	(4,047)	(2,570)	-	(6,617)
Current taxes payable	-	-	-	-	-	(376,820)	-	(376,820)
Grants payable	(46,000)	-	-	(46,000)	(171,000)	-	-	(171,000)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(1,896,236)</u>	<u>(6,129)</u>	<u>-</u>	<u>(1,902,365)</u>	<u>(1,008,866)</u>	<u>(385,401)</u>	<u>-</u>	<u>(1,394,267)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Proceeds from sale of investments	2,900,000	-	-	2,900,000	2,935,000	-	-	2,935,000
Purchase of investments	(1,166,039)	-	-	(1,166,039)	(1,844,564)	-	-	(1,844,564)
Purchase of equipment	-	-	-	-	(2,325)	-	-	(2,325)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>1,733,961</u>	<u>-</u>	<u>-</u>	<u>1,733,961</u>	<u>1,088,111</u>	<u>-</u>	<u>-</u>	<u>1,088,111</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Return of capital to parent company	197,795	(197,795)	-	-	-	-	-	-
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>35,520</u>	<u>(203,924)</u>	<u>-</u>	<u>(168,404)</u>	<u>79,245</u>	<u>(385,401)</u>	<u>-</u>	<u>(306,156)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>								
	<u>445,180</u>	<u>203,924</u>	<u>-</u>	<u>649,104</u>	<u>365,935</u>	<u>589,325</u>	<u>-</u>	<u>955,260</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 480,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 480,700</u>	<u>\$ 445,180</u>	<u>\$ 203,924</u>	<u>\$ -</u>	<u>\$ 649,104</u>
<b>SUPPLEMENTAL DISCLOSURES</b>								
Cash paid for income taxes	\$ -	\$ 6,901	\$ -	\$ 6,901	\$ -	\$ 407,768	\$ -	\$ 407,768