

**BOARD OF DIRECTORS OF CITY TRUSTS
ACTING FOR THE CITY OF PHILADELPHIA
2021 ANNUAL REPORT**

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2021 ANNUAL REPORT

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BOARD OF DIRECTORS OF CITY TRUSTS

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1101 Market Street – Suite 2600
Philadelphia, PA 19107

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GIRARD ESTATE

Joseph P. Bilson
Executive Director

Clinton A. Walters, Jr.
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Ophthalmologist-in-Chief

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One Hundred Fifty First Annual Report
of the
Board of Directors of City Trusts

To the Council of the City of Philadelphia, to the Board of Appointment composed of the Judges of the Courts of Common Pleas of the County of Philadelphia and to the General Assembly of the Commonwealth of Pennsylvania.

In compliance with the Act of Assembly approved June 30, 1869, the Board of Directors of City Trusts (the “Board”) respectfully presents this report of the several trusts under its administration for the year 2021. This report contains financial statements for the calendar year for the Collective Legal Investment Fund, Sundry Trusts and Contributory, Girard Non-Contributory and Wills Eye Health System Non-Contributory Retirement Plans, financial statements for Wills Eye Hospital and subsidiaries for the fiscal years ended June 30, 2021 and 2020 and financial statements for the Estate of Stephen Girard, Deceased (the “Girard Estate”) for the fiscal years ended June 30, 2021 and 2020.

Prior to December 31, 2021, the financial statements of the trusts under the administration of the Board were prepared under the accounting standards promulgated by the Financial Accounting Standards Board (FASB). Beginning with the calendar year 2021 financial statements for the Collective Legal Investment Fund, Sundry Trusts and Contributory, Girard Non-Contributory and Wills Eye Health System Non-Contributory Retirement Plans, the financial statements of the trusts were prepared under the accounting standards promulgated by the Government Accounting Standards Board (GASB). This was a change recommended by KPMG, the auditing firm responsible to audit the trusts.

It is with deep sadness to report the passing of a longtime friend, supporter, advisor, and President of the Board of Directors of City Trusts, the Honorable Ronald R. Donatucci, Esq. in November 2020. Mr. Donatucci served with distinction as a member of the Board of City Trusts for 31 years, and as President of the Board since 2011. He was an outstanding leader who successfully guided the Board’s administration of the 119 charitable trusts in its care during extraordinarily challenging economic times, including Girard College and Wills Eye Hospital. In addition to his long and dedicated public service as Register of Wills for the City of Philadelphia, Mr. Donatucci will be remembered as a good person and Philadelphian who cared about the students of Girard College, the patients and staff at Wills Eye, and his fellow citizens of Philadelphia.

At its December 2020 meeting, the Board elected Bernard W. Smalley, Esq. President of the Board, the first African-American ever to lead the Board in its 151-year history. Mr. Smalley was a senior vice president and a board member for 19 years.

The Board regrettably reports the passing of Hon. Anna C. Verna in June 2021. Ms. Verna retired from the Board in December 2020. Ms. Verna provided dedicated service on the Board for nearly 29 years and most recently as Vice President.

In October 2021, Hon. Marian B. Tasco retired from the Board. Ms. Tasco provided devoted service on the Board for 17 years and most recently as Vice President and Chair of the Sundry Trusts Committee.

The Board of Judges of the Court of Common Pleas appointed new Directors Charles M. Gibbs, Esq. and Hon. Derek S. Green in February 2021 and Hon. Donna Bullock in March 2022.

GIRARD ESTATE

The net assets of the Girard Estate available for the maintenance of Girard College amounted to \$371,239,000 at June 30, 2021, exclusive of the value of real estate devised and still held.

The total expenditures for the support and maintenance of Girard College for the fiscal year ended June 30, 2021 amounted to \$21,494,000. In addition, \$1,664,000 was spent on long-term projects/capital expenditures benefiting future years.

At June 30, 2021 the Estate's investments totaled \$403,394,000, excluding \$35,619,000 that has been segregated to comply with the requirements of debt and swap agreements.

GIRARD COLLEGE

Girard College began the 2020-2021 school year with a commitment to provide excellent academic and residential education in a safe and responsible way. Due to the COVID-19 pandemic, the College called for a phased and limited reopening of the campus beginning in August 2020. This plan focused on reducing the risk of virus transmission to help remain open and deliver the best possible education to our students while allowing flexibility to respond to changing conditions and additional guidance from public health experts and other leaders as necessary.

The COVID-19 pandemic presented a test of courage throughout the school year. Students, families, and staff were required to be flexible, work together in new ways, and make sacrifices to balance health and safety with educational priorities. Thanks to the resilience of the Girard community, students continued to learn, families were connected with resources, and staff stayed healthy.

Students in the Elementary/Middle School continued to respond well to the recently aligned Math and Language Arts curricula. The High School Academy which introduced a project-based program during the 2019-2020 school year that emphasized critical thinking skills and an interdisciplinary approach to academic content to its 9th and 10th graders expanded this methodology to its 11th and 12th graders.

In 2020-2021, following a year of self-study in preparation to renew its accreditation with the Middle States Association, a planning committee comprised of faculty, staff, alumni, students, and parents developed performance and organizational objectives in a process called “Excellence By Design.” These objectives focused on improving student math and English/language arts skills while also ensuring Girard graduates live a life of purpose. These goals are supported by yearly action plans to guide Girard College through the next seven-year accreditation. In March 2021, Girard College passed its accreditation.

STUDENT BODY AND STAFF

At the beginning of the 2020-2021 school year, President Wathington led 181 full and part-time staff members in the education of 301 students.

Student Body

Elementary/Middle School	177 Students
High School	124 Students

Gender

Male	44%
Female	56%

Ethnicity

African-American	89%
Asian	2%
Hispanic/Latino	4%
Caucasian	1%
Multiracial	4%

Staff

Dining/Laundry/Maintenance	52.0
Secretaries	4.0
Teachers/Counselors	46.0
Residential Advisors	30.0
Non-Union	49.0

In July 2021, Dr. Wathington resigned as President of Girard College to become the Chief Executive Officer of a nationwide college mentoring program. James D. Turner was then named to serve as the Interim President for the 2021-2022 school year.

CLASS OF 2021

Twenty five students graduated from Girard College during Commencement on June 9, 2021. One hundred percent of this class year's graduates matriculated to a four-year institution of higher education.

Tyler-Cristofer Aluko [^]	Rochester Institute of Technology
Tiara Andrews	Gwynedd Mercy University
Damir Bacon [^]	Lycoming College
Aviana Benton [^]	La Salle University
Mark Coney	Rosemont College
Margaret Conteh [*]	Collegebound
Gabriel Davis	West Chester University
Jayda Delbrune [*]	Howard University
Jaden Dillard	Albright College
Jameel Henry	Albright College
Silvia Howard [*]	Morgan State University
Tiana Johnson	Temple University
Bunthone Kan	Collegebound
Sabbath Kpollie	Penn State University Harrisburg
Feremusu Kuyateh [*]	Gwynedd Mercy University
Brock Lyles	West Chester University
Tori Miller [^]	Pace University, New York
Indiya Muhammad-Burrell [^]	Ursinus College
Jy'sir Robinson	Columbus State University
Cah'leah Rogers	Albright College
Bryonna Small	Drexel University
Me'zel Square-Ward	Collegebound
Siani Thomas	Albright College
Danielle Trawick	Albright College
Mya White [*]	Collegebound

**Member of the National Honor Society*

[^]"Lifer" – Girard College student since 1st Grade

PARTNERSHIPS AND GIVING

The Pew Center for Arts & Heritage (the Center) awarded a project grant to Girard College for its “Be Holding” project as one of the 29 project grants for 2020 in support of Philadelphia’s cultural organizations and artists. Be Holding is an original performance that will have its world premiere at Girard College. Using poet Ross Gay’s book-length poem “Be Holding” – inspired by Philadelphia basketball champion Julius Irving (aka Dr. J) as its libretto, a musical performance that will incorporate a creative process that engages Girard Colleges first through 12th graders.

The Independence Blue Cross Foundation announced funding for a multi-year initiative to provide access to mental health care for every student at Girard College. The integrated care model combines telehealth services from Children’s Hospital of Philadelphia (CHOP) with school-based support for youth impacted by trauma. The Girard College Student Achievement Team will oversee the program’s implementation.

Girard College’s partnership with CHOP and Independence Blue Cross got off to a strong start, with Girard’s Achievement Team providing mental health support to students both on campus and off. The College also received an additional \$200,000 in funding for this program thanks to the support of the Commonwealth of Pennsylvania.

The Office of Advancement at Girard College thrived during fiscal year 2021, reporting \$1,816,000 in gifts from 380 donors, an increase in both categories from the previous year.

FACILITIES

Girard College continued to upgrade its student living areas. During summer 2020, Manley Hall was upgraded and included the replacement of the flooring material, painting the walls and new furniture for the lounge areas on the second and third floors. These projects were completed in September 2020.

Infrastructure technology network upgrades were made to the College’s new core and edge networking appliances. Additionally, Girard College invested in chromebooks for each of its students to help facilitate any necessary virtual learning sessions due to complications from the pandemic.

The College replaced the fiberglass pipe insulation in certain sections of its existing tunnel piping system.

PRESERVATION AND IMPROVEMENTS

Girard College was awarded a Redevelopment Assistance Capital Program (RAC-P) grant of \$500,000 from the Commonwealth of Pennsylvania in December 2020. This highly competitive grant requires a one-to-one match and will support the revitalization of Founder’s Hall.

In addition, Girard College received a \$325,000 grant from the William B. Dietrich Foundation, a private foundation that primarily supports architectural and historic preservation in the Philadelphia area. The Dietrich grant will fund a critical conservation concern: repointing, repairs and cleaning of the full marble entablature located on all four elevations of Founder’s Hall and both pediments, located on the north and south faces of the building. Ensuring all mortar joints are watertight, replacement of eroded stone units and patching cracks will protect the building’s structural integrity, and cleaning the marble will showcase the building’s true beauty.

Preservation and restoration work began in March 2021 and be completed in September, with Dan Bosin Associates serving as the project management firm, Nan Gutterman, FAIA, FAPT, of Vitetta as the preservation architect, and Mara Restoration as the masonry contractor.

The Howard Family Gift Fund awarded the College \$30,000 to renovate the terrarium and Greenhouse that are attached to the Elementary and Middle School science classrooms. This renovation was completed in December 2021. This gift is one of the first steps in helping to transform the College's science education curriculum and facilities.

EVENTS

In partnership with Global Citizen, a Philadelphia non-profit organization, Girard College served as the signature project site for the 26th annual Martin Luther King, Jr. Day of Service on January 18, 2021. It marked the 12th consecutive year that Girard hosted this largest volunteer event in the nation. The outdoor testing event worked to address inequity in health care access and serve those who have been disproportionately affected by the pandemic. To aid in social distancing for the event, five talented Girard students had their original artwork featured on a series of Space Pads created by Mural Arts Philadelphia.

Girard College's beautiful campus has a rich history of appearing in some of Hollywood's biggest film and television productions. The latest production featuring the College is the hit HBO series "Mare of Easttown" starring Kate Winslet and Guy Pearce which aired in spring 2021.

PERSONNEL

Key Hires and Departures

- July 2020 – The College welcomed James Turner as Chief of Student and Campus Life.
- July 2020 – Jonathan Price is named Elementary/Middle School Academic Dean, after having served as Elementary/Middle School Assistant Academic Dean
- July 2020 – Arthur Ernst is named Dean of High School after having served as Assistant Dean of High School.
- June 2021 – Brandon Herbert, Director of Admissions, concluded his work at the College.
- June 2021 – Jonathan Tucker, Vice President of Student Life, concluded his work at the College.

SUNDRY TRUSTS

Net income from the Sundry Trusts was distributed during the year, in accordance with the terms of each individual trust, as set out in the financial statements contained on the following pages of this report.

During the calendar year 2021, income from the funds designated for the purchase of fuel for low-income families provided \$264,000 in assistance to approximately 1,000 recipients for the purchase of home heating oil and natural gas.

The Board approved scholarship aid totaling approximately \$70,000 to 24 students of the Philadelphia public and parochial schools. In addition, scholarship aid from various funds provided financial assistance to 51 graduates of Girard College attending institutions of higher learning totaling \$271,000. Prizes and medals awarded to students attending the public schools in Philadelphia and students at Girard College amounted to \$11,000.

Selection of recipients of the John Scott Medal is made with the invaluable assistance of the John Scott Award Advisory Committee composed of:

Hai-Lung Dai, Ph.D., Secretary

Laura H. Carnell Professor of Chemistry and Vice President of Internal Affairs, Temple University

Magid Abou-Gharbia

Laura H. Carnell Professor of Medicinal Chemistry, Temple University

Clyde F. Barker, M.D.

Donald Guthrie Professor of Surgery, Hospital of the University of Pennsylvania

Eduardo D. Glandt, Ph.D.

Professor Emeritus, Chemical and Biomolecular Engineering, University of Pennsylvania

Virginia Man-Yee Lee, Ph.D.

The John H. Ware 3rd Endowed Professor in Alzheimer Research, University of Pennsylvania Perelman School of Medicine

Marsha I. Lester, Ph.D.

Edmund J. Kahn Distinguished Professor, Department of Chemistry, University of Pennsylvania

George J. Pappas, Ph.D.

UPS Foundation Professor and Chair of the Department of Electrical and System Engineering, University of Pennsylvania

Amos B. Smith III, Ph.D.

Rhodes-Thompson Professor, Department of Chemistry, University of Pennsylvania

The 2021 John Scott Medals and cash awards were awarded in November 2021 to:

- Katalin Kariko, Ph.D. (\$10,000) for establishing the platform for constructing stable and safe mRNA to enable gene-induced immune response within the human body.
- Drew Weissman, MD, Ph.D. (\$10,000) for the development of the mRNA approach to enable gene-induced immune response within the human body.

WILLS EYE HOSPITAL

MISSION AND VISION

Mission Statement

Established in 1832 as a gift from James Wills, a Philadelphia merchant, to the City of Philadelphia, Wills Eye Hospital's mission is to provide excellence in ophthalmic care to the community in need. We advance this mission through compassion for our patients, scientific discovery, and educating the future leaders in ophthalmology.

Vision Statement

Wills Eye Hospital's history and tradition shines with an enduring spirit. Established in 1832 during the emergence of modern American medicine, Wills Eye Hospital served as the place where the forefathers of ophthalmology laid the foundations for the profession. However, with professional achievement comes social responsibility. Wills Eye Hospital's commitment to provide "Skill with Compassion" serves as its most cherished tradition and guide for the future. From patient education to the most complex and challenging surgical care available, Wills Eye Hospital never loses sight of the wellbeing of each and every person who turns to it for care.

THREE PILLARS: CLINICAL CARE, EDUCATION, AND RESEARCH

Clinical Care Pillar

1. Statistics

	<u>2021</u>	<u>2020</u>
Wills Eye Hospital Surgeries	11,040	9,540
Community ASC Surgeries	20,306	15,477

2. Hospital Services

In 2021, mitigation measures related to the Covid-19 pandemic, such as stay-at-home orders, care limitations, and social distancing, were largely lifted. The health care industry began operating normally. Wills Eye Hospital experienced a rebound inpatient volume. Throughput and volumes increased across the service lines, resulting in revenue recovery. Wills Eye continued implementing cost control and monitoring mechanisms to maximize resources. As with many industries, Wills Eye saw a loss of personnel that did not return. The hospital aggressively put into place new retention and recruitment efforts. The hospital and its workforce have seen a good recovery leaving the pandemic period.

3. Academic Medicine

Wills Eye Hospital continues to grow its academic medicine track to unprecedented levels, allowing opportunities for employed physicians and volunteer medical staff to engage in educational and research activities. These endeavors create an exciting nexus between the charitable interests of Wills Eye and the educational and research interests of ophthalmologists and Ph.D.'s. The academic medicine track has

allowed for attractive recruitment nationally, especially among junior attendings. Successful growth in academic medicine has also created increases in surgical and inpatient volumes as these new ophthalmologists have filled block times in the operating rooms. These physicians are steadfast supporters of the Wills Eye mission, actively teaching the residents and fellows, providing excellent care for their own patients, and conducting research with new and existing partners such as CDC, NEI/NIH, and industry companies involved in clinical research.

4. Communications

Wills Eye Hospital continues to promote brand recognition and availability of comprehensive services to the region. In addition, Wills Eye Hospital promotes its scientific and thought leadership to its peer ophthalmologists and institutions in national print and electronic publications. In 2021, work was undertaken on the Catalyst microsite, which invites ophthalmologists, donors, and potential patients nationally and internationally to learn about the groundbreaking work being done at Wills Eye Hospital today.

5. Development

Development efforts provide engagement and support for patient care, clinical programs, education, endowment, research, educational/community outreach programs, infrastructure, capital projects and the hospital's greatest need. For calendar year 2021, new gifts and pledges totaled \$3,355,044.

The Office of Development continued to implement fundraising best practices and engagement through grateful patient focused philanthropic efforts. John Zabinski, Chief Development Officer, along with Suzanne Beers, Director of Major Gifts, and Edmund Flood, Director of Corporate and Foundation Relations, met with all Service Chiefs individually to determine funding needs and priorities to discuss with potential donors.

The 40th Annual Wills Eye Golf Classic was held on June 14, 2021 at Whitemarsh Valley Golf Country Club, Lafayette Hill, PA. We welcomed 96 golfers and 21 dinner additional guests to this 100% outdoor event. Net proceeds of \$56,250 were raised in support of the Wills Eye Center for Academic Global Ophthalmology (CAGO).

Due to the rise of the Covid-19/Delta variant and the critical importance of the safety and health of our community, the decision was made to reschedule the Wills Eye Ball that was scheduled to take place on October 30, 2021. The rescheduled date was Saturday, June 25, 2022 at The Union League of Philadelphia. This event celebrated and benefited the Cataract and Primary Eye Care service and recognized Robert S. Bailey, Jr., MD and Mark H. Blecher, MD for their leadership and commitment to Wills Eye, our patients and our residents.

Ed Flood wrote several successful grant applications for support of various hospital projects including equipment purchases, research projects, and program support. The top three gifts include:

- \$362,175 from the Benjamin and Mary Siddons Measey Foundation to support upgrades and equipment purchase for the MOST lab, specifically for surgical simulation which is critical to Wills' educational mission.
- \$200,000 from the Hearst Foundation for the Cataract and Primary Care Service to improve the patient experience with new equipment that provides capacity to handle more patients, leading to shorter wait time and increase in patient satisfaction.

- \$150,000 from the Wills Alumni Society to upgrade the Wills auditorium audio visual equipment, which has been crucial this year as many of our educational sessions and CME have been offered online.

Mr. Flood also assisted the Continuing Medical Education office with sponsorship applications for vendors participating in the Cornea conference hosted at Wills.

Members of the 1832 Society who made gifts totaling \$1,832 in the current fiscal year were invited to participate in an exclusive Zoom discussion over the summer with Dr. Haller. Donors in 1832 Society and James Wills Society were treated to a year-end gift of thanks that featured foods that benefit eye health including oranges and nuts.

The Wills Eye Fund solicited new grateful patient and family prospects as well as current donors in four major campaigns, including fiscal year end, calendar year end, Doctors' Day and Days of Giving. In calendar year 2021, we welcomed 272 new, first time donors. Doctors' Day in March raised \$56,714 and Days of Giving in September/October raised \$70,728.

Suzanne Beers and John Zabinski focused efforts on building up the grateful patient major gift pipeline as well as documenting bequest intentions to build up the James Wills Society participants. (Major gifts at Wills Eye are defined as \$25,000+) The team successfully solicited and received two \$200,000 gifts, five \$100,000 gifts, two \$50,000 gifts and three \$25,000 gifts.

6. Community Outreach

In 2021, due to the ongoing pandemic, Give Kids Sight Day was held as a two-part event. There were 690 appointments made for a virtual screening day on October 9th. Of the 460 children successfully screened, 322 appointments were made for those whom a vision problem was detected. An additional 28 patients were scheduled on another date. Of the 322 children scheduled for appointments on October 17th, 255 arrived for their appointments. 110 of the children seen were also uninsured. 221 prescriptions were written, and 442 pairs of glasses were made. The pick-up day for glasses was held on December 4th. Also, 44 children out of the 255 patients that were seen were scheduled with appointments for pediatric ophthalmology follow-up as they had more serious eye concerns to be further examined. To get all of this done, over 200 volunteers assisted for jobs such as remote call center volunteers making vision screening appointments, vision screeners, interpreters, logistics assistants, physicians, technicians, greeters, opticians, and captains. Over the last 12 years, we have provided care to over 12,000 kids.

The Courtyard Mentor Program is an underserved community outreach program based in the Queen Village neighborhood of Philadelphia that introduces young men to possible future careers. On November 2, 2021, Wills Eye Hospital hosted the program for an evening of experiences in ophthalmology. After hearing from Dr. Walter Harris and Dr. Doug Wisner about their own career journeys in ophthalmology, the young men donned surgical scrubs and gloves and headed to the Measey Surgical Training Laboratory, where they learned about eye anatomy, sutured artificial skin, performed ultrasonography, used a slit lamp, and surgically implanted an intraocular lens in an artificial training eye. This robust and exciting event is the first of many community outreach efforts to help increase diversity in the field of ophthalmology.

B. Education Pillar

The Wills Eye at Jefferson Residency Program has been voted one of the top medical educational training programs in ophthalmology in the nation according to Doximity.com. We received over 500 applications for eight spots this year in our residency program and matched eight bright young physicians, all at the very top of the USA Medical School Class of 2021 for our Class of 2025.

In 2021, another class of outstanding residents graduated from Wills. Dr. Joseph Anthony Anaya went to Beth Israel Lahey Health for a Vitreoretinal fellowship; Dr. Cherie A. Fathy went to The Wilmer Eye Institute for a Cornea fellowship; Dr. Kalla A. Gervasio stayed at Wills Eye for a Neuro-Ophthalmology fellowship; Dr. Kyle B. McKey went to Duke Eye Center for a Cornea fellowship; Dr. Travis J. Peck went to the Retina Group of Washington for a Vitreoretinal fellowship; Dr. Ranjodh Singh is a comprehensive ophthalmologist at the Veterans Hospital; Dr. Meera Sivalingam stayed at Wills Eye for a Vitreoretinal fellowship; Dr. Connie Wu stayed at Wills Eye for a Glaucoma Fellowship.

C. Research Pillar

In 2021, the Vickie and Jack Farber Vision Research Center (VRC) continued to expand and provide valuable resources and infrastructure to facilitate research at Wills Eye. The use of “big data” in Ophthalmology is a new frontier to address the important questions about best practices for clinical care based on “real world” data. Launched with our selection by the American Academy of Ophthalmology as one of four academic centers in the US with full access to the IRIS® Registry (Intelligent Research in Sight), the Ophthalmology Informatics Program (OIP) in the Vickie and Jack Farber Vision Research Center aims to answer questions for a wide range of eye conditions, positioning Wills as a leader in cutting edge research on disease prevalence, natural history, practice patterns, treatment outcomes on a wide range of eye conditions. To expand the analytic capabilities of the OIP, the Vickie and Jack Farber Vision Research Center recruited two very talented Data Scientists, Dr. Maurizio Tomaiuolo and Mr. Alexander Li, MS. Dr. Tomaiuolo and Mr. Li bring excellent informatics expertise that complements the skills of our Analytics Team. They will collaborate closely with our clinical faculty across the Clinical Services at Wills Eye to refine research questions, prepare data from large, complex data sets such as the IRIS Registry for analyses, perform data analyses, and develop manuscripts.

To promote a research culture and foster collaborations across the clinical sub specialties at Wills, the VRC expanded activities to include Visiting Guest Lectures from leading vision scientists, a Scholar in Residence program in collaboration with one of the Wills Clinical Services and a Faculty Seminar Series, that promotes Wills faculty as speakers. *The Vickie and Jack Farber Vision Research Center Visiting Guest Lectures* feature leading vision scientists in targeted areas of clinical or translational investigation who are invited to discuss their innovative research, offer future directions for the field and serve as role models for a research career track. Dr. Emily Chew, Director, Division of Epidemiology and Clinical Applications and Chief, Clinical Trials Branch at the National Eye Institute, was the 2021 inaugural Visiting Guest Lecturer and is one of the most highly regarded investigators in ophthalmic clinical trials worldwide. *The Vickie and Jack Farber Vision Research Center Scholar in Residence* is a program that partners with a Wills Clinical Service and invites a Clinician Scientist to lecture on their area of clinical research and also lead workshops on research related topics such as preparing grant applications and developing impactful research questions with funding potential. The inaugural 2021 Scholar in Residence was Dr. Joshua Ehrlich, Assistant Professor Department of Ophthalmology & Visual Sciences at University of Michigan and a former Wills resident held in collaboration with the Wills Eye Glaucoma Service. The *Wills Faculty Research Seminars*, held quarterly, are designed to offer an informal setting for Wills faculty and trainees to present completed, ongoing or new research to colleagues for exchange of ideas. The 2021 Faculty Seminar Speakers included Drs. Tatyana Milman, Daniel Lee and Jason Hsu.

In 2021, the VRC continued to support research activities for faculty and trainees through the Vickie and Jack Farber Vision Research Center Cores - The Biostatistics Consulting Core (BCC) under the leadership of Dr. Ed Zhang and the Clinical Trials Program under the direction of Ms. Ellen Peskin. Dr. Zhang, with the support of Mr. James Sharpe, MS has collaborated with numerous Wills faculty and trainees on a range of projects, leading to 29 co-authored publications, many meeting abstracts and a number of other manuscripts in preparation. Under the leadership of Ms. Ellen Peskin, Clinical Trials Manager, the Clinical Trials Program continues to grow and has worked with investigators in multiple clinical services to help facilitate bringing new cutting edge clinical trials to Wills Eye.

Ongoing Wills Eye federally funded research included three NIH-subcontracts involving the Pediatric Ophthalmology and Ocular Genetics Service. Wills Eye faculty also collaborated with the Jaeb Center for Health Research as clinical site investigators for different protocols through two Clinical Trials Networks- PEDIG (Pediatric Eye Disease Investigator Group) and DRCR.

With the help of Edmond Flood, Director of Wills Foundation, four new awards were granted in 2021 for the following projects:

- BNY Mellon's Elizabeth C. King Trust awarded a one-year grant to Jose Pulido MD for the project titled "*saRNA as Novel Treatment of Ocular and Systemic Inflammatory Diseases*".
- Pennsylvania Lions Sight Conservation and Eye Research Foundation awarded a one-year grant to Tatyana Milman MD for a project on Ocular Pathology Research
- PNC Charitable Trust's Snyder Trust awarded a one-year grant to Zeba Syed MD for a project on Corneal Scarring
- BNY Mellon's Midatlantic Charitable Trusts (Elizabeth King Trust) awarded a one-year grant to Zeba Syed MD for a Cornea Research project.

Industry-sponsored research has continued in 2021 in the Cornea, Glaucoma and Neuro-ophthalmology Services. These clinical studies, conducted by the Cornea Service under the leadership of Dr. Christopher Rapuano, Glaucoma Research Center under the leadership of Dr. Jonathan Myers and Dr. Daniel Lee and the Neuro-ophthalmology Ophthalmology under the leadership of Dr. Robert Sergott and Dr. Mark Moster.

RETIREMENT PLANS FOR EMPLOYEES OF THE BOARD OF DIRECTORS OF CITY TRUSTS

	Contributory Plan	Girard Non-Contributory Plan	Wills Eye Health System Non-Contributory Plan
<u>DECEMBER 31, 2021:</u>			
Active participants	8	58	16
Retired participants	33	135	267
Terminated participants with vested benefits	16	137	147
Pension liability	\$ 4,694,000	\$ 28,222,000	\$ 37,676,000
Net position restricted for pension benefits	9,107,000	53,415,000	45,903,000
Annual rate of retirement benefits currently being paid	376,000	1,803,000	2,688,000
<u>YEAR ENDED DECEMBER 31, 2021:</u>			
Employer's contribution	422,000	1,140,000	1,500,000
Net investment income from units of the Collective Legal Investment Fund and short-term investments	81,000	483,000	416,000

The Reports of Independent Auditors on the Accounts of each of the several Trusts under the care of the Board appear elsewhere in this report.

On behalf of the Board of Directors of City Trusts,



Bernard W. Smalley, Esq.
President



THE ESTATE OF STEPHEN GIRARD, DECEASED

Financial Statements

June 30, 2021 and 2020

(With Independent Auditors' Report Thereon)

THE ESTATE OF STEPHEN GIRARD, DECEASED

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KPMG LLP
Suite 1000
30 North Third Street
Harrisburg, PA 17101

Independent Auditors' Report

The Board of Directors of City Trusts
Philadelphia, Pennsylvania:

We have audited the accompanying financial statements of The Estate of Stephen Girard, Deceased (the Estate), which comprise the statements of net assets – FASB basis as of June 30, 2021 and 2020, and the related statements of changes in net assets – FASB basis and cash flows – FASB basis for the years then ended, and the related notes to the financial statements – FASB basis.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in note 1(b) to the financial statements – FASB basis; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position – FASB basis of the Estate of Stephen Girard, Deceased, as of June 30, 2021 and 2020, and the changes in its net assets – FASB basis and its cash flows – FASB basis for the years then ended, on the basis of accounting described in note 1(b).



Basis of Accounting

We draw attention to note 1(b) of the financial statements, which describes the basis of accounting. As described in note 11, the Board of Directors of City Trusts is an agency of the Commonwealth of Pennsylvania, and, as such, the Estate is subject to the accounting standards promulgated by the Governmental Accounting Standards Board (GASB). The financial statements are prepared in accordance with the standards promulgated by the Financial Accounting Standards Board (FASB), which collectively represent another comprehensive basis of accounting. Our opinion is not modified with respect to this matter.

KPMG LLP

Philadelphia, Pennsylvania
October 29, 2021

THE ESTATE OF STEPHEN GIRARD, DECEASED

Statements of Net Assets – FASB Basis

June 30, 2021 and 2020

(In thousands)

Assets	2021	2020
Cash	\$ 2,874	2,828
Receivables, net	2,330	2,603
Prepaid and other assets	23,582	16,645
Investments	403,394	300,004
Assets held under indenture agreements	35,619	63,008
Property, plant and equipment, net	132,480	136,320
Total	<u>\$ 600,279</u>	<u>521,408</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 1,466	4,339
Accrued expenses	3,044	2,909
Line of credit	11,537	22,405
Interest rate swap liability	24,082	30,603
Advance rents and other liabilities	75,298	82,581
Long-term debt	113,613	113,567
Total liabilities	229,040	256,404
Net assets – without donor restrictions	<u>371,239</u>	<u>265,004</u>
Total	<u>\$ 600,279</u>	<u>521,408</u>

See accompanying notes to financial statements – FASB basis.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Statements of Changes in Net Assets – FASB Basis

Years ended June 30, 2021 and 2020

(In thousands)

	<u>2021</u>	<u>2020</u>
Operating revenue:		
Realized and unrealized investment gains	\$ 100,277	4,315
Income from investments, net	4,242	6,266
Real estate	25,321	22,403
Girardville area	1,869	2,058
Reimbursements under government grants	338	822
Contributions to Girard College	1,256	1,440
Other	227	236
Total operating revenue	<u>133,530</u>	<u>37,540</u>
Operating expenses:		
Girard College	21,494	22,327
Supporting services:		
Real estate	23,599	21,440
Girardville area	580	607
Administration	1,443	1,328
Total operating expenses	<u>47,116</u>	<u>45,702</u>
Change in net assets from operating activities	86,414	(8,162)
Nonoperating activities:		
Unrealized gain (loss) on interest rate swap	6,521	(6,396)
Decrease (increase) in pension benefit obligation	12,751	(8,715)
Other non-service periodic pension cost	549	1,267
Increase (decrease) in net assets – without donor restrictions	106,235	(22,006)
Net assets – without donor restrictions, beginning of year	<u>265,004</u>	<u>287,010</u>
Net assets – without donor restrictions, end of year	\$ <u>371,239</u>	<u>265,004</u>

See accompanying notes to financial statements – FASB basis.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Statements of Cash Flows – FASB Basis

Years ended June 30, 2021 and 2020

(In thousands)

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 106,235	(22,006)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	9,160	8,173
Realized and unrealized investment gains	(100,277)	(4,315)
Unrealized (gain) loss on interest rate swap	(6,521)	6,396
(Decrease) increase in pension benefit obligations	(12,751)	8,715
Change in operating assets and liabilities:		
Receivables, net	273	(224)
Prepaid and other assets	(6,950)	(5,049)
Accounts payable and accrued expenses	302	414
Advance rents and other liabilities	5,454	(3,766)
Net cash used in operating activities	(5,075)	(11,662)
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(8,286)	(28,551)
Proceeds from sales of investments	5,817	22,702
Purchases of investments	(374)	(739)
Investments in joint ventures	(5,750)	(8,345)
Proceeds from joint ventures	14,582	8,016
Net cash provided by (used in) investing activities	5,989	(6,917)
Cash flows from financing activities:		
Assets held under indenture agreements	10,000	—
Proceeds from line of credit	7,100	20,212
Payments on line of credit	(17,968)	—
Net cash (used in) provided by financing activities	(868)	20,212
Net increase in cash	46	1,633
Cash, beginning of year	2,828	1,195
Cash, end of year	\$ 2,874	2,828
Supplemental disclosures of cash flow information:		
Interest paid	\$ 6,297	6,103
Change in accounts payable related to capital purchases	(3,040)	777
Reduction (increase) of amounts designated for assets held under indenture agreements	17,389	(26,608)

See accompanying notes to financial statements – FASB basis.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

(1) The Estate and Summary of Significant Accounting Policies

(a) The Estate

Upon his death in 1831, Stephen Girard bequeathed cash and real estate to the City of Philadelphia for the primary purpose of establishing a boarding school for orphans (Girard College). Girard College, in continuous operation since 1848, is now a full scholarship boarding school for grades 1 through 12 situated on a 43-acre campus in Philadelphia for academically capable students from qualified families of limited financial resources. The City of Philadelphia serves as Trustee under the will of Stephen Girard, Deceased, acting by the Board of Directors of City Trusts (the Board) (hereinafter referred to as the Girard Estate or the Estate) and retains ownership of the assets and obligations of the Estate, which it administers for the benefit of the Estate. The Estate comprises personal property and real estate, principally acquired properties and improvements thereto in Philadelphia and throughout the Commonwealth of Pennsylvania (the Commonwealth) and anthracite coal lands in Schuylkill, Columbia, and Northumberland counties in the Commonwealth in the general vicinity of Girardville, Pennsylvania. The primary operations of the Estate include the funding and operation of Girard College. The funding is derived primarily from the Estate's investment portfolio, real estate assets, and anthracite coal assets.

(b) Basis of Accounting

As described in note 11, the Board is an agency of the Commonwealth of Pennsylvania and, as such, the Estate is subject to U.S. generally accepted accounting principles (U.S. GAAP) promulgated by the Governmental Accounting Standards Board (GASB). However, the Estate has chosen to prepare the financial statements and notes thereto following the accounting standards promulgated by the Financial Accounting Standards Board (FASB) applicable to not-for-profit organizations because it believes that the FASB format presents the results of its diversified educational, investment, and real estate activities in a manner that is more meaningful to third parties and to the Board.

A summary of the differences of the Estate's financial statements if they were prepared in accordance with U.S. GAAP for state and local governments rather than U.S. GAAP for not-for-profit organizations is as follows:

- Management's discussion and analysis would be required supplementary information.
- Net position, rather than net assets – without donor restrictions, would be presented. Net position would include, in addition to without donor restrictions component, a component for net investment in capital assets.
- Recorded obligations for retirement plans would be accounted for similar to pension obligations under FASB standards, with differences in the rate used to discount future pension benefits to their present value and the method used to attribute pension liabilities to specific periods. Additionally, information on funding progress for the plans would be required supplementary information.
- The Estate would be required to evaluate the effectiveness of its interest rate swaps as potential hedging derivative instrument. If deemed effective, changes in fair value of the swaps would be recorded as a deferred outflow of resources or a deferred inflow of resources rather than unrealized gain or loss on the statements of changes in net assets – FASB basis.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

- Gains and losses related to debt defeasance would be deferred and amortized over the life of the debt rather than recorded as gain or loss at the time of the defeasance.
- Debt issuance costs, except any portion related to prepaid insurance costs, would be recognized as an expense in the period incurred, rather than capitalized and amortized over the life of the related debt.
- Additional disclosures would be provided regarding:
 - Interest rate risk, credit risk, custodial credit risk, and concentrations of credit risk related to the Estate's investments and the Estate's policies for managing such risks
 - A description of the risks of loss to which the entity is exposed and the ways in which the risks of loss are managed
 - Pledged revenue under the Estate's debt agreements
 - Additions to and deductions from the Estate's capital assets and long-term debt and maturities of interest payments on long-term debt. Also separate disclosure of the current portion of long-term debt.

(c) Net Assets

Net assets and revenue, gains, and losses are classified as either without donor restrictions or with donor restrictions based on the existence or absence of donor-imposed restrictions as follows:

Without donor restrictions – Net assets not subject to donor-imposed stipulations.

With donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity (endowment funds). Donor-imposed restrictions are released when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There are no net assets subject to donor-imposed restrictions.

(d) Receivables

Receivables include investment income and rent receivables. Rent receivable are net of an allowance for bad debts, which is estimated based upon the Estate's assessment of factors related to the collectability of such receivables. Actual losses may vary from current estimates. These estimates are reviewed periodically and if changes to such estimates are deemed necessary, they are recorded in the period in which they become reasonably estimable.

(e) Investments

Investments are stated at fair value. The Estate's investments were primarily invested in the Collective Legal Investment Fund (the CLIF), which is a pooled investment fund of the assets of all the trusts administered by the Board. Units of the CLIF are generally purchased and sold based on the available cash and cash requirements of the Estate. Gains and losses from the sales of such units, determined on the last-in, first-out method, are included in the statements of changes in net assets – FASB basis.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

The change in the difference between aggregate market value and the cost of investments from the beginning to the end of the year is reflected in the statements of changes in net assets – FASB basis. Earnings from the CLIF are allocated based on units held.

The Estate is a partner in several joint ventures, which are accounted for on the equity method.

(f) Assets Held under Indenture Agreements

The Collateral Pledge and Security Agreement related to the Series of 2014 Refunding Bonds requires funds to be deposited with a trustee as security for outstanding debt obligations related to the Estate's associated interest rate swap agreement. Assets held under indenture agreements consist of cash equivalents and securities segregated for this purpose within the CLIF.

(g) Interest Rate Swap

The Estate's interest rate swap related to its debt is measured at fair value and is recognized as a liability in the statements of net assets – FASB basis. Changes in the fair value from year to year are recognized as non-operating activities in the statements of changes in net assets – FASB basis.

(h) Property, Plant, and Equipment

Property, plant, and equipment comprise land, equipment, real estate improved and acquired, Girard College real property and facilities, and construction in progress.

Expenditures for property, plant, and equipment are recorded at cost. Improvements to buildings and Girard College capital assets are stated at cost less accumulated depreciation calculated on a straight-line basis over the estimated useful lives, ranging primarily from 5 to 35 years. Alterations for tenants are stated at cost less accumulated depreciation calculated on a straight-line basis over the terms of the respective leases. Equipment is stated at cost less accumulated depreciation calculated on a straight-line basis over the estimated useful lives, ranging primarily from 5 to 20 years.

Long-lived assets to be held and used are assessed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If circumstances indicate a long-lived asset is impaired, the asset value will be reduced to fair value. Fair value is determined through various valuation techniques, including quoted market values and third-party independent appraisals, as considered necessary.

(i) Fair Value

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted or published prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market and U.S. Treasury securities.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

Level 2: Observable inputs other than Level 1 prices, such as quoted or published prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments, as well as interest-rate swaps. This category generally includes certain U.S. government and agency mortgage-backed debt securities and corporate debt securities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The Estate measures its investments and interest rate swap related to its debt at fair value. The Estate's valuation methodology for each of these items is described in the paragraphs below. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest-level input that is significant to the fair value measurement.

(i) *Collective Legal Investment Fund*

At June 30, 2021 and 2020, the Estate's investments include shares owned in the CLIF, which invests in the following types of securities:

Equity Securities

Securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded, they are categorized in Level 1 of the fair value hierarchy.

Debt Securities

U.S. government and other debt securities are valued at the closing price reported in the active market in which the security is traded, if available, and categorized in Level 1 of the fair value hierarchy. If such information is not available, debt is valued based on yields currently available on comparable securities for issuers with similar credit ratings and characterized in Level 2 of the fair value hierarchy.

Listed asset-backed securities are valued based on quoted market prices from the active market in which the instrument is principally traded and are categorized in Level 1 of the fair value hierarchy. If such quoted prices are not available, the fair value of the security is estimated based on models considering the estimated cash flows and expected yield. Such investments are categorized as Level 2 based on the extent inputs are observable and timely.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

Private Equity Funds

Net asset value (NAV) provided by limited partnership investees are based on the NAV per share as reported by the investee as a practical expedient. NAV may differ from fair value as otherwise calculated. Such investments, which are measured at NAV per share as a practical expedient to fair value, have not been categorized in the fair value hierarchy table in Note 3.

(ii) Interest Rate Swap

The fair value of the Estate's interest rate swap related to its debt obligations is based on a discounted cash flow model with Level 2 inputs, including the value of the relevant market index upon which the swap is based.

(j) Revenue Recognition

Real estate revenue consists of rental income, which is based upon lease agreements with each respective tenant. Rental revenue for some leases is recognized when the rent is due from the tenant. However, for longer term leases (typically greater than 5 years) rental revenue for base rent is recorded on a straight-line basis over the term of the respective lease. Real estate revenue also includes expense reimbursements from tenants, based on provisions in certain lease agreements, which include on a fixed or pro-rata basis the costs of common area maintenance (CAM), insurance, and utilities. The Estate recognizes amounts reimbursed by tenants in the period that the applicable expenses are incurred. Rental payments received in advance are deferred until earned. All leases between the Estate and the tenants of the property are operating leases.

(k) Contributions and Grants

Unconditional contributions, including unconditional promises to give and notification of a beneficial interest, and grants are recognized as revenue in the period received.

A contribution, gift or grant is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until they become unconditional, that is, when the barrier(s) in the agreement are overcome.

Unconditional contributions with no purpose or time restrictions are reported as revenue without donor restrictions.

Unconditional contributions and grants with donor-imposed restrictions that limit the use of the asset are reported as revenue with donor restrictions and are reclassified to net assets without donor restrictions when an expense is incurred that satisfies the donor-imposed restriction. However, for donor-restricted contributions and grants that were initially conditional, if donor-imposed restrictions are met in the same year that they become unconditional, the revenue is reported as revenue without donor restrictions on the statement of changes in net assets – FASB basis. Contributions restricted for the acquisition of plant and equipment are released from restriction when the asset is placed in service.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

(l) Use of Estimates

The preparation of financial statements in conformity with the basis of accounting described in note 1(b) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

Significant estimates made in the preparation of these financial statements include the estimated fair value of alternative investments and interest rate swaps, and actuarial assumptions used to determine pension benefit obligations. Actual results could differ from those estimates.

(m) Asset Retirement Obligation

Substantially all of the Estate's asset retirement obligations represent estimated costs to remove asbestos within the Estate's properties. The following is a reconciliation of the Estate's remaining asset retirement obligation for the years ended June 30, 2021 and 2020 (in thousands):

Balance, June 30, 2019	\$	1,071
Remediation		(20)
Accretion expense		66
		<hr/>
Balance, June 30, 2020		1,117
Remediation		(7)
Accretion expense		70
		<hr/>
Balance, June 30, 2021	\$	<u>1,180</u>

The asset retirement obligation is recorded as a component of advance rents and other liabilities in the statements of net assets – FASB basis.

(n) Recently Adopted Accounting Standards

Effective July 1, 2019, the Estate adopted ASU No. 2016-02, *Leases* (Topic 842) and related guidance which establishes the principles for the recognition, measurement, presentation, and disclosure requirements of leases for both the lessee and lessor. The Estate is not a lessee in any of its contractual obligations. Certain initial direct costs associated with leasing activities were allowed to be capitalized and amortized over the life of the lease including legal costs, salaries and related costs for employees and other lease development costs. Prior to adoption of this standard, the Estate did incur and capitalize these types of costs. Going forward, such costs will be expensed in the period in which they are incurred. The Estate has elected to incorporate the practical expedients available for implementation of this standard. As a result, there were no prior period amounts restated related to (i) whether an expired or existing contract meets the definition of a lease, (ii) the lease classification at the adoption date for existing leases and (iii) whether costs previously capitalized as initial direct costs would continue to be amortized over the remaining terms of the associated leases.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

In 2021, the Estate adopted the ASU No. 2020-04, *Reference Rate Reform* (Topic 848): *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, and ASU No. 2021-01, *Reference Rate Reform* (Topic 848): *Scope*. These ASUs provide optional guidance to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform, i.e., the discontinuation of the London Interbank Offered Rate (LIBOR) or another reference rate in a contract, on financial reporting. The guidance permits an entity, when certain criteria are met, to account prospectively for amendments to contracts made to comply with reference rate reform as a continuation of the existing contract. The Estate has certain interest-rate exchange agreements (see Note 7) that utilize LIBOR. As LIBOR is expected to be discontinued as a reference rate after 2021, a new reference rate or rates will need to replace LIBOR in these contracts, which the Estate is currently evaluating. These ASUs did not impact financial results in 2021.

(2) Liquidity and Availability of Resources

The Estate regularly monitors liquidity required to meet its operating needs and other contractual commitments while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Estate considers all expenditures related to its ongoing mission-related activities as well as the expenditures undertaken to support those activities to be general expenditures.

Financial assets and liquidity resources available for general expenditures within one year at June 30, 2021 and 2020 are as follows (in thousands):

	2021	2020
Cash	\$ 2,874	2,828
Receivables, net	2,330	2,603
Investments	403,394	300,004
Total financial assets	408,598	305,435
Less:		
Investments in joint ventures	(38,739)	(39,186)
Private equity investments not available within one year	(13,049)	(6,990)
Total financial resources available within one year	\$ 356,810	259,259

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of June 30, 2021. The Estate has a policy to structure its financial assets to be available as its general operating expenses, liabilities, and other obligations come due.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

(3) Investments and Assets Held under Indenture Agreements

The following summarizes the Estate's investments as of June 30, 2021 and 2020 (in thousands):

	<u>2021</u>	<u>2020</u>
Investment in Collective Legal Investment Fund	\$ 364,437 *	259,982 *
Joint ventures	38,739	39,186
Money market funds	218	836
Total investments	<u>\$ 403,394</u>	<u>300,004</u>

* Amounts exclude \$35,619,000 at June 30, 2021 and \$53,008,000 at June 30, 2020 that are segregated within the CLIF to comply with the requirements of certain debt, line-of-credit, and swap agreements. Such amounts have been included in assets held under indenture agreements to reflect the restriction on their use.

The composition of the Estate's investment return, net for the years ended June 30, 2021 and 2020 are as follows (in thousands):

	<u>2021</u>	<u>2020</u>
Net realized gain on sales of CLIF investments	\$ 3,998	8,460
Unrealized appreciation (depreciation) of CLIF investments	87,894	(5,740)
Dividend and interest income, net	4,242	6,071
Total CLIF income	<u>96,134</u>	<u>8,791</u>
Gain on sales of joint ventures	6,645	1,994
Share in joint ventures' operating gain (loss)	1,740	(399)
Total joint venture income	<u>8,385</u>	<u>1,595</u>
Other income	<u>—</u>	<u>195</u>
Total investment income, net	<u>\$ 104,519</u>	<u>10,581</u>

(a) Collective Legal Investment Fund

The CLIF is a balanced portfolio composed primarily of equity, fixed-income, and short-term investment securities. It is intended to be more aggressive than income-oriented portfolios and less aggressive than equity-oriented portfolios. All asset classes, other than alternative investments, must have a readily ascertainable market value and must be readily marketable. The Board's investment policy does allow private equity investment funds on a limited basis. As of June 30, 2021 and 2020, 3.26% and 2.2%, respectively, of the CLIF assets have been invested in this asset class.

The equity portfolio is well diversified to avoid undue exposure to any single economic sector, industry group, or individual security.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

Risk, volatility, and the possibility of loss in purchasing power are present to some degree in all types of investment vehicles. While high levels of risk are normally avoided, the assumption of risk is warranted and encouraged in order to allow the opportunity to achieve satisfactory long-term results consistent with objectives and fiduciary character of the CLIF. The volatility of returns are monitored and evaluated on a continuing basis.

At June 30, 2021 and 2020, the Estate owned 58.73% and 58.66%, respectively, of the total units in the CLIF. The total investments of the CLIF at fair value as of June 30, 2021 and 2020 are as follows (in thousands):

	<u>2021</u>	<u>2020</u>
Short-term investments	\$ 10,611	29,780
Equities:		
U.S. common stocks	364,228	264,466
Exchange-traded funds	43,919	43,502
International equity mutual funds	43,183	33,970
Fixed income:		
U.S. government and agency obligations	58,759	55,916
Corporate debt securities	61,607	62,860
Asset-backed securities	10,696	12,854
Mutual funds	65,975	18,274
Private equity	22,220	11,916
Total investments in the CLIF	<u>\$ 681,198</u>	<u>533,538</u>

The CLIF's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer.

The following table presents the CLIF's fair value hierarchy for assets held in the CLIF measured at fair value on a recurring basis and NAV as of June 30, 2021 (in thousands):

		<u>Fair value measurements</u> <u>at June 30, 2021 using</u>	
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Short-term investments	\$ 10,611	10,611	—
Equity securities:			
U.S. common stocks:			
Industrials	46,034	46,034	—
Consumer discretionary	51,667	51,667	—
Consumer staples	11,780	11,780	—
Energy	10,774	10,774	—
Financial	47,721	47,721	—

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

	Total	Fair value measurements at June 30, 2021 using	
		Level 1	Level 2
Materials	\$ 14,122	14,122	—
Information technology	87,061	87,061	—
Real estate	5,903	5,903	—
Utilities	6,522	6,522	—
Healthcare	43,576	43,576	—
Telecommunications and other	39,068	39,068	—
Total U.S. common stocks	364,228	364,228	—
Exchange-traded funds:			
S&P 500 Index SPDR	43,919	43,919	—
International equity mutual funds	43,183	43,183	—
Total equity securities	451,330	451,330	—
Fixed income:			
Debt securities issued by the U.S.			
Treasury and other U.S. government corporations and agencies	41,327	40,129	1,198
Debt securities issued by states of the United States and political subdivisions of the states	17,277	—	17,277
Debt securities issued by foreign governments	155	—	155
Corporate debt securities	61,607	—	61,607
Asset-backed securities	4,965	—	4,965
Mortgage-backed securities	5,731	—	5,731
Mutual funds	65,975	65,975	—
Total fixed income	197,037	106,104	90,933
Total	658,978	\$ 568,045	90,933
Private equity funds reported at NAV	22,220		
Total investments in the CLIF	\$ 681,198		

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

The following table presents the CLIF's fair value hierarchy for assets held in the CLIF measured at fair value on a recurring basis and NAV as of June 30, 2020 (in thousands):

	Total	Fair value measurements at June 30, 2020 using	
		Level 1	Level 2
Short-term investments	\$ 29,780	29,780	—
Equity securities:			
U.S. common stocks:			
Industrials	30,268	30,268	—
Consumer discretionary	33,579	33,579	—
Consumer staples	12,747	12,747	—
Energy	4,737	4,737	—
Financial	29,184	29,184	—
Materials	6,899	6,899	—
Information technology	69,007	69,007	—
Real estate	4,518	4,518	—
Utilities	4,807	4,807	—
Healthcare	40,376	40,376	—
Telecommunications and other	28,344	28,344	—
Total U.S. common stocks	264,466	264,466	—
Exchange-traded funds:			
S&P 500 Index SPDR	31,638	31,638	—
Select Sector SPDRs	11,864	11,864	—
Total exchange-traded funds	43,502	43,502	—
International equity mutual funds	33,970	33,970	—
Total equity securities	341,938	341,938	—
Fixed income:			
Debt securities issued by the U.S.			
Treasury and other U.S. government corporations and agencies	39,774	39,182	592
Debt securities issued by states of the United States and political subdivisions of the states	15,981	—	15,981
Debt securities issued by foreign governments	161	—	161
Corporate debt securities	62,860	—	62,860
Asset-backed securities	5,135	—	5,135

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

	Total	Fair value measurements at June 30, 2020 using	
		Level 1	Level 2
Residential mortgage-backed securities	\$ 138	—	138
Commercial mortgage-backed securities	7,581	—	7,581
Mutual funds	18,274	18,274	—
Total fixed income	149,904	57,456	92,448
Total	521,622	\$ 429,174	92,448
Private equity funds reported at NAV	11,916		
Total investments in the CLIF	\$ 533,538		

(b) Joint Ventures

The Estate has invested in various joint ventures that own diversified real estate assets, including an office building leased as an automotive research facility, student housing, apartment complexes, a parking garage, and office/warehouse facilities for lease in several states. The Estate is entitled to preferred cumulative dividends and/or operational cash flow from net operating income. These investments are accounted for on the equity method.

The following table summarizes the Estate's investments in joint ventures as of June 30, 2021 and 2020 (in thousands):

	2021	2020
Joint ventures, beginning balance	\$ 39,186	37,271
Additional investments	5,750	8,345
Proceeds from sales of joint ventures	(7,969)	(2,167)
Cash distributions	(6,613)	(5,698)
Return of capital	—	(160)
Gain on sales	6,645	1,994
Share in joint ventures	1,740	(399)
Joint ventures, ending balance	\$ 38,739	39,186

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

(4) Property, Plant and Equipment

Property, plant, and equipment of the Estate as of June 30, 2021 and 2020 are as follows (in thousands):

	2021	2020
Real estate operations:		
Land	\$ 26,563	26,563
Buildings and improvements	127,216	118,826
Tenant alterations	24,921	23,827
Equipment	557	530
Construction in progress	437	6,394
	<u>179,694</u>	<u>176,140</u>
Accumulated depreciation	<u>(69,228)</u>	<u>(62,979)</u>
	<u>110,466</u>	<u>113,161</u>
Coal operations:		
Equipment	<u>311</u>	<u>311</u>
	311	311
Accumulated depreciation	<u>(284)</u>	<u>(275)</u>
	<u>27</u>	<u>36</u>
Girard College operations:		
Building and building improvements	66,820	66,179
Equipment	3,055	2,505
Construction in progress	573	71
	<u>70,448</u>	<u>68,755</u>
Accumulated depreciation	<u>(48,461)</u>	<u>(45,632)</u>
	<u>21,987</u>	<u>23,123</u>
Total property, plant, and equipment, net	<u>\$ 132,480</u>	<u>136,320</u>

Land and other real estate received under the will of Stephen Girard after his death in 1831 have been assigned no value in the accounts of the Estate and represent various properties in Philadelphia, Schuylkill and Columbia counties in Pennsylvania. Subsequent improvements to buildings and real estate have been capitalized and depreciated.

The Estate recorded depreciation expense of \$9,087,000 and \$8,101,000 in 2021 and 2020, respectively.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

(5) Retirement Plans

(a) Defined-Benefit Plans

Nonunion employees of the Estate and Girard College hired prior to September 1, 2010 and certain union employees participate in the Board of Directors of City Trusts Girard Non-Contributory Retirement Plan (Non-Contributory Plan). Certain other union employees participate in the Board of Directors of City Trusts Contributory Retirement Plan (Contributory Plan). Contributions to the Contributory and Non-Contributory plans (the Plans) provide for the payment of estimated normal cost and amortization of the unfunded prior service liability over a 25-year period.

The Estate recorded a net pension asset of \$4,658,000 and a net pension liability of \$8,328,000 at June 30, 2021 and 2020, respectively, for the Estate's funded status. In the statements of net assets – FASB basis, net pension asset is included as a component of prepaid and other assets while the net pension liability is included as a component of advance rents and other liabilities.

The following presents the projected funded status and accrued cost of the Plans for the year ended June 30, 2021 (in thousands):

	Contributory Plan	Non- Contributory Plan
Projected benefit obligations – June 30	\$ (7,930)	(46,914)
Fair value of plan assets – June 30	8,629	50,873
Funded status	\$ 699	3,959
Prepaid cost recognized in the Estate's statement of net assets	\$ 699	3,959
Accumulated benefit obligation	(7,580)	(45,643)
Benefit expense	178	423
Employer contribution	358	1,000
Plan participants' contribution	27	—
Benefits paid	394	1,738
Weighted average assumptions used to determine benefit obligation and net periodic benefit cost:		
Discount rate (benefit obligation)	2.79 %	2.73 %
Discount rate (net period benefit cost)	2.72	2.64
Expected long-term return on plan assets	7.50	7.50
Rate of compensation increase	3.00	3.00

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

The following presents the projected funded status and accrued cost of the Plans for the year ended June 30, 2020 (in thousands):

	Contributory Plan	Non- Contributory Plan
Projected benefit obligations – June 30	\$ (8,110)	(46,998)
Fair value of plan assets – June 30	6,745	40,035
Funded status	\$ (1,365)	(6,963)
Accrued cost recognized in the Estate's statement of net assets	\$ (1,365)	(6,963)
Accumulated benefit obligation	(7,732)	(45,237)
Benefit expense	32	(371)
Employer contribution	232	720
Plan participants' contribution	29	—
Benefits paid	404	1,730
Weighted average assumptions used to determine benefit obligation and net periodic benefit cost:		
Discount rate	2.72 %	2.64 %
Expected long-term return on plan assets	7.75	7.75
Rate of compensation increase	3.00	3.00

The components of net periodic benefit cost for the years ended June 30, 2021 and 2020 are as follows (in thousands):

	2021	2020
Amounts recognized in net assets but not yet recognized in net periodic benefit cost:		
Prior service costs	\$ 13	44
Net loss	8,177	20,374
Total amount recognized in net assets	\$ 8,190	20,418
Components of net periodic benefit cost:		
Service cost	\$ 1,150	929
Interest cost	1,431	1,617
Expected return on plan assets	(3,476)	(3,576)
Amortization of prior service cost	32	32
Recognized actuarial cost	1,464	660
Net periodic benefit cost	\$ 601	(338)

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

In connection with the Estate's adoption of ASU 2017-07, the service cost component of the net periodic benefit cost are included in operating expenses and the remaining components are reported as other non-service periodic pension costs in the accompanying statements of changes in net assets – FASB basis for the years ended June 30, 2021 and 2020.

The Estate expects to contribute \$143,000 and \$186,000 to the Contributory and Non-Contributory Plans, respectively, in fiscal year 2022.

The expected benefit payments from the Plans for the next 10 years are as follows (in thousands):

	Contributory Plan	Non- Contributory Plan
2022	\$ 387	2,105
2023	378	2,131
2024	370	2,173
2025	362	2,200
2026	355	2,360
Years 2027–2031	1,734	12,507
	<u>\$ 3,586</u>	<u>23,476</u>

The Plans' investments were held in the CLIF at June 30, 2021 and 2020.

	June 30, 2021		June 30, 2020	
	CLIF units held	Percentage of CLIF held	CLIF units held	Percentage of CLIF held
Contributory Plan	59,412	1.25 %	59,846	1.24 %
Non-Contributory Plan	354,706	7.47	360,015	7.47

(b) Defined-Contribution Plan

Girard Estate and Girard College nonunion employees hired after August 31, 2010 participate in the Girard Estate/Girard College Retirement Plan, a 403(b) defined-contribution retirement plan. Employees may choose to defer a portion of their compensation in accordance with Internal Revenue Services (IRS) regulations. Employee contributions are immediately fully vested and are not subject to forfeiture for any reason. Eligible participants receive a discretionary annual employer contribution, which is determined each year. The employer contributions for fiscal years 2021 and 2020 were set at 3% of eligible compensation and in the aggregate were \$52,000 and \$36,000, respectively.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

(6) Line of Credit

The Estate entered into a secured revolving line of credit agreement with a bank, which provides that the Estate may borrow up to \$25,000,000. Amounts outstanding under this line bear interest at the daily LIBOR plus 0.75%. The agreement also allows the Estate to draw unsecured advances at its option under the line which, bear interest at the daily LIBOR rate plus 1.00%. If the average amount of the unused line is greater than 50% of the total available line, an unused fee equal to 0.15% on the average daily amount of the unused portion is due annually. The Estate is required to pledge as collateral certain marketable securities with an adjusted (as defined) market value at least equal to the monthly outstanding balance. Such collateral is held in the CLIF and presented as assets held under indenture agreements in the statements of net assets – FASB basis. In April 2021, the line was renewed by the bank for another year to April 2022 with a mutual option to renew by both parties annually.

At June 30, 2021, the Estate had outstanding borrowings of \$11,537,000 under this line of which all were secured.

(7) Long-Term Debt

(a) 1101 Market Street Financing

In December 2018, an insurance company issued a \$55,000,000, 4.51% fixed rate, 16-year term, 25-year amortization note relating to the fee and leasehold interest in the office building located at 1101 Market Street in Philadelphia, Pennsylvania. Interest only payments began in February 2019 for a period of 36 months with principal and interest payments due monthly for the remaining 13 years up to and including January 2035. At that time, a significant portion of the principal will remain outstanding and will require refinancing or satisfaction.

(b) Series of 2014 Revenue Refunding Bonds

On December 1, 2014, The Philadelphia Authority for Industrial Development issued \$59,200,000 of Tax-Exempt Revenue Bonds (Girard Estate Project) Series of 2014 Revenue Refunding Bonds (the 2014 Bonds) with a bank being the sole holder. The proceeds were used to refinance and redeem the Series of 2001 and Series of 2002 Bonds. The loan agreement is a general obligation of the Estate payable from the revenue of the Estate.

The bank, in its sole discretion, has the option within 90 days prior to and 90 days after the 10-year anniversary following the bond issuance date to declare the entire principal balance and accrued and unpaid interest of the 2014 Bonds payable in full. If exercised, payment on this call option would be due within 90 days of such written notification from the bank. The maturities table below assumes that this call option will not be exercised.

In connection with the issuance of the 2014 Bonds, the Estate entered into an interest rate swap contract in order to convert the variable interest rate for the 2014 Bonds to a synthetic fixed rate plus the applicable credit spread. The swap contract has a notional amount of \$59,200,000 with a final maturity of June 1, 2032. The fair value of the rate swap at June 30, 2021 and 2020 was \$24,082,000 and \$30,603,000, respectively.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

(c) Debt Covenants

The Estate has covenanted that it will not lease, sell, or otherwise dispose of all or a part of the project facilities to a person other than a governmental unit. In the event that the Commonwealth or any other lessee of all or a portion of the 2014 project facilities assigns its rights as lessee to an assignee that is not a governmental unit, the Estate is required to take remedial action (if any) in order to maintain the exclusion of interest on the 2014 Bonds from gross income for federal income tax purposes.

The debt covenants under the bond purchase and loan agreement require that the Estate maintain a ratio of market value of cash and investments without donor restrictions to funded debt equal to or greater than 1.50 as those terms are defined in the agreement. Also, the Estate may not issue or incur any additional general obligation indebtedness without the prior written consent of the swap counterparty, which consent will not be unreasonably withheld.

Under the Collateral Pledge and Security Agreement to the 2014 swap master agreement, the Estate is required to pledge as collateral certain marketable securities with an adjusted (as defined) market value equal to the monthly net fair value loss of the Estate's rate swap. Such collateral is held in the CLIF and presented as assets held under indenture agreements in the statements of net assets – FASB basis. In addition, the counterparty has a priority secured position, in the event of default, against the Estate's marketable securities.

The Estate was in compliance with the bond covenant, swap agreement, line-of-credit agreement and mortgage note as of June 30, 2021 and 2020.

Long-term debt consists of the following at June 30, 2021 and 2020:

	2021		2020	
	Principal	Unamortized issuance costs	Principal	Unamortized issuance costs
	(In thousands)		(In thousands)	
2014 Bonds, interest paid monthly, variable rate swapped to a fixed rate of 4.9035%, no principal payments until \$23,200,000 in November 2031 and \$36,000,000 in June 2032. The loan agreement is a general obligation of the Estate	\$ 59,200	190	59,200	207
Mortgage payable, 4.51% fixed rate note, 16-year term to January 2035, 25-year amortization	55,000	397	55,000	426
	<u>\$ 114,200</u>	<u>587</u>	<u>114,200</u>	<u>633</u>

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

Maturities of the long-term debt outstanding are as follows (in thousands):

Year ending June 30:		
2022	\$	987
2023		2,446
2024		2,559
2025		2,676
2026		2,800
Thereafter		102,732
	\$	<u>114,200</u>

(8) Interest Rate Swap

The following is a summary of the Estate's interest rate swap agreement (in thousands):

<u>Series</u>	<u>Effective date</u>	<u>Notional amount</u>	<u>Estate pays</u>	<u>Estate receives</u>	<u>Expiration date</u>
2014 Bonds	December 1, 2014	\$ 59,200	4.9035% plus 69% of 30-day LIBOR	69% of 30-day LIBOR	June 1, 2032

The fair value of the interest rates swap is recorded in the financial statements as follows (in thousands):

	<u>Statement of net assets classification</u>	<u>Location of gain (loss)</u>	<u>Fair value 2021</u>	<u>Fair value 2020</u>	<u>Gain 2021</u>	<u>Loss 2020</u>
Interest rate swap agreement	Interest rate swap liability	Unrealized gain (loss) on interest rate swap	\$ 24,082	30,603	6,521	(6,396)

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

(9) Real Estate Leases

Tenant leases have various expiration dates ranging through fiscal year 2036. Minimum rentals on noncancelable operating leases with initial terms greater than one year at June 30, 2021, which represent future income to the Estate, are included in the table below (in thousands). The amounts presented below assume that no leases are renewed and no renewal options are exercised.

2022	\$	10,765
2023		12,476
2024		12,827
2025		11,886
2026		11,049
Thereafter		155,525
	\$	<u>214,528</u>

In December 2017, the Estate entered into a long-term lease agreement with a new tenant in its 1101 Market Street office building. The new lease is effective January 1, 2019 with rent and expected occupancy commencing during the first quarter of fiscal 2020 for approximately 238,000 square feet of office space. The tenant has also contractually committed to lease approximately 122,000 square feet of additional office space beginning on July 1, 2025. The lease for all 360,000 square feet runs until August 31, 2035. The lease contains renewal provisions.

In June 2007, the Estate entered into a long-term ground lease with a lessee, in the form of two leases, for the land and existing buildings located in the City of Philadelphia, between Market and Chestnut Streets and between 11th and 12th Streets and received an up-front payment of \$90,000,000. In addition, the Estate will receive basic net rent, for each lease, of \$1 per year.

The leases are triple net leases with all income, expenses, taxes, and liabilities transferring to the lessee for a term of 75 years. At the lessee's option, the lease term can be extended for an additional term of 75 years for the then current market rate to be determined by binding arbitration in either the 50th, 60th, or 74th year of the lease. Title to the property remains with the Estate and, as a result, the lease is accounted for as an operating lease. The \$90,000,000 up-front payment was recorded as unearned rental income and is included in advance rents and other liabilities in the statements of net assets – FASB basis. The unamortized balances at June 30, 2021 and 2020 were \$73,137,000 and \$74,337,000, respectively. The lessee has been granted the right to perform property improvements up to and including the demolishing of current structures and the development of new properties. Title to new properties and improvements passes to the Estate at the end of the lease term. The leases do not contain bargain purchase options. In July 2008, the leases were assigned by the lessee, with the Estate's consent, to a third party. In September 2014, the ground lease covering the land and existing buildings fronting on Market, 11th, and Chestnut Streets was divided into three separate ground leases, each of which was then assigned, with the Estate's consent, to an affiliate of the then-existing ground lessee.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

(10) Expenses by Functional and Natural Classification

Expenses by natural and functional classification for the years ended June 30, 2021 and 2020, were as follows (in thousands):

2021	Girard College	Supporting services			2021 Total
		Real Estate	Girardville	Administration	
Salaries and benefits	\$ 12,766	416	—	995	14,177
Supplies, services, and other	3,788	8,235	515	308	12,846
Insurance and utilities	1,621	2,383	58	25	4,087
Depreciation and amortization	2,829	6,285	10	36	9,160
Interest	—	6,297	—	—	6,297
Total expenses	\$ 21,004	23,616	583	1,364	46,567

2020	Girard College	Supporting services			2020 Total
		Real Estate	Girardville	Administration	
Salaries and benefits	\$ 12,749	263	—	736	13,748
Supplies, services, and other	4,209	7,597	552	325	12,683
Insurance and utilities	1,453	2,225	42	8	3,728
Depreciation and amortization	2,958	5,164	10	41	8,173
Interest	—	6,103	—	—	6,103
Total expenses	\$ 21,369	21,352	604	1,110	44,435

Expenses are presented on the statement of changes in net assets by functional classification in alignment with the overall operations of the Estate. Natural expenses are accounted for on a direct cost basis to the operation or function upon which the expense is incurred.

(11) Tax Status

The City of Philadelphia, Trustee Under the Will of Stephen Girard, Deceased, Acting by the Board of Directors of City Trusts, statutory agent for the City of Philadelphia, has been determined to be an agency of the Commonwealth of Pennsylvania and, as such, is exempt from federal income taxes.

U.S. generally accepted accounting principles require management to evaluate income tax positions taken by the Estate and recognize a tax liability (or asset) if the Estate has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Estate and has concluded that, as of June 30, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Estate is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2021 and 2020

(12) Commitments and Contingencies

The Estate is party to various claims and legal proceedings that arise in the normal course of business. Management, after consultation with legal counsel, does not believe that the resolution of these matters will have a material adverse effect on the Estate's financial condition or results of operations.

Commitments related to construction-in-progress projects were approximately \$1,010,000 at June 30, 2021.

(13) Related-Party Transactions

The Estate has a written conflict of interest policy that requires, among other things, that no member of the Board can participate in any decision in which he or she (or an immediate family member) has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable and for the benefit of the Estate, and are in accordance with applicable conflict of interest laws.

(14) Subsequent Events

In connection with the preparation of the financial statements, the Estate evaluated subsequent events after the statement of net assets – FASB basis date of June 30, 2021 through October 29, 2021, which was the date the financial statements were issued. No items were identified that required additional disclosure.



**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Consolidated Financial Statements – FASB Basis and
Supplemental Schedules – FASB Basis

June 30, 2021 and 2020

(With Independent Auditors' Report Thereon)

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

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KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

The Board of Directors of City Trusts:

We have audited the accompanying consolidated financial statements of Wills Eye Hospital and its subsidiaries, which comprise the consolidated balance sheets – FASB basis as of June 30, 2021 and 2020, and the related consolidated statements of operations – FASB basis, changes in net assets – FASB basis, and cash flows – FASB basis for the years then ended, and the related notes to the consolidated financial statement – FASB basis.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles, as required by the financial provisions of Section 6.6 of the Hospitals & Higher Education Facilities Authority of Philadelphia Revenue Bond of 2012, dated March 1, 2012 (the Contract). Management is also responsible 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 error or fraud.

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 consolidated 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 consolidated 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 consolidated 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wills Eye Hospital and its subsidiaries as of June 30, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with the financial reporting provisions of Section 6.6 of the Contract.



Basis of Accounting

We draw attention to Note 2(a) to the consolidated financial statements, which describes the basis of accounting. The financial statements are prepared by Wills Eye Hospital and its subsidiaries on the basis of financial reporting provisions of Section 6.6 of the Contract, which is a basis of accounting other than generally accepted accounting principles for governmental entities, to comply with the financial reporting provisions of the Contract referred to above. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Supplemental Schedules are presented for purposes of additional analysis and are 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.

KPMG LLP

Philadelphia, Pennsylvania
December 9, 2021

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Consolidated Balance Sheets – FASB Basis

June 30, 2021 and 2020

(In thousands)

Assets	2021	2020
Current assets:		
Cash and cash equivalents	\$ 5,121	13,686
Patient accounts receivable	14,123	5,511
Investments	34,148	21,716
Inventory	1,835	1,806
Pledge and grant receivable	1,534	2,475
Other current assets	2,028	2,180
Total current assets	<u>58,789</u>	<u>47,374</u>
Assets whose use is limited or restricted:		
By board for research	4,146	4,146
By board for other	955	984
Donor restricted	54,521	42,844
Held under debt agreements	21,664	23,482
Total assets whose use is limited or restricted	<u>81,286</u>	<u>71,456</u>
Investments in joint ventures	3,222	3,335
Property and equipment, net	30,457	33,323
Other assets	1,119	862
Total	<u>\$ 174,873</u>	<u>156,350</u>
Liabilities and Net Assets		
Current liabilities:		
Current portion of long-term debt	\$ 1,215	5,296
Financing obligation	590	550
Accounts payable	16,309	13,423
Accrued salaries and other expenses	8,063	6,180
Other liabilities	5,776	3,821
Total current liabilities	<u>31,953</u>	<u>29,270</u>
Long-term debt, net of current portion	20,818	20,439
Financing obligation	3,740	4,334
Pension benefit obligation	13,509	25,050
Interest rate swap liability	6,553	8,268
Other liabilities	1,365	5,841
Total liabilities	<u>77,938</u>	<u>93,202</u>
Net assets:		
Without donor restrictions	41,041	17,724
With donor restrictions	55,894	45,424
Total net assets	<u>96,935</u>	<u>63,148</u>
Total liabilities and net assets	<u>\$ 174,873</u>	<u>156,350</u>

See accompanying notes to consolidated financial statements – FASB basis.

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Consolidated Statements of Operations – FASB Basis

Years ended June 30, 2021 and 2020

(In thousands)

	<u>2021</u>	<u>2020</u>
Unrestricted revenues:		
Patient service revenue	\$ 85,770	66,272
Other revenue	11,938	15,501
Net assets released from restrictions	<u>2,520</u>	<u>3,502</u>
Total revenues	<u>100,228</u>	<u>85,275</u>
Expenses:		
Salaries and benefits other than pension costs	50,678	43,178
Pension costs	675	842
Supplies and other expenses	44,252	39,083
Insurance	2,204	1,781
Professional – legal and consulting	1,396	1,279
Professional – medical	2,076	1,904
Depreciation and amortization	3,938	3,624
Interest	<u>1,514</u>	<u>1,624</u>
Total expenses	<u>106,733</u>	<u>93,315</u>
Operating loss	<u>(6,505)</u>	<u>(8,040)</u>
Other income:		
Net realized and unrealized gains on investments	14,470	746
Interest rate swaps valuation adjustment	1,715	(1,490)
Investment income, net	1,309	1,560
Contributions	1,524	1,209
Other nonoperating losses	<u>(21)</u>	<u>(64)</u>
Total other income	<u>18,997</u>	<u>1,961</u>
Excess (deficiency) of revenues over (under) expenses	<u>\$ 12,492</u>	<u>(6,079)</u>

See accompanying notes to consolidated financial statements – FASB basis.

**WILLS EYE HOSPITAL
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Consolidated Statements of Changes in Net Assets – FASB Basis

Years ended June 30, 2021 and 2020

(In thousands)

	<u>2021</u>	<u>2020</u>
Without donor restrictions:		
Excess (deficiency) of revenues over (under) expenses	\$ 12,492	(6,079)
Net assets released from restrictions used for purchases of property and equipment	199	2,364
Donated equipment	272	25
Adjustment to pension benefit obligation	10,456	(6,316)
Distribution to noncontrolling interests in consolidated subsidiary	(102)	(225)
Increase (decrease) in net assets without donor restrictions	<u>23,317</u>	<u>(10,231)</u>
With donor restrictions:		
Contributions	2,627	5,193
Interest and dividend income	352	571
Net realized and unrealized (losses) gains on investments	10,383	(164)
Net assets released from restrictions	(2,892)	(5,874)
Increase (decrease) in net assets with donor restrictions	<u>10,470</u>	<u>(274)</u>
Increase (decrease) in net assets	33,787	(10,505)
Net assets, beginning of year	<u>63,148</u>	<u>73,653</u>
Net assets, end of year	<u>\$ 96,935</u>	<u>63,148</u>

See accompanying notes to consolidated financial statements – FASB basis.

**WILLS EYE HOSPITAL
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Consolidated Statements of Cash Flows – FASB Basis

Years ended June 30, 2021 and 2020

(In thousands)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 33,787	(10,505)
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) provided by operating activities:		
Net realized and unrealized gains on investments	(24,844)	(613)
Change in fair value of swap contracts	(1,715)	1,490
Adjustment to pension benefit obligation	(10,456)	6,316
Depreciation and amortization	3,938	3,624
Restricted contributions	(3,831)	(6,306)
Other noncash gains	(910)	(552)
Changes in operating assets and liabilities:		
Patient accounts receivable	(8,612)	3,757
Inventory	(29)	57
Other assets	859	1,982
Accounts payable	2,886	(3,209)
Accrued salaries and other expenses	1,883	787
Other liabilities	(2,521)	8,313
Pension benefit obligation	(1,085)	(1,050)
Net cash (used in) provided by operating activities	<u>(10,650)</u>	<u>4,091</u>
Cash flows from investing activities:		
Purchases of property and equipment	(810)	(3,871)
Distribution from investments in joint ventures	874	709
Proceeds from sale of investments	2,559	3,990
Purchase of investments	<u>—</u>	<u>(3,008)</u>
Net cash provided by (used in) investing activities	<u>2,623</u>	<u>(2,180)</u>
Cash flows from financing activities:		
Proceeds from restricted contributions	3,831	6,306
Distributions/purchases of noncontrolling interest holders	(102)	(225)
Proceeds from issuance of long-term debt	424	4,820
Payments on financing obligation	(554)	(508)
Repayment of long-term debt	(4,137)	(1,179)
Net cash (used in) provided by financing activities	<u>(538)</u>	<u>9,214</u>
Net (decrease) increase in cash and cash equivalents	(8,565)	11,125
Cash and cash equivalents, beginning of year	<u>13,686</u>	<u>2,561</u>
Cash and cash equivalents, end of year	\$ <u>5,121</u>	<u>13,686</u>
Supplemental cash flow information:		
Cash paid for interest	\$ 1,506	1,635

See accompanying notes to consolidated financial statements – FASB basis.

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements – FASB Basis

June 30, 2021 and 2020

(In thousands)

(1) Organization and Nature of Operations

Wills Eye Hospital (the Hospital), established in 1832 through a bequest of James Wills, a Quaker merchant, to the City of Philadelphia, is administered by the Board of Directors of City Trusts (the Board). The Hospital, located in Philadelphia, is a trust that owns and operates various facilities that provide medical services to area residents. Certain of these services are provided through affiliated organizations controlled by the Hospital. The Hospital's subsidiaries include:

- Wills Eye Foundation, Inc. (the Foundation), a domestic nonprofit corporation, established to solicit, collect, and administer charitable donations made in order to further the institutional objectives of the Trust under the Will of James Wills, as determined from time to time by the Board;
- Ambulatory Surgery Centers (the Centers), established to provide high-quality, cost-effective, outpatient surgical services at five locations more accessible to its patients;
- AASOP, Inc. (AASOP), a wholly owned subsidiary of the Hospital, established to own and operate physician practices;
- Wills Eye Surgical Network, L.L.C. (the Management Company), established to provide certain management services to the Centers. The Management Company is 99% owned by one of the Hospital's controlled corporations and 1% by the Hospital;
- Wills Eye Community Surgical Services Corp. (Services Corp.), Wills Community Services of Plymouth Meeting, Inc. (Services of Plymouth Meeting) and Wills Community Surgical Services of Cottman – Buxmont, Inc. (Services of Cottman – Buxmont), established to be the majority owners of the respective Centers;
- Wills Eye Ophthalmology Clinic Inc. (WEOC), a wholly owned subsidiary of the Hospital, established to provide outpatient clinical services, which also owns and operates optical shops at the Hospital and other locations;
- Abbot, Inc. (Abbot), a wholly owned subsidiary of the Hospital, established to own and operate real estate for leasing purposes.

The Hospital and its subsidiaries are collectively known as the Organization.

Ambulatory Surgery Centers

The Hospital has developed its network of the Centers to provide outpatient surgical services in the Delaware Valley area. The Centers provide both single-specialty (ophthalmology) and multispecialty services.

The Centers include Cherry Hill Ambulatory Surgical Center, LLC (Cherry Hill), Cottman Ambulatory Surgical Center, LLC (Cottman), Warminster Ambulatory Surgical Center, LLC (Warminster), Plymouth Meeting Ambulatory Surgical Center, LLC (Plymouth Meeting), and Stadium Campus Ambulatory Surgical Center, LLC (Stadium). The Centers represent partnerships, between the Hospital and practicing physicians, of which the Hospital owns a majority of the respective outstanding shares. The Hospital's ownership represents the controlling financial interest in each of the Centers as of June 30, 2021.

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Notes to Consolidated Financial Statements – FASB Basis

June 30, 2021 and 2020

(In thousands)

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

As described in note 1, the Board administers the Organization. The Board is an instrumentality of the Commonwealth of Pennsylvania, and as such, the Organization is subject to the accounting standards promulgated by the Governmental Accounting Standards Board (GASB). However, to prepare the consolidated financial statements and notes thereto, the Organization is required to follow accounting standards promulgated by the Financial Accounting Standards Board (FASB) in accordance with the financial provisions of Section 6.6 of its Hospital & Higher Education Facilities Authority of Philadelphia Revenue Bond (Wills Eye Hospital Project) Series of 2012, dated March 1, 2012 (Series 2012 Variable Rate Revenue Bonds), which is the basis of accounting consistent with other healthcare entities and with that used in the Organization's historical practice.

If the Organization's consolidated financial statements were prepared in accordance with GASB standards rather than FASB standards, the following significant differences would exist:

- Management's discussion and analysis would be required supplementary information.
- The Organization's recorded obligations for retirement plans would be accounted for similar to pension obligations under FASB standards, with differences in the rate used to discount future pension benefits to their present value and the method used to attribute pension liabilities to specific periods. Additionally, information on funding progress for the plan would be required supplementary information.
- Losses and gains related to debt defeasance would be deferred and amortized over the life of the new debt rather than recorded as a gain or loss at the time of defeasance.
- According to FASB issued standards, not-for profits are allowed to utilize the direct or indirect method to present the statement of cash flows. GASB requires the direct method.
- Net assets would be categorized as unrestricted, restricted, or invested in capital assets net of related debt.
- Additional disclosures would be provided regarding:
 - Interest rate risk, credit risk, custodial credit risk, and concentrations of credit risk related to the Organization's investments and the Organization's policies for managing such risks;
 - A description of the risks of loss to which the entity is exposed and the ways in which the risks of loss are managed;
 - Pledged revenue under the Organization's debt agreements;
 - Additions to and deductions from the Organization's capital assets and long-term debt, and maturities of interest payments on long-term debt;
 - Segments, which are defined as an identifiable activity or group of activities that has one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of

**WILLS EYE HOSPITAL
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Notes to Consolidated Financial Statements – FASB Basis

June 30, 2021 and 2020

(In thousands)

the debt and that is required by an external party to account separately for its assets, liabilities, revenue, and expenses;

- Information about the classification of the Organization's assets and liabilities measured at fair value on a recurring basis in a hierarchy based on the nature of the inputs to fair value would not be provided.

(b) Use of Estimates

The preparation of consolidated financial statements in conformity with the basis of presentation described in note 2(a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes the most significant estimates to the consolidated financial statements are the valuation of patient service revenue and the pension benefit obligation.

(c) Cash and Cash Equivalents

Cash consists of on-hand petty cash and amounts in the Organization's operating bank accounts. Periodically during the year, cash and cash equivalents may have exceeded the Federal Deposit Insurance Corporation insurance limitation. The Organization does not believe that it is exposed to any significant risk in such deposits. The Organization considers all certificates of deposit and commercial paper with an original maturity of three months or less from the date of purchase to be cash equivalents, excluding amounts whose use is limited by board designation or other arrangements under trust or debt agreements.

(d) Patient Accounts Receivable

The Organization's accounts receivable are primarily comprised of amounts due from Medicare, Medicaid, managed care companies, self-pay patients, and other third-party payors. The Organization evaluates the valuation of accounts receivable, based on analysis of historical collection trends, as well as its understanding of the nature and collectability of patient accounts, based on their age and other factors.

(e) Inventory

Inventory is stated at the lower of cost or market. Cost is determined by using the first-in, first-out method of accounting.

(f) Investments in Joint Ventures

Investments in joint ventures represent the Organization's investment in certain ambulatory surgical centers for which the Organization does not hold a controlling financial interest or is not the primary beneficiary of the entity's operations. The Organization accounts for these investments using the equity method.

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Notes to Consolidated Financial Statements – FASB Basis

June 30, 2021 and 2020

(In thousands)

(g) Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided over the useful lives of the assets on a straight-line basis. The Organization continually evaluates whether circumstances have occurred that indicate the remaining useful life of its long-lived assets, including property and equipment, might warrant revision or that the remaining balance of such assets may not be recoverable. Management has reviewed the carrying amount of these assets and has determined that they are not impaired. Useful lives range as follows:

Buildings and building improvements	5–40 years
Movable equipment (including software and hardware)	3–20 years
Fixed equipment	10–20 years

(h) Investments

At June 30, 2021 and 2020, the Organization's investments were primarily invested in the Collective Legal Investment Fund (the CLIF), which is a pooled investment fund of the assets of all the trusts administered by the Board. Such investments are stated at net asset value, which is determined by the fair value of the underlying securities. Units of the CLIF are normally purchased and sold based on the available cash and cash requirements of the Organization. Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value in the consolidated balance sheets. Investment income (including realized gains and losses on investments, interest, and dividends) is included in the excess or deficiency of revenue over expenses unless the income or losses are restricted by donor or law. The Organization's investments are considered a trading portfolio.

(i) Fair Value

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Level 1: Quoted prices in active markets for identical assets or liabilities; Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. government and agency mortgage-backed debt securities, corporate-debt securities, and alternative investments that can be liquidated at net asset value at or near the consolidated balance sheet date.

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(In thousands)

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes illiquid alternative investments such as private equity funds.

The Organization measures its investments, and interest rate swaps related to its debt, at fair value. The Organization's valuation methodology for each of these items is described below. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest-level input that is significant to the fair value measurement.

The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

Current Assets and Current Liabilities - The carrying amount reported in the consolidated balance sheets approximates fair value of the short-term nature of these accounts.

Investments – CLIF

At June 30, 2021 and 2020, the Organization's investments were primarily invested in the CLIF. Such investments are stated at net asset value, which approximates fair value (note 6). Within the CLIF, the Organization owns shares that invest in the following types of securities:

Equity Securities

Securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded, they are categorized in Level 1 of the fair value hierarchy.

Debt Securities

U.S. government securities are generally valued at the closing price reported in the active market in which the individual security is traded.

Listed asset-backed securities are valued based on quoted market prices from the active market in which the instrument is principally traded and are categorized in Level 1 of the fair value hierarchy. If such quoted prices are not available, the fair value of the security is estimated based on models considering the estimated cash flows and expected yield. Such investments are categorized as Level 2 or Level 3 based on the extent inputs are observable and timely.

Other debt securities are valued at the closing price reported in the active market in which the security is traded, if available. If such information is not available, debt is valued based on yields currently available on comparable securities for issuers with similar credit ratings.

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June 30, 2021 and 2020

(In thousands)

Private Equity Funds

Net asset values provided by limited partnership investees are based on estimates, appraisals, assumptions, and methods that are reviewed by CLIF management. The CLIF estimates the fair value of its limited partnership investments using the net asset value per share as reported by the investee as a practical expedient. Net asset value may differ from fair value as otherwise calculated.

Interest Rate Swaps

The fair value of the Organization's interest rate swaps related to its debt obligations as further discussed in note 8 is based on a discounted cash flow model with Level 2 inputs including the value of the relevant market index upon which the swap is based.

(j) Net Assets

Net assets not restricted by donors are reported as net assets without donor restrictions in the consolidated balance sheets.

Net assets restricted by donors for specified purposes or investment in perpetuity are reported as net assets with donor restrictions in the consolidated balance sheets. Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. When a donor restriction expires, net assets are reclassified to net assets without donor restrictions, and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Conditional contributions received are not recognized until such time that the conditions are met. The Organization records as net assets without donor restrictions those gifts for which purpose restrictions are met in the same year as receipt.

(k) Interest

Interest incurred in connection with financing related to construction, net of income earned on the unexpended proceeds, is capitalized during the construction period and subsequently amortized into expense over the useful life of the related property. Other interest is charged to expense as incurred.

(l) Federal and State Income Taxes

The Hospital, the Foundation, WEOC, and Services Corp. are tax-exempt organizations and are not subject to federal or state income taxes, in accordance with Section 501(c)(3) of the Internal Revenue Code (the Code), except on unrelated business income, as defined by the Code. The Centers, optical shops and the Management Company are incorporated as limited liability companies. Accordingly, no federal income taxes are payable, and none have been provided for in the accompanying consolidated financial statements. The Centers' members are required to include their respective share of the Centers' profits or losses in their individual tax returns. AASOP is a nonprofit taxable corporation and pay federal, state, and local income taxes. The Organization does not believe it has any uncertain tax positions for which accrual of a liability would be required under generally accepted accounting principles.

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Notes to Consolidated Financial Statements – FASB Basis

June 30, 2021 and 2020

(In thousands)

(m) Excess (deficiency) of Revenues over (under) Expenses

The accompanying consolidated statements of operations include a caption entitled excess (deficiency) of revenues over (under) expenses. Changes in unrestricted net assets that are excluded from this caption, consistent with industry practice, include changes in the funded status of the Organization's defined-benefit pension plans and contributions received for additions of long-lived assets.

(n) Accounting Pronouncements

In February 2016, the FASB issued Accounting Standard Update (ASU) 2016-02, *Leases*, which consists of a comprehensive lease accounting standard. Under the new standard, assets and liabilities arising from most leases will be recognized on the balance sheet and enhanced disclosures on key quantitative and qualitative information about leasing arrangements will be required. Leases will be classified as either operating or financing, and the lease classification will determine whether expense is recognized on a straight-line basis (operating leases) or based on an effective-interest method (financing leases). Following deferral by the FASB during early 2020, in response to the coronavirus outbreak, the new standard is effective for the Organization for annual periods commencing on July 1, 2022. The Organization plans to apply the transitional package of practical expedients allowed by the standard relating to the identification, classification, and initial direct costs of leases commencing before July 1, 2022. The Organization also plans to make an accounting policy election to not apply recognition requirements of the guidance to short-term leases. In July 2018, the FASB issued ASU 2018-11, *Leases: Targeted Improvements*, which provides an optional transition method that allows entities to initially apply the new lease standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption while comparative periods presented will continue to be in accordance with current Accounting Standard Codification (ASC) Topic 840, *Leases*. The Organization plans to use the optional transition method to apply the lease standard as of July 1, 2022. The Organization plans to make enhancements to its information systems and internal controls in response to the new rule requirements. The Organization will be prepared to provide expanded disclosures in the consolidated financial statements in accordance with the new standard.

(3) Certain Significant Risks and Uncertainties

(a) COVID-19

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. COVID-19 is a complex and previously unknown virus, which disproportionately impacts older adults, particularly those having other underlying health conditions. As the effects of COVID-19 began to impact the United States, the Organization's primary focus shifted to the health and safety of its patients, employees, and their respective families. The Organization implemented various measures to provide the safest possible environment within its sites of service during this pandemic and will continue to do so.

The United States broadly continues to experience the pandemic caused by COVID-19, which has significantly disrupted, and likely will continue to disrupt for some period, the nation's economy, the healthcare industry, and the Organization's businesses. The rapid spread of the virus has led to the implementation of various responses, including federal, state, and local government-imposed quarantines, shelter-in-place mandates, sweeping restrictions on travel, and substantial changes to

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June 30, 2021 and 2020

(In thousands)

selected protocols within the healthcare system across the United States. The Organization is geographically located in the Delaware Valley market has experienced widespread and severe COVID-19 outbreaks. COVID-19 is having and will likely continue to have a material and adverse effect on the Organization's operations and supply chains, resulting in a reduction in its operating occupancy and related revenues, and an increase in its expenditures.

(b) Revenue Sources

The Organization receives revenues from Medicare, Medicaid, managed care, self-pay patients, and other third-party payors. The Organization derived approximately 57% and 56% of its patient service revenue from Medicare and Medicaid during the fiscal years ended June 30, 2021 and 2020, respectively. The following table depicts the Organization's net patient services revenue, by source, for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Medicare	47 %	47 %
Medicaid	10	9
Managed care	30	31
Other third-party payors	11	11
Self-pay	2	2
	<u>100 %</u>	<u>100 %</u>

The sources and amounts of the Organization's revenues are determined by a number of factors, including building capacity and inpatient occupancy rates, the mix of patients and the rates of reimbursement among payors. Changes in the case mix of the patients, as well as payor mix among Medicare, Medicaid, and private pay can significantly affect the Organization's profitability.

It is not possible to quantify fully the effect of legislative changes, public and private subsidy and grant programs related to COVID-19, or the interpretation or administration of such legislation or other governmental initiatives on the Organization's business. The potential impact of reforms to the United States healthcare system, including potential material changes to the delivery of healthcare services and the reimbursement paid for such services by the government or other third-party payors, is uncertain at this time. Accordingly, there can be no assurance that the impact of any future healthcare legislation, regulation, or actions by participants in the healthcare continuum will not adversely affect the Organization's business. There can be no assurance that payments under governmental and private third-party payor programs will be timely, will remain at levels similar to present levels or will, in the future, be sufficient to cover the costs allocable to patients eligible for reimbursement pursuant to such programs. The Organization's financial condition and results of operations are and will continue to be affected by the reimbursement process, which in the healthcare industry is complex and can involve lengthy delays between the time that revenue is recognized and the time that reimbursement amounts are settled.

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(In thousands)

Laws and regulations governing the Medicare and Medicaid programs, and the Organization's business generally, are complex and are often subject to a number of ambiguities in their application and interpretation. The Organization believes that it is in substantial compliance with all applicable laws and regulations. However, from time to time, the Organization and its affiliates are subject to pending or threatened lawsuits and investigations involving allegations of potential wrongdoing, some of which may be material or involve significant costs to resolve and/or defend, or may lead to other adverse effects on the Organization and its affiliates, including, but not limited to, fines, penalties, and exclusion from participation in the Medicare and/or Medicaid programs.

(c) Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of accounts receivable. Medicare and Medicaid accounts represented 60% and 31% of net accounts receivable as of June 30, 2021 and 2020, respectively. However, management does not believe there are any other significant concentrations of credit risk as of June 30, 2021. The mix of net receivables from patients and third-party payors at June 30, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Medicare	22 %	27 %
Medicaid	38	4
Managed care	21	36
Other third-party payors	14	18
Self-pay	5	15
	<u>100 %</u>	<u>100 %</u>

During the year ended June 30, 2020, the Organization recorded revenue of \$3,640 related to supplemental payments made, by the Commonwealth of Pennsylvania, to qualifying hospitals. The revenues represented additional funding received for providing medical and surgical ocular services to Medicaid beneficiaries, as the Organization met the qualifications required by the program. The 2020 supplemental payment was received, in full, on May 18, 2020 and therefore not included in Organization's accounts receivable from Medicaid as of June 30, 2020. During the year ended June 30, 2021, the Organization recorded revenue of \$5.2 million related to the program. The 2021 supplemental payment was received, in full, on September 20, 2021 and included in the Organization's accounts receivable from Medicaid on June 30, 2021.

(d) Investment Risks

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could materially affect the amounts reported in the accompanying consolidated financial statements.

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(In thousands)

(4) Significant Transactions and Events

(a) COVID-19

The Organization's operational activity decreased in the early months of the pandemic, following the decision to cancel or reschedule elective procedures in anticipation of an increasing number of COVID-19 cases, effectively shutting down the Centers. As the pandemic progressed, operations were further decreased by, among other things, implementation of both self-imposed and state or local admission holds, which were instituted to limit risks of potential spread of the virus by individuals that either tested positive for COVID-19, exhibited symptoms of COVID-19, but had not yet been tested positive due to a severe shortage of testing materials, or were asymptomatic of COVID-19, but potentially positive and contagious.

(b) CARES Act Provider Relief Grants

In further response to the pandemic, on March 27, 2020, the President of the United States signed into law the CARES Act, which authorized the cash distribution of relief funds to reimburse healthcare providers for healthcare-related expenses or lost revenues that are attributable to coronavirus. Healthcare providers participating in Medicare and Medicaid were eligible to receive compensation for costs incurred in the course of providing medical services, such as those related to obtaining personal protective equipment, COVID-19-related testing supplies, and increased staffing or training, provided that such costs are not compensated by another source. The Secretary of HHS has broad authority and discretion to determine payment eligibility and the amount of such payments.

The Organization received \$3.6 million and \$2.1 million of grants under the CARES Act during the year ended June 30, 2021 and 2020, respectively. The funds were recorded as other revenue in the Organization's consolidated statement of operations.

(c) Payroll Protection Program Loan

The Organization applied for and received a \$6.9 million loan through the U.S. Small Business Association's (SBA) Payroll Protection Program (PPP) in April 2020. The Organization identified and recorded forgivable costs of \$1.1 million and \$5.8 million in during the year ended June 30, 2021 and 2020, respectively. The funds were recorded as other revenue in the Organization's consolidated statement of operations. The SBA granted full forgiveness of the loan on July 29, 2021.

(d) Medicare Accelerated and Advanced Payment Program

The Organization applied for and received \$7.0 million of interest-free advanced Medicare payments. These payments will be subsequently recouped from future Medicare remittances to the Organization, for patient services provided and recognized as revenue, during the recoupment period, at which time the liability will be released. In October 2020, the Centers for Medicare and Medicaid Services extended the recoupment period to begin one year from the date the advanced payments were issued. The Organization's recoupment period for the advanced payments is expected to be from April 2021 to September 2022 and \$1.2 million was recouped by Medicare during the year ended June 30, 2021. The Organization has recorded advanced payments of \$4.8 million and \$1.0 million within other current

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(In thousands)

liabilities and other noncurrent liabilities, respectively, in the consolidated balance sheet as of June 30, 2021 based on the expected timing of the recoupments.

(5) Revenues

Patient service revenue

The Organization's patient service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors, and others and include an estimate of variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed and/or the patient is discharged from the facility.

Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a reasonable representation of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to outpatient and inpatient services. The Organization measures the performance obligation after the completion of the patient's outpatient's visit or admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided, and the Organization does not believe it is required to provide additional goods or services to the patient.

The majority of the Organization's services are rendered to patients with third-party coverage. Reimbursement under these programs for all payors is based on a combination of prospectively determined rates, discounted charges, and historical costs. Amounts received under Medicare and Medicaid programs are subject to review and final determination by program intermediaries or their agents and the contracts the Organization has with commercial payers also provide for retroactive audit and review of claims. Agreements with third-party payors typically provide for payments at amounts less than established charges. For further discussion on third-party reimbursement, refer to note 4. Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Organization estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is recorded during the period in which the related services are rendered. The implicit price concession is determined by reducing the standard charge by any contractual adjustments, discounts, and other amounts. Estimates of implicit price concessions are determined based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

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Consistent with the Organization's mission, care is provided to patients regardless of their ability to pay. The Organization has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (e.g. co-pays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Organization expects to collect based on its collection history with those patients. Patients who meet the Organization's criteria for charity care are provided care without charge or at amounts less than established rates. The Organization maintains records to identify the level of charity care it provides and has determined that it has provided sufficient implicit price concessions for these accounts. The amount of costs foregone for services, supplies, and wages furnished under its charity care policy totaled \$717 and \$671 during the years ended June 30, 2021 and 2020, respectively. Implicit price concessions, including charity care, are reported as reductions to patient service revenue.

The following tables reflect patient service revenue from third-party payors, governmental subsidies, and others (including uninsured patients) for the years ended June 30, 2021 and 2020:

2021			
	Inpatient	Outpatient	Total
Medicare	\$ 316	39,968	40,284
Medicaid	190	8,438	8,628
Managed care	621	25,213	25,834
Other	350	9,378	9,728
Self-pay patients and other	68	1,228	1,296
Total net patient service revenue	\$ 1,545	84,225	85,770

2020			
	Inpatient	Outpatient	Total
Medicare	\$ 565	30,768	31,333
Medicaid	172	5,895	6,067
Managed care	567	19,874	20,441
Other	258	7,094	7,352
Self-pay patients and other	—	1,079	1,079
Total net patient service revenue	\$ 1,562	64,710	66,272

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Other revenue

The Organization recognizes revenue that is not in a contract with a customer, and included in patient service revenue, as other revenue. Other revenue includes income from the CARES Act and PPP Loan plan forgiveness, as described in note 4. Other revenue also includes grant revenue, equity in the income of joint venture investments, net assets released from restriction, cafeteria, and parking revenue. Grant revenue and contributions of the Organization are nonexchange transactions in which no commensurate value is exchanged. In such cases, contribution accounting is applied under ASC Topic 958, *Not-for-Profit Entities*. Equity in the income of joint ventures is evaluated under ASC Topic 323, *Investments – Equity Method and Joint Ventures*.

Additionally, pharmacy sales and other contracts related to healthcare services are included in other revenue and consist of contracts, which vary in duration and in performance. Revenue is recognized when the performance obligations identified within the individual contracts are satisfied and is recorded at its net realizable value.

The Organization's other revenue included the following for the years ended June 30, 2021 and 2020, respectively:

	<u>2021</u>	<u>2020</u>
HHS grant	\$ 3,605	2,115
PPP loan forgiveness	1,137	5,822
Grant support	698	1,052
Rental income	1,618	1,996
Optical shop income	975	591
Miscellaneous income	<u>3,905</u>	<u>3,925</u>
Total	\$ <u>11,938</u>	<u>15,501</u>

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(6) Investments and Assets Whose Use is Limited or Restricted

The Organization's investments at June 30, 2021 and 2020 include the following:

	<u>2021</u>	<u>2020</u>
Held in the CLIF:		
Investments (current assets)	\$ 34,148	21,716
Assets whose use is limited or restricted:		
By board for research	4,146	4,146
By board for other	955	984
Donor restricted	6,210	3,640
Donor-restricted endowments	43,472	33,451
Held under debt agreements	<u>18,072</u>	<u>19,788</u>
	107,003	83,725
Investments held outside the CLIF	4,839	5,753
Held under debt agreements	<u>3,592</u>	<u>3,694</u>
Total investments	<u>\$ 115,434</u>	<u>93,172</u>

(a) Investments Held in the CLIF

The Organization's undivided interest in the CLIF represents approximately 16.24% and 15.7% of the total value, or \$107,003 and \$83,725 at June 30, 2021 and 2020, respectively.

The Organization's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no significant transfers into or out of Level 1, Level 2, or Level 3 for the year ended June 30, 2021 and 2020.

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The CLIF's investments at June 30, 2021 and 2020, stated at fair value, are as follows:

	<u>2021</u>	<u>2020</u>
Short-term investments	\$ 10,611	29,780
Equities:		
U.S. common stocks	364,228	264,466
Exchange-traded funds	43,919	43,502
International mutual funds	43,183	33,970
Bonds and notes payable:		
U.S. government and agency obligations	58,759	55,916
Corporate and other bonds	61,607	62,860
Asset-backed securities	10,696	12,854
Mutual funds	65,975	18,274
Private equity	<u>—</u>	<u>11,916</u>
	<u>\$ 658,978</u>	<u>533,538</u>

The CLIF participates in a securities lending program as a means to generate incremental income. Through this program, the CLIF, through its lending agent, may lend its securities to qualified borrowers that meet certain guidelines, as established by the Board. All borrowings are initially secured by collateral in an amount equal to at least 102% of the fair value of the securities loaned and are marked to market daily. Each business day, the amount of collateral is adjusted based on prior day's closing fair value. The collateral is invested in cash and cash equivalents. Income from lending activity is determined by the amount of interest earned on the invested collateral, a portion of which is allocated to the lending agent. The CLIF also is entitled to receive interest and dividends from securities on loan.

As of June 30, 2021, and 2020, the CLIF had loaned out certain securities, returnable on demand, with a market value of \$73,909 and \$108,081, respectively, to several financial institutions that have deposited collateral with respect to such securities of \$75,693 and \$110,598, respectively.

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The following table presents the CLIF's fair value hierarchy for assets held in the CLIF measured at fair value on a recurring basis as of June 30, 2021:

	2021 Fair value	Fair value measurements at June 30, 2021 using		
		Level 1	Level 2	Level 3
Short-term investments	\$ 10,611	10,611	—	—
Marketable equity securities:				
U.S. common stocks:				
Industrials	46,034	46,034	—	—
Consumer discretionary	51,667	51,667	—	—
Consumer staples	11,780	11,780	—	—
Energy	10,774	10,774	—	—
Financial	47,721	47,721	—	—
Materials	14,122	14,122	—	—
Information technology	87,061	87,061	—	—
Real Estate	5,903	5,903	—	—
Utilities	6,522	6,522	—	—
Healthcare	43,576	43,576	—	—
Telecommunications and other	39,068	39,068	—	—
Total U.S. common stocks	364,228	364,228	—	—
Exchange-traded funds:				
S&P 500 Index SPDR	43,919	43,919	—	—
Select Sector SPDRs	—	—	—	—
Total exchange-traded funds	43,919	43,919	—	—
International equity mutual funds	43,183	43,183	—	—
Total marketable equity securities	451,330	451,330	—	—
Fixed income:				
Debt securities issued by the:				
U.S. Treasury and other	—	—	—	—
U.S. government corporations and agencies	41,327	40,129	1,198	—
Debt securities issued by states of the United States and political subdivisions of the states	17,277	—	17,277	—
Debt securities issued by foreign governments	155	—	155	—
Corporate debt securities	61,607	—	61,607	—

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	2021 Fair value	Fair value measurements at June 30, 2021 using		
		Level 1	Level 2	Level 3
Asset-backed securities	\$ 4,965	—	4,965	—
Residential mortgage-backed securities	—	—	—	—
Commercial mortgage-backed securities	5,731	—	5,731	—
Mutual funds	65,975	65,975	—	—
Total fixed income	197,037	106,104	90,933	—
Subtotal	658,978	\$ 568,045	90,933	—
Private equity funds reported at net asset value per share as a practical expedient	—			
Total investments in the CLIF	\$ 658,978			

The following table presents the CLIF's fair value hierarchy for assets held in the CLIF measured at fair value on a recurring basis as of June 30, 2020:

	2020 Fair value	Fair value measurements at June 30, 2020 using		
		Level 1	Level 2	Level 3
Short-term investments	\$ 29,780	29,780	—	—
Marketable equity securities:				
U.S. common stocks:				
Industrials	30,268	30,268	—	—
Consumer discretionary	33,579	33,579	—	—
Consumer staples	12,747	12,747	—	—
Energy	4,737	4,737	—	—
Financial	29,184	29,184	—	—
Materials	6,899	6,899	—	—
Information technology	69,007	69,007	—	—
Real Estate	4,518	4,518	—	—
Utilities	4,807	4,807	—	—
Healthcare	40,376	40,376	—	—
Telecommunications and other	28,344	28,344	—	—
Total U.S. common stocks	264,466	264,466	—	—

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	2020 Fair value	Fair value measurements at June 30, 2020 using		
		Level 1	Level 2	Level 3
Exchange-traded funds:				
S&P 500 Index SPDR	\$ 31,638	31,638	—	—
Select Sector SPDRs	11,864	11,864	—	—
Total exchange-traded funds	43,502	43,502	—	—
International equity mutual funds	33,970	33,970	—	—
Total marketable equity securities	341,938	341,938	—	—
Fixed income:				
Debt securities issued by the				
U.S. Treasury and other	—	—	—	—
U.S. government corporations and agencies	39,774	39,182	592	—
Debt securities issued by states of the United				
States and political subdivisions of the				
states	15,981	—	15,981	—
Debt securities issued by foreign				
governments	161	—	161	—
Corporate debt securities	62,860	—	62,860	—
Asset-backed securities	5,135	—	5,135	—
Residential mortgage-backed securities	138	—	138	—
Commercial mortgage-backed securities	7,581	—	7,581	—
Mutual funds	18,274	18,274	—	—
Total fixed income	149,904	57,456	92,448	—
Subtotal	521,622	\$ 429,174	92,448	—
Private equity funds reported at net asset				
value per share as a practical expedient	11,916			
Total investments in the CLIF	\$ 533,538			

At June 30, 2021 and 2020, \$6,553 and \$8,268, respectively, of investments held by the Organization in the CLIF are designated as collateral for the interest rate swap under the Series 2013 Bond Indenture. At June 30, 2021 and 2020, \$11,520 of investments held by the Organization in the CLIF are designated as collateral for the Series 2012 Bond Indenture.

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(b) Investments Held Outside the CLIF

Certain net assets with donor restrictions are maintained in separately invested accounts, which were invested in cash and cash equivalents at June 30, 2021 and 2020.

(c) Amounts Held by Trustee/Bank under Debt Agreements

At June 30, 2021 and 2020, cash held by a bank as collateral for the Cottman, Services Corp., and Warminster debt (note 8) was \$112 and \$204 respectively. Amounts held by trustee for the Series 2012 Bonds, which are invested in commercial paper and money market funds, and are valued using Level 1 inputs, were \$3,480 and \$3,490 at June 30, 2021 and 2020, respectively.

(d) Net Investment Income

The composition of the Organization's net investment income for the years ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Investment income:		
Interest and dividends	\$ 1,661	2,130
Net realized gains on investments	1,236	1,324
Net unrealized gain (losses) on investments	<u>23,617</u>	<u>(741)</u>
Total investment income	<u>\$ 26,514</u>	<u>2,713</u>
Recognized as:		
Consolidated statements of operations:		
Investment income, net	\$ 1,309	1,560
Net realized and unrealized gains on investments	14,470	746
Consolidated statements of changes in net assets:		
Interest and dividend income – net assets with donor restrictions	352	571
Net realized and unrealized gains (losses) on investments – net assets with donor restrictions	<u>10,383</u>	<u>(164)</u>
Total investment income	<u>\$ 26,514</u>	<u>2,713</u>

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(7) Property and Equipment

Property and equipment at June 30, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Land and improvements	\$ 2,923	2,923
Buildings and leasehold improvements	54,152	54,081
Equipment	<u>36,482</u>	<u>35,530</u>
Property and equipment, at cost	93,557	92,534
Accumulated depreciation	<u>(63,100)</u>	<u>(59,211)</u>
Property and equipment, net	<u>\$ 30,457</u>	<u>33,323</u>
Depreciation and amortization expense	\$ 3,938	3,624

The net book value of assets under capital leases included in equipment amounted to \$1,158 and \$1,360 at June 30, 2021 and 2020, respectively.

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(8) Debt

Long-term debt consists of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Series 2012 Variable Rate Revenue Bonds issued by the Hospital, due in November 2030, accrues interest at a variable rate (approximately 0.91% at June 30, 2021), payable in monthly interest-only payments	\$ 15,000	15,000
Committed loan borrowed by the Hospital, with a security agreement, due in March 2024, accrues interest at a variable rate (approximately 1.80% at June 30, 2021), payable in monthly installments of principal plus interest	3,753	4,079
Commercial bank debt borrowed by Wills Eye Hospital, due April 2028, accrues interest at a fixed rate (2.27% at June 30, 2021) payable in monthly installments of principal plus interest.	1,215	—
Commercial bank debt borrowed by Abbot, due in April 2024, accrues interest at a variable rate (approximately 1.57% at June 30, 2021), and payable in monthly installments of principal plus interest; collateralized by certain building and land assets	156	211
Commercial bank debt borrowed by Warminster, due in July 2022, accrues interest at a variable rate (approximately 1.79% at June 30, 2021), payable in monthly installments of principal plus interest; collateralized by restricted cash deposit	420	525
Commonwealth of Pennsylvania debt borrowed by Wills Eye Hospital, accrues interest at a fixed rate (0.5% at June 30, 2020), payable on September 25, 2020 principal plus interest.	—	2,921
Finance agreements, various, payments due monthly based in part on supply purchases	1,519	3,039
	<u>22,063</u>	<u>25,775</u>
Less:		
Current portion	(1,215)	(5,296)
Unamortized bond issue costs	(30)	(40)
Total long-term debt	<u>\$ 20,818</u>	<u>20,439</u>

On March 1, 2012, the Hospitals and Higher Education Facilities Authority of Philadelphia (the Authority) loaned to the Hospital the proceeds resulting from the issuance of its Variable Rate Revenue Bonds, Series 2012, the aggregate principal amount of \$15,000 (Series 2012 Bonds), with a final maturity date of November 1, 2030. The single bondholder is the Trustee. At this time, there was also a corresponding

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interest rate swap agreement novated to the Trustee. The Registered Owner, in its sole discretion, shall have an option (each such option, a "Tender Option"), during each of the periods commencing ninety (90) days prior to (i) the seventh anniversary of the Dated Date of this Bond, March 2019, (ii) the twelfth anniversary of the Dated Date of this Bond, March 2024 and (iii) the seventeenth anniversary of the Dated Date of this Bond, March 2029 (each, a "Designated Anniversary Date") and ending one hundred eighty (180) days after each such Designated Anniversary Date (each such 270-day period, a "Tender Option Period"), to tender this Bond for mandatory purchase by the Borrowers on or before the applicable Tender Option Payment Date. As part of the Series 2012 bond issuance, a Collateral Pledge and Security Agreement among the Hospital and Center City ASC (now closed) granted rights to certain accounts held within the CLIF (note 6) and at the Trustee for the purposes of collateralizing the entire principal balance and the entire fair market value of the swap. During March 2019, the Trustee waived its first Tender Option and amended the Bond to update definitional terms and revise the interest rate. The Trustee maintained its Tender Options for 2024 and 2029, and the Bond's final maturity remained November 1, 2030.

On February 28, 2013, the Hospital negotiated a committed line of credit from the Trustee of the Series 2012 bond issue for \$6,200. The purpose of this line of credit was to convert the seventh floor of the Organization's current location to a four-bed inpatient hospital. In January 2014, with construction complete, the line of credit was converted to a loan with defined principal and interest payments (the 2013 Loan Agreement). During February 2019, the Organization amended the loan to extend its maturity date by five years and revise the interest rate. The amended loan matures on March 1, 2024.

The 2013 Loan Agreement contains financial, affirmative, and negative covenants, and events of default that are customary for debt securities of this type. Financial covenants require the Organization to maintain a liquidity ratio of no less than 1.0 to 1.0.

On October 2, 2014, the Hospital entered into a master lease purchase facility for the purpose of financing its equipment needs. In December 2017, the Hospital renewed the master lease for the second year. The facility lease term depends on the type of equipment, but can range from 36 to 120 months with rates from 3.05% to 4.29%. At June 30, 2021, \$400 in equipment is currently leased under this facility.

The maturity of total debt, excluding debt issuance costs, at June 30, 2021, is as follows (in thousands):

Twelve months ending June 30:		
2022	\$	1,215
2023		1,293
2024		3,558
2025		300
2026		188
Thereafter		15,509
Total payments	\$	<u>22,063</u>

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Abbot and Warminster are subject to financial covenants under loans with a commercial bank. These covenants include the maintenance of minimum historical debt service coverage ratios and minimum days cash on hand amounts, as defined in the respective agreements.

Based on borrowing rates currently available to the Organization for debt with similar terms and remaining maturities, the fair values of long-term debt are estimated to approximate their carrying values. The variable rate of the Series 2012 Bonds is a market rate based on 75% of the 30-day London Interbank Offered Rate (LIBOR) plus 83 basis points.

Interest Rate Swaps

The Hospital entered into an interest rate swap agreement to hedge against the risk of changes in interest rates associated with its variable rate Series 2012 Bonds on March 1, 2012. The fair value of this interest rate swap has been reported in other liabilities. This interest rate swap had a notional value of \$15,000 with a term expiring in November 2030 and carried a fixed rate of 5.74%. The fair value of the interest rate swap liability was \$6,553 and \$8,268 at June 30, 2021 and 2020, respectively. As this swap does not qualify for hedge accounting, the change in fair value is reported as Interest rate swaps valuation adjustment in the consolidated statements of operations.

(9) Leases and Lease Commitments

Financing Obligation

In July 2002, the Hospital entered into an agreement to lease finished space from a third party for the purpose of subleasing the space to individual physicians. The initial lease term is 25 years, commencing July 1, 2002. The Hospital has the right and option of extending the term for two periods of five years each beyond the initial term. The amount of the financing obligation represents the present value of minimum lease payments, under this lease agreement, discounted at an imputed interest rate of 7.1%.

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Future minimum payments for the next five years and thereafter under the lease at June 30, 2021 are as follows:

Year ending June 30:		
2022	\$	878
2023		878
2024		879
2025		879
2026		879
Thereafter		<u>952</u>
Total future minimum lease payments		5,345
Less amount representing interest		<u>(1,015)</u>
Financing obligation		4,330
Less current portion		<u>(590)</u>
Long-term financing obligation	\$	<u><u>3,740</u></u>

Additionally, the Hospital has entered into various subleases of this space to physicians for terms of five years. These sublease agreements were further extended to various dates through September 2023. Future minimum sublease payments at June 30, 2021 are as follows:

		<u>Sublease revenue</u>
June 30:		
2022	\$	1,622
2023		<u>700</u>
Total sublease revenue	\$	<u><u>2,322</u></u>

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Operating Leases

The Hospital and Centers lease buildings and property through lease agreements expiring on various dates through March 2037. Certain of these leases contain options to extend the lease terms. Rental expense for the years ended June 30, 2021 and 2020 was \$3,182 and \$2,380, respectively. The Organization records lease expenses in the consolidated statements of operations, supplies, and other expenses. The Centers are responsible for the payment of all real property taxes. Future minimum lease payments at June 30, 2021 are as follows:

June 30:		
2022	\$	2,197
2023		1,799
2024		1,406
2025		1,000
2026		689
Thereafter		<u>5,177</u>
Total future minimum lease payments	\$	<u><u>12,268</u></u>

(10) Retirement Plans

Pension Plan

The Hospital participates in a defined-benefit retirement plan (the Plan), administered by the Board, which covers nonunion Hospital employees hired prior to September 30, 2010. Effective October 1, 2010, new employees of the Hospital participate in a 403(b) plan as documented below. There were no required contributions to the Plan for the year ended June 30, 2021 or 2020. Although no contributions were required, the Hospital contributed \$1,502 to the Plan during the year ended June 30, 2021 and \$1,502 in 2020, respectively. The Hospital anticipates contributing \$1,500 to the Plan in 2022. The Hospital uses a July 1 measurement date for the Plan.

The following table sets forth the funded status of the Plan at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Change in benefit obligation:		
Projected benefit obligation at beginning of year	\$ 60,536	55,387
Service cost	394	388
Interest cost	1,444	1,797
Actuarial (gain) loss	(1,780)	5,665
Benefits paid	<u>(2,716)</u>	<u>(2,701)</u>
Projected benefit obligation at end of year	\$ <u><u>57,878</u></u>	<u><u>60,536</u></u>

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	<u>2021</u>	<u>2020</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 35,486	35,602
Actual return on plan assets	10,183	1,154
Employer contribution	1,500	1,502
Benefits paid	(2,716)	(2,701)
Administrative expenses paid	(84)	(71)
Fair value of plan assets at end of year	<u>\$ 44,369</u>	<u>35,486</u>
Funded status and liability recognized (recorded as other noncurrent liabilities)	\$ 13,509	25,050

Significant assumptions utilized in determining the benefits obligations are as follows:

	<u>2021</u>	<u>2020</u>
Discount rate	2.56 %	2.45 %
Rate of compensation increase	3.00	3.00

Net periodic benefit cost recognized for the years ended June 30, 2021 and 2020 totaled \$415 and \$451, respectively. The amounts recognized in net assets, but not yet recognized in net periodic benefit cost and the components of net periodic benefit cost are as follows:

	<u>2021</u>	<u>2020</u>
Amounts recognized in net assets but not yet recognized in net periodic benefit cost:		
Net loss	\$ 19,788	30,244
Total amount recognized in net assets	<u>\$ 19,788</u>	<u>30,244</u>
Components of net periodic benefit cost:		
Service cost	\$ 394	388
Interest cost	1,444	1,797
Expected return on plan assets	(2,621)	(2,702)
Recognized actuarial loss	1,198	968
Net periodic benefit cost	<u>\$ 415</u>	<u>451</u>

For the defined-benefit pension plan, the net actuarial loss that will be or was amortized from unrestricted net assets into net periodic benefit cost in fiscal year 2021 and 2020 totals \$1,198 and \$968, respectively.

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June 30, 2021 and 2020

(In thousands)

Significant assumptions utilized in determining the net periodic benefit cost are as follows:

	<u>2021</u>	<u>2020</u>
Discount rate	2.5 %	3.3 %
Expected return on plan assets	7.5	7.8
Rate of compensation increase	3.0	3.0

The expected return on plan assets is developed based on applying historical average total returns by asset class to the Plan's current asset allocation. The Plan's investments were held in the CLIF at June 30, 2021 and 2020. The Plan held units representing 6.4% and 6.5% of the CLIF at June 30, 2021 and 2020 respectively. See note 6 for allocation of assets within the CLIF.

The pension funding obligations are long term in nature; consequently, the investment of the pension assets should have a long-term focus. The assets are invested in accordance with sound investment practices that emphasize long-term fundamentals. The investment objectives for the assets are:

- To achieve a positive rate of return over the long term that significantly contributes to meeting pension obligations, including actuarial interest and benefit payment obligations;
- To earn long-term returns that keep pace with or exceed the long run inflation rate;
- To diversify the assets in order to reduce the risk of significant fluctuations in market value from period to period in accordance with the Organization's asset allocation goals of 60% to 80% equity securities and 20% to 30% bonds and notes payable.

Estimated future benefit payments, which reflect future service, as appropriate, are expected to be paid as follows:

2022	\$	3,333
2023		3,333
2024		3,332
2025		3,629
2026		3,589
2027–2031		17,399

Defined-Contribution Plans

The Centers offer their employees the right to participate in a 401(k) plan after completing one year of service and after having reached the age of 21. Employees may choose to defer 1% to 15% of their compensation that would have been received in the plan year. Employee contributions are fully vested at all times and are not subject to forfeiture for any reason. Participants who have completed one year of service and are actively employed on the last day of the plan year are eligible to receive a discretionary employer matching contribution. The Hospital and WEOC have established 403(b) plans with the same

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements – FASB Basis

June 30, 2021 and 2020

(In thousands)

criteria as above. The Hospital's plan became effective as of October 1, 2010 for all new hires. For the years ended June 30, 2021 and 2020, the employer match for all eligible employees is up to 2.25% for June 30, 2021 and 2020, of an employee's compensation with a maximum compensation of \$270. The employer's contributions for the years ended June 30, 2021 and 2020 relating to the 401(k) and 403(b) plans were \$281 and \$449, respectively. The employer match is included in the consolidated statements of operations, pension costs.

(11) Functional Expenses

The Organization primarily provides ophthalmology and other ambulatory surgical services to residents within its geographic location. The Organization's expenses for these services are as follows as of June 30, 2021 and 2020:

	2021		
	Healthcare services	General and Administrative	Total
Salaries and benefits	\$ 45,187	5,491	50,678
Pension costs	675	—	675
Supplies and other expenses	40,763	3,489	44,252
Insurance	2,194	10	2,204
Professional – legal and consulting	383	1,013	1,396
Professional – medical	2,076	—	2,076
Depreciation and amortization	3,715	223	3,938
Interest	1,511	3	1,514
Total	<u>\$ 96,504</u>	<u>10,229</u>	<u>106,733</u>

	2020		
	Healthcare services	General and Administrative	Total
Salaries and benefits	\$ 38,048	5,130	43,178
Pension costs	842	—	842
Supplies and other expenses	34,861	4,222	39,083
Insurance	1,137	644	1,781
Professional – legal and consulting	342	937	1,279
Professional – medical	1,904	—	1,904
Depreciation and amortization	3,459	165	3,624
Interest	1,253	371	1,624
Total	<u>\$ 81,846</u>	<u>11,469</u>	<u>93,315</u>

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements – FASB Basis

June 30, 2021 and 2020

(In thousands)

(12) Endowments

The Hospital's endowment consists of approximately 30 individual funds established for a variety of purposes by donors. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Interpretation of Relevant Law

The Hospital classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment; (b) the original value of subsequent gifts to the endowment; and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Pennsylvania law permits the Board of Trustees to make an election to annually appropriate for expenditure a selected percentage between 2% and 7% of the fair value of the assets related to donor-restricted endowment funds averaged over a period of three or more preceding years, provided the Board has determined that such percentage is consistent with the long-term preservation of the real value of such assets.

(b) Return Objectives and Risk Parameters

The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets that the Organization must hold in perpetuity or for a specified period. The Hospital expects its endowment funds, over time, to provide an average rate of return of 8% annually. Actual returns in any given year may vary from that amount.

(c) Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Hospital targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints, through its investment in the CLIF.

(d) Spending Policy and How the Investment Objectives Relate to Spending Policy

The Hospital has a policy of appropriating for distribution each year up to 5% of its endowment funds based on the average market value over the prior 20 quarters preceding each December 31. In establishing this policy, the Hospital considered the long-term expected return on its funds. This is consistent with the Hospital's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The spending rate for both 2021 and 2020 was 5% for endowment funds.

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements – FASB Basis

June 30, 2021 and 2020

(In thousands)

(e) Funds with Deficiencies

From time to time, the fair value of assets associated with individual endowment funds may fall below the original gift amount maintained as net assets with donor restrictions. There were no deficiencies of this nature as of June 30, 2021 or 2020. Such deficiencies, if they exist, are recorded in net assets without donor restrictions.

(f) Net Asset Classifications of Endowments

The Organization recorded \$43,614 and \$33,701 of endowment funds in its net assets with donor restrictions, as of June 30, 2021 and 2020, respectively. The Organization had no endowment funds included in its net assets without donor restrictions, as of June 30, 2021 nor 2020. Changes in donor-restricted endowment funds were as follows, for the years ended June 30, 2021 and 2020, respectively:

	<u>2021</u>	<u>2020</u>
Restricted net assets, beginning of year	\$ 33,701	32,903
Investment return:		
Investment income	334	524
Net appreciation (realized and unrealized gains and losses)	<u>10,383</u>	<u>(163)</u>
Total investment return	10,717	361
Contributions	308	1,378
Appropriation of restricted assets for expenditure	(949)	(941)
Other changes:		
Transfer to CLIF	<u>(163)</u>	<u>—</u>
	<u>\$ 43,614</u>	<u>33,701</u>

(13) Net Assets with Donor Restrictions

Net assets with donor restrictions consist of contributions and other inflows of assets whose use by the Organization is limited by stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. Such assets are restricted for research, education, and other activities of the Organization. At June 30, 2021, \$15,178 of the \$55,894 restricted net asset balance represents accumulated gains on endowments, and the remaining \$40,716 represents amounts restricted for research, education, and other activities. At June 30, 2020, \$5,410 of the \$45,425 restricted net asset balance represents accumulated gains on endowments, and the remaining \$40,015 represents amounts restricted for research, education, and other activities.

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements – FASB Basis

June 30, 2021 and 2020

(In thousands)

(14) Noncontrolling Interest

The reconciliation of the noncontrolling interest reported in net assets without donor restrictions is as follows:

	Wills Eye Hospital	Noncontrolling interest	without donor restrictions
Balance at June 30, 2019	\$ 26,989	966	27,955
Operating loss	(8,134)	94	(8,040)
Other income	1,961	—	1,961
(Deficiency) excess of revenue (under) over expenses	(6,173)	94	(6,079)
Adjustment to pension benefit obligation	(6,316)	—	(6,316)
Net assets released for purchase of property and equipment	2,364	—	2,364
Donated equipment	25	—	25
Distributions to noncontrolling interest in consolidated subsidiaries	—	(225)	(225)
Change in net assets	(10,100)	(131)	(10,231)
Balance at June 30, 2020	16,889	835	17,724
Operating loss	(7,005)	500	(6,505)
Other income	18,997	—	18,997
Excess of revenue over expenses	11,992	500	12,492
Adjustment to pension benefit obligation	10,456	—	10,456
Net assets released for purchase of property and equipment	199	—	199
Donated Equipment	272	—	272
Distributions to noncontrolling interest in consolidated subsidiaries	—	(102)	(102)
Change in net assets	22,919	398	23,317
Balance at June 30, 2021	\$ 39,808	1,233	41,041

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements – FASB Basis

June 30, 2021 and 2020

(In thousands)

(15) Liquidity and Availability of Resources

There were no amounts recorded as current assets which, were set aside for scheduled principal payments on debt, self-insurance funds, or perpetual-, time- or purpose-based restrictions, which would make them unavailable for general use. As of June 30, 2021, the Organization has liquid assets on hand to cover 201 days of operating expenses. The Organization's practice is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments. In the event of an unanticipated liquidity need, the Organization could draw upon its short-term assets.

(16) Commitments and Contingencies

General

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has continued with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management believes that the Organization is in compliance with fraud and abuse, as well as other applicable government laws and regulations. While no regulatory inquiries have been made that are expected to have a material effect on the consolidated financial statements, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Malpractice Insurance

The Organization has primary claims made medical malpractice insurance from various commercial insurers, as well as excess coverage for claims that exceed the primary limits. The Organization's accrual for estimated medical malpractice claims was \$389 and \$444 at June 30, 2021 and 2020, respectively. This includes estimates of the ultimate costs for both reported claims and claims incurred, but not reported, and is included in other liabilities on the consolidated balance sheets. Total medical malpractice insurance costs were \$1,478 and \$1,075 for the years ended June 30, 2021 and 2020, respectively. Medical malpractice insurance costs is included in professional – medical expenses in the consolidated statement of operations.

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements – FASB Basis

June 30, 2021 and 2020

(In thousands)

(17) Subsequent Events

The Organization has considered subsequent events, through December 9, 2021, and found there were no other events or transactions occurring subsequent to June 30, 2021 that would require adjustment to or disclosure in the consolidated financial statements.

On November 21, 2021, the Organization extended a loan agreement, which allows for the Organization to draw upon a \$5,000 line of credit to January 21, 2022.

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Consolidating Balance Sheet Information – FASB Basis

June 30, 2021

(In thousands)

Assets	Wills Eye Hospital	Wills Eye Foundation, Inc.	Wills Eye Ophthalmology Clinic, Inc.	Cherry Hill Ambulatory Surgical Center L.L.C.	Warminster Ambulatory Surgical Center L.L.C.	Cottman Ambulatory Surgical Center L.L.C.	Plymouth Meeting Ambulatory Surgical Center L.L.C.	Stadium Ambulatory Surgical Center L.L.C.	
Current assets:									Current
Cash and cash equivalents	\$ 1,364	90	257	1,377	544	283	548	428	Cash
Patient accounts receivable, net	9,629	—	2,673	682	394	196	200	333	Pa
Investments	34,148	—	—	—	—	—	—	—	Inv
Inventory	598	—	311	280	187	124	135	200	Inv
Pledge and grant receivable	1,031	366	136	—	—	—	—	—	Pl
Other current assets	1,056	7	520	87	38	56	46	68	Other
Due from affiliates	2,474	—	1,420	—	—	—	—	—	Due
Total current assets	50,300	463	5,317	2,426	1,163	659	929	1,029	
Assets whose use is limited or restricted:									Asset
By board for research	4,146	—	—	—	—	—	—	—	By
By board for other	955	—	—	—	—	—	—	—	By
Donor restricted	45,567	8,954	—	—	—	—	—	—	Do
Held under debt agreements	21,553	—	—	—	—	—	—	—	He
Total assets whose use is limited or restricted	72,221	8,954	—	—	—	—	—	—	
Investments in joint ventures	—	—	—	—	—	—	—	—	Invest
Investments in subsidiaries	5,084	—	—	—	—	—	—	—	Invest
Property and equipment, net	23,617	—	547	764	205	604	253	153	Prope
Other assets	671	—	448	—	—	—	—	—	Other
Total	\$ 151,893	9,417	6,312	3,190	1,368	1,263	1,182	1,182	

(Continued)

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Consolidating Balance Sheet Information – FASB Basis

June 30, 2021

(In thousands)

Assets	Wills Eye Surgical Network LLC.	AASOP, Inc.	Wills Eye Community Surgical Services Corp.	Wills Eye Community Surgical Cottman/ Buxmont	Abbot, Inc.	Total eliminations	Consolidated totals
nt assets:							
ish and cash equivalents	\$ 195	19	13	1	4	(2)	5,121
lient accounts receivable, net	—	16	—	—	—	—	14,123
estments	—	—	—	—	—	—	34,148
entory	—	—	—	—	—	—	1,835
edge and grant receivable	—	—	—	—	—	1	1,534
her current assets	135	13	—	—	—	2	2,028
ie from affiliates	25	—	—	—	—	(3,919)	—
Total current assets	355	48	13	1	4	(3,918)	58,789
is whose use is limited or restricted:							
board for research	—	—	—	—	—	—	4,146
board for other	—	—	—	—	—	—	955
nor restricted	—	—	—	—	—	—	54,521
id under debt agreements	—	—	—	112	—	(1)	21,664
Total assets whose use is limited or restricted	—	—	—	112	—	(1)	81,286
ments in joint ventures	—	—	3,219	—	—	3	3,222
ments in subsidiaries	—	—	—	—	—	(5,084)	—
erty and equipment, net	115	2	—	—	4,197	—	30,457
assets	—	—	—	—	—	—	1,119
Total	\$ 470	50	3,232	113	4,201	(9,000)	174,873

(Continued)

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Consolidating Balance Sheet Information – FASB Basis

June 30, 2021

(In thousands)

	Wills Eye Hospital	Wills Eye Foundation, Inc.	Wills Eye Ophthalmology Clinic, Inc.	Cherry Hill Ambulatory Surgical Center L.L.C.	Warrinster Ambulatory Surgical Center L.L.C.	Cottman Ambulatory Surgical Center L.L.C.	Plymouth Meeting Ambulatory Surgical Center L.L.C.	Stadium Ambulatory Surgical Center L.L.C.	
Liabilities and Net Assets									
Current liabilities:									Current
Current portion of long-term debt	\$ 880	—	—	50	123	88	9	9	Curre
Financing obligation	590	—	—	—	—	—	—	—	Finan
Accounts payable	10,527	39	3,770	686	297	255	315	388	Accou
Accrued salaries and other expenses	3,648	145	3,136	432	121	112	91	129	Accru
Other liabilities	3,512	—	636	713	267	200	219	204	Other
Due to affiliates	—	35	3,100	7	22	4	10	5	Due t
Total current liabilities	19,157	219	10,642	1,888	830	659	644	735	
Long-term debt, net of current portion	20,077	—	—	143	326	141	22	7	Long-ter
Financing obligation	3,740	—	—	—	—	—	—	—	Financin
Pension benefit obligation	13,509	—	—	—	—	—	—	—	Pension
Interest rate swap liability	6,553	—	—	—	—	—	—	—	Interest
Other liabilities	1,238	—	126	—	—	—	—	—	Other lia
Total liabilities	64,274	219	10,768	2,031	1,156	800	666	742	
Net assets:									Net asse
Without donor restrictions	41,041	(119)	(4,456)	1,159	212	463	516	440	Witho
With donor restrictions	46,578	9,317	—	—	—	—	—	—	With
Total net assets	87,619	9,198	(4,456)	1,159	212	463	516	440	
Total liabilities and net assets	\$ 151,893	9,417	6,312	3,190	1,368	1,263	1,182	1,182	

See acc

(Continued)

**WILLS EYE HOSPITAL
AND SUBSIDIARIES**

Consolidating Balance Sheet Information – FASB Basis

June 30, 2021

(In thousands)

Liabilities and Net Assets	Wills Eye Surgical Network L.L.C.	AASOP, Inc.	Wills Eye Community Surgical Services Corp.	Wills Eye Community Surgical Cottman/ Buxmont	Abbot, Inc.	Total eliminations	Consolidated totals
liabilities:							
nt portion of long-term debt	\$ —	—	—	—	55	1	1,215
cing obligation	—	—	—	—	—	—	590
nts payable	8	21	—	—	—	3	16,309
ed salaries and other expenses	230	20	—	—	—	(1)	8,063
liabilities	—	24	—	—	—	1	5,776
o affiliates	463	274	3	—	—	(3,923)	—
Total current liabilities	701	339	3	—	55	(3,919)	31,953
m debt, net of current portion	—	—	—	—	101	1	20,818
g obligation	—	—	—	—	—	—	3,740
benefit obligation	—	—	—	—	—	—	13,509
rate swap liability	—	—	—	—	—	—	6,553
ilities	—	—	—	—	—	1	1,365
Total liabilities	701	339	3	—	156	(3,917)	77,938
ets:							
ut donor restrictions	(231)	(289)	3,229	113	4,045	(5,082)	41,041
donor restrictions	—	—	—	—	—	(1)	55,894
Total net assets	(231)	(289)	3,229	113	4,045	(5,083)	96,935
Total liabilities and net assets	\$ 470	50	3,232	113	4,201	(9,000)	174,873

ompanying independent auditors' report – FASB Basis.

WILLS EYE HOSPITAL
AND SUBSIDIARIES

Consolidating Statement of Operations and Changes in Net Assets Information – FASB Basis

Year ended June 30, 2021

(In thousands)

	Wills Eye Hospital	Wills Eye Foundation, Inc.	Cherry Hill Ambulatory Surgical Center L.L.C.	Warminster Ambulatory Surgical Center L.L.C.	Cottman Ambulatory Surgical Center L.L.C.	AASOP, Inc.	Plymouth Meeting Ambulatory Surgical Center L.L.C.	Stadium Ambulatory Surgical Center L.L.C.
Unrestricted revenues:								
Patient service revenue	\$ 38,149	—	9,307	4,429	2,915	461	3,670	3,725
Other revenue	4,435	14	732	164	149	73	254	206
Net assets released from restrictions	2,084	436	—	—	—	—	—	—
Total revenues	44,668	450	10,039	4,593	3,064	534	4,124	3,931
Expenses:								
Salaries and benefits other than pension costs	16,083	1,255	2,867	1,050	1,085	638	1,264	1,428
Pension costs	548	22	2	1	1	13	2	1
Supplies and other expenses	20,338	506	6,151	2,964	1,822	137	2,453	2,020
Insurance	747	—	181	86	51	37	64	73
Professional – legal and consulting	1,031	75	64	13	13	1	11	9
Professional – medical	1,068	—	35	36	35	—	35	35
Depreciation and amortization	3,046	—	182	82	146	2	106	134
Interest	1,478	—	11	15	10	—	—	1
Total expenses	44,337	1,858	9,493	4,249	3,163	828	3,935	3,701
Operating (loss) income	331	(1,408)	546	344	(99)	(294)	189	230
Other income (loss):								
Net realized and unrealized losses on investments	14,470	—	—	—	—	—	—	—
Interest rate swaps valuation adjustment	1,715	—	—	—	—	—	—	—
Investment income, net	(5,370)	—	(10)	—	—	—	—	—
Other nonoperating losses	(21)	—	—	—	—	—	—	—
Contributions	865	659	—	—	—	—	—	—
Total other income	11,659	659	(10)	—	—	—	—	—
Excess (deficiency) of revenues over (under) expenses	11,990	(749)	536	344	(99)	(294)	189	230
Net assets released from restrictions used for purchases of property and equipment	200	—	—	—	—	—	—	—
Donated equipment	272	—	—	—	—	—	—	—
Adjustment to pension benefit obligation	10,456	—	—	—	—	—	—	—
Distribution to noncontrolling interests in consolidated subsidiary	—	—	(100)	(50)	(100)	220	—	—
Increase (decrease) in net assets without donor restrictions	\$ 22,918	(749)	436	294	(199)	(74)	189	230

(Continued)

WILLS EYE HOSPITAL
AND SUBSIDIARIES

Consolidating Statement of Operations and Changes in Net Assets Information – FASB Basis

Year ended June 30, 2021

(In thousands)

	Wills Eye Surgical Network, L.L.C.	Wills Eye Community Surgical Services Corp.	Wills Eye Community Surgical Cottman/ Buxmont	Wills Eye Ophthalmology Clinic, Inc.	Abbot, Inc.	Total eliminations	Consolidated totals
Unrestricted revenues:							
Patient service revenue	\$ —	—	—	22,915	—	(1)	85,770
Other revenue	656	—	—	5,717	347	(809)	11,938
Net assets released from restrictions	—	—	—	—	—	—	2,520
Total revenues	656	—	—	28,632	347	(810)	109,228
Expenses:							
Salaries and benefits other than pension costs	760	—	—	24,248	—	—	50,878
Pension costs	—	—	—	88	—	(1)	675
Supplies and other expenses	118	2	1	8,548	1	(809)	44,252
Insurance	7	1	—	956	—	(1)	2,204
Professional – legal and consulting	12	—	—	163	3	1	1,386
Professional – medical	—	—	—	832	—	—	2,076
Depreciation and amortization	27	—	—	129	84	—	3,938
Interest	1	—	—	—	3	(5)	1,514
Total expenses	925	3	1	34,964	91	(615)	106,733
Operating (loss) income	(269)	(3)	(1)	(6,332)	256	5	(6,505)
Other income (loss):							
Net realized and unrealized losses on investments	—	—	—	—	—	—	14,470
Interest rate swaps valuation adjustment	—	—	—	—	—	—	1,715
Investment income, net	—	759	5	—	—	5,925	1,909
Other nonoperating losses	—	—	—	—	—	—	(21)
Contributions	—	—	—	—	—	—	1,524
Total other income	—	759	5	—	—	5,925	18,997
(Deficiency) excess of revenue over expenses	(269)	756	4	(6,332)	256	5,930	12,492
Net assets released from restrictions used for purchases of property and equipment	—	—	—	—	—	(1)	199
Donated equipment	—	—	—	—	—	—	272
Adjustment to pension benefit obligation	—	—	—	—	—	—	10,456
Distribution to noncontrolling interests in consolidated subsidiary	—	(960)	(125)	4,150	(333)	(2,804)	(102)
Increase (decrease) in net assets without donor restrictions	\$ (269)	(204)	(121)	(2,182)	(77)	3,125	23,317

See accompanying independent auditors' report – FASB Basis.



COLLECTIVE LEGAL INVESTMENT FUND

Basic Financial Statements

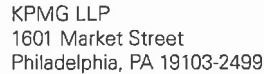
December 31, 2021

(With Independent Auditors' Report Thereon)

COLLECTIVE LEGAL INVESTMENT FUND

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The Members of the Board
The Board of Directors of City Trusts:

We have audited the financial statements of the Collective Legal Investment Fund of the Board of Directors of City Trusts (CLIF) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the CLIF's basic financial statements for the year then ended as listed in the table of contents.

Basis for Opinion

We conducted our audit 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 the CLIF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CLIF's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 the CLIF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CLIF'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.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

Philadelphia, Pennsylvania
July 14, 2023

COLLECTIVE LEGAL INVESTMENT FUND
Management's Discussion and Analysis (Unaudited)
December 31, 2021

The following discussion and analysis of the Collective Legal Investment Fund ("CLIF") provides an overview of the financial activities of the CLIF for the year ended December 31, 2021.

The information contained within this Management's Discussion and Analysis is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the Notes to the Financial Statements that is provided in addition to this Management's Discussion and Analysis.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction into the CLIF's basic financial statements. The CLIF is considered a fiduciary fund (Investment Trust) in accordance with governmental accounting standards. Fiduciary funds are used to account for resources held for the benefit of parties outside a government. The CLIF's basic financial statements comprise the statement of fiduciary position, statement of changes in fiduciary net position, and notes to the financial statements.

Statement of Fiduciary Net Position

This statement is used to account for resources held in a trustee or agency capacity for others and are not available for the support of any government programs. This statement presents the total assets held less any liabilities to report the net amount held in trust for the CLIF. Investments and are shown at fair value and all other assets and liabilities are determined on an accrual basis.

Statement of Changes in Fiduciary Net Position

This statement presents the total additions to the CLIF in the form of investment income, securities lending income and deposits to investment fund, less any deductions for expenses or withdrawals from investment fund to arrive at a change in fiduciary net position for the year.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements providing additional detail that is essential to a full understanding of the financial statements.

Financial Highlights

The CLIF's fiduciary net position increased by \$117 million (19%) compared to an increase of \$55 million (10%) in 2020. The increase was primarily due to improved market conditions and net positive fluctuations of investment returns, combined with a significant deposit to the investment fund of approximately \$31 million exceeding withdrawals by participants.

COLLECTIVE LEGAL INVESTMENT FUND
Management's Discussion and Analysis (Unaudited)
December 31, 2021

Financial Information

The following table is a summary of the December 31, 2021 Statement of Fiduciary Net Position, with comparative information as of December 31, 2020.

	<u>2021</u>	<u>2020</u>
Assets:		
Cash	\$ 1,285,100	1,185,929
Investments	738,090,077	621,528,369
Investment income receivable	1,609,198	1,684,403
Other receivable	102,823	392,458
Collateral received for securities on loan	<u>46,599,255</u>	<u>86,252,206</u>
Total assets	<u>787,686,453</u>	<u>711,043,365</u>
Liabilities:		
Accrued expenses	1,117,104	1,516,114
Due to participating trusts	1,272,638	1,193,066
Payable for securities on loan	<u>46,599,255</u>	<u>86,252,206</u>
Total liabilities	<u>48,988,997</u>	<u>88,961,386</u>
Net position held in trust	<u>\$ 738,697,456</u>	<u>622,081,979</u>

During the year ended December 31, 2021, the various stock market indices all experienced increases which had a direct impact on the CLIF's investments which increased by approximately \$117 million (19%) due to unrealized appreciation of approximately \$37 million, realized gains of approximately \$58 million for investment sales, deposits to the investment fund into the CLIF of approximately \$31 million, net investment income of approximately \$8 million, less withdrawals from the investment fund of approximately \$17 million.

Receivables relate to timing differences on trade and settlement dates for investment securities at year-end. Accrued expenses related to investment manager fees which vary based on market performance.

Collateral for securities on loans decreased by approximately \$40 million due to a reduction in the securities on loan. There is a corresponding offset to the payable for securities on loan as well.

The following table is a summary of the statement of changes in Fiduciary Net Position for the year ended December 31, 2021 with comparative information for the year ended December 31, 2020.

COLLECTIVE LEGAL INVESTMENT FUND
Management's Discussion and Analysis (Unaudited)
December 31, 2021

Changes in Fiduciary Net Position

	<u>2021</u>	<u>2020</u>
Additions:		
Net investment income	\$ 8,097,339	7,031,758
Net appreciation of investments	94,930,538	65,115,003
Net income from securities lending	37,028	252,738
Deposits to investment fund	<u>30,861,632</u>	<u>2,078,926</u>
Total additions	<u>133,926,537</u>	<u>74,478,425</u>
Deductions:		
Withdrawals from investment fund	<u>(17,311,060)</u>	<u>(19,472,928)</u>
Total deductions	<u>(17,311,060)</u>	<u>(19,472,928)</u>
Increase in net position held in trust	<u>\$ 116,615,477</u>	<u>55,005,497</u>

Due to favorable market conditions, net investment income increased by approximately \$1 million (15%) and net appreciation of investment increased by approximately \$30 million (46%).

There was a significant deposit into the CLIF of approximately \$31 million during 2021 from the Estate of Stephen Girard due to a sale of investment in joint ventures which were then invested in the CLIF.

Withdrawals from the investment fund fluctuate from year to year, and there was a decrease of approximately \$2 million compared to 2020.

COLLECTIVE LEGAL INVESTMENT FUND
Management's Discussion and Analysis (Unaudited)
December 31, 2021

The following is a summary of the investments at fair value as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Short-term investments	\$ 21,832,596	10,744,250
Equity securities:		
Domestic	430,293,993	381,205,029
International	<u>42,494,621</u>	<u>40,525,106</u>
Total equity securities	<u>472,788,614</u>	<u>421,730,135</u>
Fixed income:		
U.S. Government and agencies	53,524,537	58,303,064
Corporate and other	53,089,209	62,734,129
Asset-backed securities	4,201,261	5,508,943
Mortgage-backed securities	6,017,537	6,202,278
Mutual funds	<u>92,018,144</u>	<u>40,374,715</u>
Total fixed income	208,850,688	173,123,129
Alternative investments	<u>34,618,179</u>	<u>15,930,855</u>
Total	<u>\$ 738,090,077</u>	<u>621,528,369</u>

Contact Information

This financial report is designed to provide our families, supporters, investors and creditors with a general overview of the CLIF's finances and to demonstrate the CLIF's accountability. Additional information is also available on the CLIF's website at www.citytrusts.com. If you have any questions about this report or would like additional information, please contact:

Finance Department
Collective Legal Investment Fund
c/o Board of City Trusts
1101 Market Street
Suite 2600
Philadelphia, PA 19107
215-568-0440

COLLECTIVE LEGAL INVESTMENT FUND

Statement of Fiduciary Net Position

December 31, 2021

Assets:

Cash and cash equivalents	\$ 1,285,100
Investment income receivable	1,609,198
Receivables	102,823
Collateral received for securities on loan	46,599,255
Investments	<u>738,090,077</u>
Total assets	<u>787,686,453</u>

Liabilities:

Accrued expenses	1,117,104
Due to participating trusts	1,272,638
Payable for securities on loan	<u>46,599,255</u>
Total liabilities	<u>48,988,997</u>
Net position held in trust	<u>\$ 738,697,456</u>

See accompanying notes to financial statements.

COLLECTIVE LEGAL INVESTMENT FUND
Statement of Changes in Fiduciary Net Position
Year ended December 31, 2021

Additions:	
Investment income:	
Interest	\$ 6,920,481
Dividends	6,542,659
Other	222,832
Net appreciation of investments	<u>94,930,538</u>
Subtotal investment income	108,616,510
Investment management fees	<u>(5,551,605)</u>
Total investment income	103,064,905
Deposits to investment fund	<u>30,861,632</u>
Total additions	133,926,537
Deductions:	
Withdrawals from investment fund	<u>(17,311,060)</u>
Total deductions	<u>(17,311,060)</u>
Net increase	116,615,477
Net position held in trust:	
Beginning of year	<u>622,081,979</u>
End of year	<u><u>\$ 738,697,456</u></u>

See accompanying notes to financial statements.

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2021

(1) Summary of Significant Accounting Policies

(a) Description of the Entity

The Collective Legal Investment Fund (the CLIF) was created by the Board of Directors of City Trusts (the Board) to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of the Girard Estate, Wills Eye Institute, the three retirement plans of the Board, and 117 smaller trusts collectively referred to as the "Sundry Trusts." The financial statements of the CLIF are not intended to represent all assets, liabilities, and activities of the investor trusts, only their collective investments in securities through the CLIF and related income, expenses, gains, and losses.

(b) Basis of Accounting

The basic financial statements of the CLIF have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The CLIF is classified as an Investment Trust Fund. The basic fiduciary fund financial statements include a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

The CLIF uses the accrual basis of accounting where the measurement focus is on the flow of economic resources. Revenues are recognized in the period in which they are earned, and expenses are recognized in the period incurred.

(c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments, which are readily convertible to known amounts of cash and which have original maturities of three months or less when purchased, except for such amounts held in the investment accounts of the CLIF for long-term investment purposes.

All the CLIF's' deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") (subject to the FDIC limit or \$250,000 per plan per member) and/or collateralized by securities held by a financial institution separate from the CLIF's depository financial institution. However, the CLIF's cash balances can exceed FDIC insured limits. As of December 31, 2021, cash in the bank amounted to approximately \$3.5 million, of which, approximately \$3.27 million was uninsured.

(d) Investments

Investments, including short-term, equity and fixed income securities are reported at fair value, as described in note 2. Purchases and sales of securities are reflected on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on the accrual basis.

Private equity funds are reported at fair value as estimated and reported by general partners and investment managers, based upon the underlying net asset value (NAV) of the fund or partnership as a practical expedient of fair value. Adjustments are required when the CLIF expects to sell the investment at a value other than NAV.

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2021

(e) Deposits to Investment Fund

From time to time, the CLIF will receive deposits from the Girard Estate, Wills Eye Institute, or from the Sundry Trusts.

(f) Withdrawals from Investment Fund

Units of the CLIF are generally purchased and sold based on the available cash and cash requirements of each of the participating investor trusts. Earnings from the CLIF are allocated to each participating investor trust on a monthly basis. Gains and losses from the sales of such units are determined on the last-in, first-out (LIFO) method. Withdrawals from the CLIF are used by the investor trusts for the purposes established by the creator of the trust. Expenditures by the investor trusts in fulfillment of trust purposes are not included in the financial statements of the CLIF.

(g) Income Taxes

Income earned by the CLIF is not subject to federal income tax.

(h) Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

(2) Fair Value Measurements

The CLIF categorizes its fair value measurements within the fair value hierarchy established by GAAP. Three levels of inputs may be used to measure fair value as follows:

- *Level 1:* Quoted or published prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities, including exchange traded funds, international equity and fixed income mutual funds, that are traded in an active exchange market, as well as U.S. Treasury securities.
- *Level 2:* Observable inputs other than Level 1 prices such as quoted or published prices for similar assets and liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. and foreign government and agency asset and mortgage-backed debt securities and corporate debt securities.
- *Level 3:* Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. The CLIF held no Level 3 securities at December 31, 2021.

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2021

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The types of investments held by the CLIF are described as follows:

(a) Short-term Investments

Short-term investments consist of cash and cash equivalents and highly liquid investments, which are readily convertible to known amounts of cash and which have original maturities of three months or less when purchased.

(b) Equity Securities

Securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. Exchange traded funds and mutual funds are stated at NAV as a practical expedient to estimating fair value. To the extent these securities are actively traded, they are categorized in Level 1 of the fair value hierarchy.

(c) Debt Securities

U.S. government and other debt securities are valued at the closing price reported in the active market in which the security is traded, if available, and categorized in Level 1 of the fair value hierarchy. If such information is not available, debt is valued based on yields currently available on comparable securities for issuers with similar credit ratings and characterized in Level 2 of the fair value hierarchy. Fixed income mutual funds are valued at NAV as a practical expedient to estimating fair value.

Listed asset-backed securities are valued based on quoted or published market prices from the active market in which the instrument is principally traded and are categorized in Level 1 of the fair value hierarchy.

If such quoted prices are not available, the fair value of the security is estimated based on models considering the estimated cash flows and expected yield. Such investments are categorized as Level 2 based on the extent inputs are observable and timely.

(d) Private Equity Funds

Net asset values provided by limited partnership investees are based on audit financial statements, estimates, appraisals, assumptions, and methods that are reviewed by CLIF management. The CLIF estimates the fair value of its limited partnership investments using the net asset value per share as reported by the investee as a practical expedient. Private equity funds, which are measured at net asset value per share as a practical expedient to fair value, have not been categorized in the fair value hierarchy table below. The amounts presented in the table for these investments are intended to permit

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2021

reconciliation of the fair value hierarchy table to the investment amounts presented in the financial statements. As of December 31, 2021, private equity investments consisted of the following:

Fund	Type	NAV	Unfunded Commitments	Redemption Frequency
Siguler Guff FD 1 (Mezz)	Energy	\$ 5,982,125	253,975	N/A
Siguler Guff FD 2 (Eng Opp)	Energy	8,187,345	2,725,000	N/A
Siguler Guff FD 3 (Cowboy)	Energy	4,509,700	890,000	N/A
Siguler Guff FD 4 (Sm BO)	Small Company			
	Buyouts	6,409,947	4,972,128	N/A
Banner Ridge DSCO	Distressed			
	Securities	2,717,619	8,935,232	N/A
Banner Ridge Secondary	Secondary			
	Markets	2,787,297	8,368,419	N/A
Gold Point Private Debt	Private Debt	4,024,146	6,254,209	N/A
Total		\$ 34,618,179	32,398,963	

The following table presents the investments in securities measured at fair value on a recurring basis as of December 31, 2021 (in thousands):

Fair value measurements at December 31, 2021 using			
	Fair value	Level 1	Level 2
Short-term investments	\$ 21,833	21,833	—
Equity securities:			
U.S. common stocks:			
Industrials	49,354	49,354	—
Consumer discretionary	46,910	46,910	—
Consumer staples	13,955	13,955	—
Energy	12,193	12,193	—
Financial	48,954	48,954	—
Materials	13,725	13,725	—
Information technology	99,631	99,631	—
Utilities	7,017	7,017	—
Healthcare	43,596	43,596	—
Telecommunications and other	46,227	46,227	—
Total U.S. common stocks	381,562	381,562	—
Exchange-traded funds	48,731	48,731	—
International equity mutual funds	42,495	42,495	—
Total equity securities	472,788	472,788	—

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2021

Fair value measurements at December 31, 2021 using			
	Fair value	Level 1	Level 2
Fixed income:			
U.S. Treasury bonds and notes	\$ 36,706	36,706	—
Other:			
Municipal bonds	16,667	16,667	—
Debt securities issued by foreign governments	152	152	—
U.S. corporate and other bonds	53,089	53,089	—
Asset-backed securities	4,201	4,201	—
Mortgage-backed securities	6,018	6,018	—
Mutual funds	92,018	92,018	—
Total fixed income	208,851	208,851	—
Subtotal	703,472	\$ 703,472	—
Private equity funds	34,618		
Total	\$ 738,090		

(3) Investment Risks

The CLIF employs several independent investment consultants as investment advisors. The CLIF utilizes several investment managers to manage the debt and equity portfolios. The managers are regularly reviewed, with regard to both their investment performance and their adherence to investment guidelines. The CLIF does not possess an investment risk policy, nor does it actively manage assets to specified risk targets. Rather, investment risk management is an inherent function of the asset allocation process. Assets are diversified over a broad range of asset classes and encompass multiple investment strategies aimed at limiting concentration risk. The following describes the CLIF's various investment risks:

(a) Credit Risk

The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Services (Moody's), Standard and Poor's (S&P), and Fitch Ratings (Fitch). The following table discloses the aggregate fair value of fixed income investment holdings exposed to credit

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2021

risk, excluding fixed mutual funds as they are not rated, by the least favorable credit rating at December 31, 2021 by debt category.

	Aaa	Aa	A	Baa	Ba-B3	Unrated	Total
Municipal bonds	\$ 2,800	7,954	5,884	29	—	—	16,667
Debt securities issued by foreign governments	65	87	—	—	—	—	152
U.S. Corporate and other bonds	1,732	1,053	13,126	6,002	30,880	296	53,089
Asset-backed securities	1,081	2,036	836	248	—	—	4,201
Mortgage-backed securities	2,707	3,230	—	81	—	—	6,018
Percent of portfolio	1.1 %	1.9 %	2.7 %	0.9 %	4.2 %	— %	

(b) Custodial Credit Risk

The risk that in the event of a failure of the counterparty or depository financial institution, the CLIF will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the CLIF and are held by either the counterparty or the counterparty's trust department or agent but not in the name of the CLIF.

Consistent with the CLIF's investment policy, the investments are held by the CLIF's custodian and registered in the name of the CLIF.

(c) Interest Rate Risk

The risk that the value of debt securities will be affected by fluctuations in market interest rates. Although there is no formal interest rate risk management policy, the duration of the portfolio, relative to the duration of the portfolio's benchmark, is monitored by the CLIF. The lengths of investment maturities (in years) of the investments, as shown by the percent of the rated portfolio at December 31, 2021 follows (in thousands):

Investment type	Fair value	Investment maturities (in years)			
		Less than 1 Year	1 – 5 years	6 – 10 years	More than 10 years
U.S. Treasury and agency bonds	\$ 36,706	3,060	18,531	8,059	7,056
Municipal bonds	16,667	—	675	4,549	11,443
Debt securities issued by foreign governments	152	—	87	65	—
U.S. Corporate and other bonds	53,089	963	20,981	25,935	5,210
Asset backed securities	4,201	—	2,257	1,205	739
Mortgage-backed securities	6,018	917	592	—	4,509
Mutual funds	92,018	92,018	—	—	—
Percent of portfolio	28.3 %	13.2 %	5.8 %	5.4 %	3.9 %

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2021

(d) Foreign Currency Risk

The risk that changes in the exchange rates will adversely impact the fair value of an investment. Currency risk is present in underlying portfolios that invest in foreign bonds. In general, currency exposure is viewed as a benefit for its diversification reasons and not as an inherent risk within the portfolio. Foreign currency exposures of the investments as of December 31, 2021 follows (in thousands):

<u>Trade currency</u>	<u>Fair value</u>
Philippines PHP	\$ 65
Canada CAD	87

(e) Concentration Risk

No investment in any individual company may represent more than 5% of the CLIF's total net assets or 5% of the company's total outstanding shares. Exclusions apply for obligations of the United States, or those for which the faith of the United States is pledged to provide payment of the interest and principal.

(4) Securities on Loan

The CLIF participates in a securities lending program as a means to generate incremental income. Through this program, the CLIF may lend its securities to qualified borrowers, through its lending agent, that meet certain guidelines established by the Board. All borrowings are initially secured by collateral in an amount equal to at least 102% of the fair value of the securities loaned and are marked to market daily. Each business day, the amount of collateral is adjusted based on the prior day's closing fair value.

The collateral is primarily invested in cash and cash equivalents. Income from lending activity is determined by the amount of interest earned on the invested collateral, a portion of which is allocated to the lending agent. The CLIF is also entitled to receive interest and dividends from securities on loan.

As of December 31, 2021, the CLIF credit risk exposure to borrowers was limited because the amounts owed to the borrowers exceeded the amounts the borrowers owed back to the CLIF. The contracts with the CLIF's Securities Lending Agent (the "Agent") require the Agent to indemnify the CLIF. In the situation when a borrower goes into default, the Agent will liquidate the collateral to purchase replacement securities. Any shortfall before the replacement securities cost and the collateral value is covered by the Agent.

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2021

Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Securities received as collateral are also reported as assets if the entity has the ability to pledge or sell them without a borrower default. Accordingly, the CLIF recorded the investments purchased with the cash collateral as collateral from securities lending with a corresponding liability for securities lending. As of December 31, 2021, the CLIF had loaned out certain securities, returnable on demand, with a fair value of approximately \$45,520,000 to several financial institutions that have deposited collateral with respect to such securities with a fair value of approximately \$46,599,000. As of December 31, 2021, approximately \$307,000 of this collateral was held in corporate bonds and the remainder was held in cash and cash equivalents. All income for securities on loan is included with investment income in the statement of changes in fiduciary net position.



**BOARD OF DIRECTORS OF CITY TRUSTS
COLLECTIVE LEGAL INVESTMENT FUND**

Sundry Trusts Supplementary Information

December 31, 2021

(With Independent Auditors' Report Thereon)

**BOARD OF DIRECTORS OF CITY TRUSTS
COLLECTIVE LEGAL INVESTMENT FUND**

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COLLECTIVE LEGAL INVESTMENT FUND**

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KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report on Supplementary Information

The Members of the Board
The Board of Directors of City Trusts:

We have audited the financial statements of the Collective Legal Investment Fund of the Board of Directors of City Trusts (CLIF) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the CLIF's basic financial statements for the year then ended, and have issued our report thereon dated July 14, 2023, which contained an unmodified opinion on those basic financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Supplementary Schedules (Sundry Trusts) are presented for the purpose of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

KPMG LLP

Philadelphia, Pennsylvania
July 14, 2023

DAVID J. ABRAMS FUND

Created 1967

By Bequest for the Use of Girard College

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 2,048,949
Additions:	
Income from invested funds	21,117
Net realized gain on sale of units	51,445
Net increase in unrealized appreciation in fair value of units	260,812
Total additions	333,374
Deductions:	
Administrative expenses	1,465
Withdrawals on behalf of Girard College	88,900
Total deductions	90,365
Change in net assets	243,009
Net Position Held in Trust, December 31, 2021	\$ 2,291,958

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 228
Investment income receivable	6,346
15,292 units of Collective Legal Investment Fund	2,286,316
Accrued expenses	(932)
Net Position Held in Trust, December 31, 2021	\$ 2,291,958

See accompanying independent auditors' report.

RICHARD C. ANDERSON FUND

Created 1980

To be held in trust and the net income distributed annually to the athlete graduating from Girard College with the best academic record in their senior year.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	18,296
Additions:		
Income from invested funds		188
Net realized gain on sale of units		423
Net increase in unrealized appreciation in fair value of units		<u>2,350</u>
Total additions		<u>2,961</u>
Deductions:		
Administrative expenses		13
Awards		<u>700</u>
Total deductions		<u>713</u>
Change in net assets		<u>2,248</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>20,544</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	163
Investment income receivable		56
136 units of Collective Legal Investment Fund		20,333
Accrued expenses		<u>(8)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>20,544</u></u>

See accompanying independent auditors' report.

ANN ARMITT FUND

Created 1797

"To the Overseers of the poor or the Managers of the Bettering House"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	6,932
Additions:		
Income from invested funds		69
Net realized gain on sale of units		99
Net increase in unrealized appreciation in fair value of units		916
Total additions		<u>1,084</u>
Deductions:		
Administrative expenses		5
Fuel office expenses		8
Cost of fuel distributed to those in need		300
Total deductions		<u>313</u>
Change in net assets		<u>771</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>7,703</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	209
Investment income receivable		21
50 units of Collective Legal Investment Fund		7,476
Accrued expenses		<u>(3)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>7,703</u></u>

See accompanying independent auditors' report.

SAMUEL H. ASHBRIDGE FUND

Created 1948

"The net income when, and as often as, same is sufficient in amount shall be used for the support and maintenance, without charge, cost or expense to them, in appropriate homes, public or private, in the City of Philadelphia or its immediate suburbs, of indigent and worthy widows and single women, irrespective of race, creed or religion, of not less than fifty years of age, whose circumstances and necessities compel them to seek shelter and maintenance."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	300,864
Additions:		
Income from invested funds		3,099
Net realized gain on sale of units		7,396
Net increase in unrealized appreciation in fair value of units		38,129
Total additions		<u>48,624</u>
Deductions:		
Administrative expenses		216
Support and maintenance of indigent widows and single women		12,360
Total deductions		<u>12,576</u>
Change in net assets		<u>36,048</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>336,912</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	168
Investment income receivable		932
2,247 units of Collective Legal Investment Fund		335,950
Accrued expenses		(138)
Net Position Held in Trust, December 31, 2021	\$	<u><u>336,912</u></u>

See accompanying independent auditors' report.

HELEN CHEYNEY BAILEY SCHOLARSHIP FUND

Created 1966

"To provide scholarships for graduates of Philadelphia High School for Girls"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	93,583
Additions:		
Income from invested funds		969
Net realized gain on sale of units		2,874
Net increase in unrealized appreciation in fair value of units		<u>11,267</u>
Total additions		<u>15,110</u>
Deductions:		
Administrative expenses		67
Scholarship withdrawals		<u>4,000</u>
Total deductions		<u>4,067</u>
Change in net assets		<u>11,043</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>104,626</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	171
Investment income receivable		289
697 units of Collective Legal Investment Fund		104,209
Accrued expenses		<u>(43)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>104,626</u></u>

See accompanying independent auditors' report.

DANIEL BAUGH MEDAL FUND

Created 1915

By Decree of Court, dated August 24, 1942, the net income is paid to the Firemen's Pension Fund of the City of Philadelphia for the benefit of its members.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	7,620
Additions:		
Income from invested funds		78
Net realized gain on sale of units		34
Net increase in unrealized appreciation in fair value of units		1,110
Total additions		<u>1,222</u>
Deductions:		
Administrative expenses		6
Withdrawal for Firemen's Pension Fund		300
Total deductions		<u>306</u>
Change in net assets		<u>916</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>8,536</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	143
Investment income receivable		23
56 units of Collective Legal Investment Fund		8,373
Accrued expenses		<u>(3)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>8,536</u></u>

See accompanying independent auditors' report.

PAUL BECK FUEL FUND

Created 1844

Income "to purchase fuel for the use and benefit of the Outdoor poor, residing within the Corporate Limits of said City"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	72,353
Additions:		
Income from invested funds		732
Net realized gain on sale of units		2,017
Net increase in unrealized appreciation in fair value of units		8,700
Total additions		<u>11,449</u>
Deductions:		
Administrative expenses		51
Fuel office expenses		87
Cost of fuel distributed to those in need		2,800
Total deductions		<u>2,938</u>
Change in net assets		<u>8,511</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>80,864</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	237
Investment income receivable		223
538 units of Collective Legal Investment Fund		80,437
Accrued expenses		(33)
Net Position Held in Trust, December 31, 2021	\$	<u><u>80,864</u></u>

See accompanying independent auditors' report.

PAUL BECK SOUP FUND

Created 1844

Income to be paid "to such Soup Societies established in the (old) City of Philadelphia to aid such Societies in their humane endeavors to supply the poor with soup"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	18,607
Additions:		
Income from invested funds		191
Real estate income		250
Net realized gain on sale of units		103
Net increase in unrealized appreciation in fair value of units		2,703
Total additions		<u>3,247</u>
Deductions:		
Administrative expenses		13
Withdrawal for St. Francis Inn		800
Total deductions		<u>813</u>
Change in net assets		<u>2,434</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>21,041</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	210
Investment income receivable		58
139 units of Collective Legal Investment Fund		20,782
Accrued expenses		<u>(9)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>21,041</u></u>

See accompanying independent auditors' report.

RUDOLPH BLANKENBURG PENSION FUND

Created 1909

"To divide the interest derived there from annually in three equal parts and pay one-third each to the Police Pension Fund, Firemen's Pension Fund and Teachers' Annuity Fund." By Court adjudication, the Simon Gratz Teachers' Fund was substituted for the Teachers' Annuity Fund, which Fund went out of existence in 1960.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	95,357
Additions:		
Income from invested funds		986
Net realized gain on sale of units		2,900
Net increase in unrealized appreciation in fair value of units		11,520
Total additions		15,406
Deductions:		
Administrative expenses		70
Withdrawal from:		
Firemen's Pension Fund		1,366
Police Pension Fund		1,366
Simon Gratz Teachers' Fund		1,368
Total deductions		4,170
Change in net assets		11,236
Net Position Held in Trust, December 31, 2021	\$	106,593

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	189
Investment income receivable		295
710 units of Collective Legal Investment Fund		106,153
Accrued expenses		(44)
Net Position Held in Trust, December 31, 2021	\$	106,593

See accompanying independent auditors' report.

ELIAS BOUDINOT FUND

Created 1821

Income "for supplying the poor inhabitants of the City...at a price during winter Season not in any case exceeding the moderate average price of Wood during the preceding summer...with fuel"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 2,357,401
Additions:	
Income from invested funds	23,913
Net realized gain on sale of units	58,771
Net increase in unrealized appreciation in fair value of units	<u>290,787</u>
Total additions	<u>373,471</u>
Deductions:	
Administrative expenses	1,655
Fuel office expenses	2,831
Cost of fuel distributed to those in need	<u>89,900</u>
Total deductions	<u>94,386</u>
Change in net assets	<u>279,085</u>
Net Position Held in Trust, December 31, 2021	<u><u>\$ 2,636,486</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 56
Investment income receivable	7,301
17,592 units of Collective Legal Investment Fund	2,630,190
Accrued expenses	<u>(1,061)</u>
Net Position Held in Trust, December 31, 2021	<u><u>\$ 2,636,486</u></u>

See accompanying independent auditors' report.

HARRY BROCKLEHURST FUND

Created 1926

"To be applied for the use and benefit of former students of Girard College"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	282,420
Additions:		
Income from invested funds		2,918
Net realized gain on sale of units		8,281
Net increase in unrealized appreciation in fair value of units		<u>34,578</u>
Total additions		<u>45,777</u>
Deductions:		
Administrative expenses		206
Scholarship awards		<u>12,200</u>
Total deductions		<u>12,406</u>
Change in net assets		<u>33,371</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>315,791</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	178
Investment income receivable		874
2,106 units of Collective Legal Investment Fund		314,869
Accrued expenses		<u>(130)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>315,791</u></u>

See accompanying independent auditors' report.

MAJOR CHARLES BROWN SCHOLARSHIP FUND

Created 1976

Income to aid and assist the further development and education of graduates of Girard College

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	523,901
Additions:		
Income from invested funds		5,414
Net realized gain on sale of units		15,752
Net increase in unrealized appreciation in fair value of units		63,727
Total additions		<u>84,893</u>
Deductions:		
Administrative expenses		383
Scholarship awards		22,600
Total deductions		<u>22,983</u>
Change in net assets		<u>61,910</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>585,811</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	144
Investment income receivable		1,622
3,908 units of Collective Legal Investment Fund		584,287
Accrued expenses		(242)
Net Position Held in Trust, December 31, 2021	\$	<u><u>585,811</u></u>

See accompanying independent auditors' report.

JOSEPH W. CALHOUN FUND

Created 1979

To be "used in helping the poor"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	39,964
Additions:		
Income from invested funds		404
Net realized gain on sale of units		1,049
Net increase in unrealized appreciation in fair value of units		4,857
Total additions		<u>6,310</u>
Deductions:		
Administrative expenses		28
Fuel office expenses		48
Cost of fuel distributed to those in need		1,500
Total deductions		<u>1,576</u>
Change in net assets		<u>4,734</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>44,698</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	198
Investment income receivable		123
297 units of Collective Legal Investment Fund		44,395
Accrued expenses		<u>(18)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>44,698</u></u>

See accompanying independent auditors' report.

WILLIAM CARTER FUND

Created 1739

Income "to and for ye use and service of ye alms houses belonging to ye said City (Philadelphia), and for ye relief of ye poor people in the same forever"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	11,948
Additions:		
Income from invested funds		121
Net realized gain on sale of units		244
Net increase in unrealized appreciation in fair value of units		<u>1,525</u>
Total additions		<u>1,890</u>
Deductions:		
Administrative expenses		8
Fuel office expenses		14
Cost of fuel distributed to those in need		<u>400</u>
Total deductions		<u>422</u>
Change in net assets		<u>1,468</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>13,416</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	199
Investment income receivable		37
88 units of Collective Legal Investment Fund		13,185
Accrued expenses		<u>(5)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>13,416</u></u>

See accompanying independent auditors' report.

MARGARET E. CAVANAUGH FUND

Created 1926

For the purchase of delicacies for the patients in the Philadelphia Nursing Home (successor to Philadelphia General Hospital) suffering from cancer and for no other purpose

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	16,416
Additions:		
Income from invested funds		169
Net realized gain on sale of units		541
Net increase in unrealized appreciation in fair value of units		<u>1,934</u>
Total additions		<u>2,644</u>
Deductions:		
Administrative expenses		12
Withdrawal from Philadelphia Nursing Home		<u>700</u>
Total deductions		<u>712</u>
Change in net assets		<u>1,932</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>18,348</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	214
Investment income receivable		50
121 units of Collective Legal Investment Fund		18,091
Accrued expenses		<u>(7)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>18,348</u></u>

See accompanying independent auditors' report.

PAT AND RITA CERMELE FUND

Created 2003

Established in memory of the parents of Dominic M. Cermele, Girard College Class of 1959, to fund an annual Girard College Employee Distinguished Service Award. The first award was presented in 1999. The Fund was formally transferred to the Board of Directors of City Trusts in 2004.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	53,426
Additions:		
Income from invested funds		550
Net realized gain on sale of units		1,176
Net increase in unrealized appreciation in fair value of units		6,946
Total additions		8,672
Deductions:		
Administrative expenses		39
Girard College Distinguished Service Award		2,200
Total deductions		2,239
Change in net assets		6,433
Net Position Held in Trust, December 31, 2021	\$	59,859

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	214
Investment income receivable		165
398 units of Collective Legal Investment Fund		59,505
Accrued expenses		(25)
Net Position Held in Trust, December 31, 2021	\$	59,859

See accompanying independent auditors' report.

ANDREW R. CHAMBERS FUND

Created 1871

Income to be paid "to the various 'Soup Societies' of the City of Philadelphia every year so long as the said Societies shall continue their charities to the poor"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	15,351
Additions:		
Income from invested funds		157
Net realized gain on sale of units		528
Net increase in unrealized appreciation in fair value of units		1,775
Total additions		<u>2,460</u>
Deductions:		
Administrative expenses		11
Withdrawal for St. Francis Inn		700
Total deductions		<u>711</u>
Change in net assets		<u>1,749</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>17,100</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	165
Investment income receivable		47
113 units of Collective Legal Investment Fund		16,895
Accrued expenses		<u>(7)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>17,100</u></u>

See accompanying independent auditors' report.

CITY FUEL FUND

Created 1793–1809

Consists of the following five funds consolidated:

The Freemason's Fund	1793
Mr. Rickett's Donation	1793–1796
The Mayor's Court Fund	1796–1809
Elizabeth Kearpatrick Legacy	1801
John Bleakley Legacy	1802

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 53,519
Additions:	
Income from invested funds	542
Net realized gain on sale of units	1,560
Net increase in unrealized appreciation in fair value of units	6,377
Total additions	8,479
Deductions:	
Administrative expenses	38
Fuel office expenses	65
Cost of fuel distributed to those in need	2,000
Total deductions	2,103
Change in net assets	6,376
Net Position Held in Trust, December 31, 2021	\$ 59,895

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 249
Investment income receivable	165
398 units of Collective Legal Investment Fund	59,505
Accrued expenses	(24)
Net Position Held in Trust, December 31, 2021	\$ 59,895

See accompanying independent auditors' report.

JAMES CLAYPOOLE FUND

Created 1769

"For the Benefit and relief of the poor of the said City of Philadelphia."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	8,984
Additions:		
Income from invested funds		91
Net realized gain on sale of units		251
Net increase in unrealized appreciation in fair value of units		1,078
Total additions		1,420
Deductions:		
Administrative expenses		6
Fuel office expenses		11
Cost of fuel distributed to those in need		300
Total deductions		317
Change in net assets		1,103
Net Position Held in Trust, December 31, 2021	\$	10,087

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	196
Investment income receivable		27
66 units of Collective Legal Investment Fund		9,868
Accrued expenses		(4)
Net Position Held in Trust, December 31, 2021	\$	10,087

See accompanying independent auditors' report.

E. NEWBOLD COOPER MEMORIAL FUND

Created 1960

Established by the Elementary School Club of Girard College to provide an annual award to be presented to the student of the highest grade of the elementary school adjudged as having an outstanding record for the year based on scholarship, deportment, citizenship and extracurricular activities.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	13,413
Additions:		
Income from invested funds		139
Net realized gain on sale of units		227
Net increase in unrealized appreciation in fair value of units		1,803
Total additions		<u>2,169</u>
Deductions:		
Administrative expenses		10
Total deductions		<u>10</u>
Change in net assets		<u>2,159</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>15,572</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	135
Investment income receivable		43
103 units of Collective Legal Investment Fund		15,400
Accrued expenses		(6)
Net Position Held in Trust, December 31, 2021	\$	<u><u>15,572</u></u>

See accompanying independent auditors' report.

SOPHIE E. F. COPE FUND

Created 1974

To help provide scholarship funds to send graduates of Philadelphia High Schools to College

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	139,156
Additions:		
Income from invested funds		1,430
Net realized gain on sale of units		418
Net increase in unrealized appreciation in fair value of units		20,436
Total additions		22,284
Deductions:		
Administrative expenses		99
Total deductions		99
Change in net assets		22,185
Net Position Held in Trust, December 31, 2021	\$	161,341

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	2,932
Investment income receivable		3,439
1,057 units of Collective Legal Investment Fund		158,033
Accrued expenses		(3,063)
Net Position Held in Trust, December 31, 2021	\$	161,341

See accompanying independent auditors' report.

CHARLES HENRY AND CHARLOTTE WILKINSON DADING SCHOLARSHIP FUND

Created 1983

Income to be expended in assisting worthy graduates of Girard College by payment of their living expenses in further pursuit of advanced courses of learning at universities or colleges.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	457,278
Additions:		
Income from invested funds		4,755
Net realized gain on sale of units		10,546
Net increase in unrealized appreciation in fair value of units		58,854
Total additions		<u>74,155</u>
Deductions:		
Administrative expenses		327
Scholarship awards		19,350
Total deductions		<u>19,677</u>
Change in net assets		<u>54,478</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>511,756</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	270
Investment income receivable		1,433
3,453 units of Collective Legal Investment Fund		516,260
Accrued expenses		<u>(6,207)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>511,756</u></u>

See accompanying independent auditors' report.

HORACE DEAL FUND

Created 1951

Income to be distributed equally between the two awards:

George O. Frey Memorial Award:

To a member of Girard College Band who most typifies the spirit of Girard College, is proficient in their instrument, shows the greatest progress in music during the year, and is respected by the other students in the College. Prize to be awarded upon the recommendation of the President of Girard College and the Instructor of the Band.

James M. Hamilton Award:

To a member of the Junior High School who has made a consistently worthwhile contribution to the well-being of the Girard College community (this is in lieu of an award to a Battalion member, the Battalion having been discontinued).

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	10,404
Additions:		
Income from invested funds		106
Net realized gain on sale of units		268
Net increase in unrealized appreciation in fair value of units		<u>1,296</u>
Total additions		<u>1,670</u>
Deductions:		
Administrative expenses		7
Awards		<u>400</u>
Total deductions		<u>407</u>
Change in net assets		<u>1,263</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>11,667</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	128
Investment income receivable		32
77 units of Collective Legal Investment Fund		11,512
Accrued expenses		<u>(5)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>11,667</u></u>

See accompanying independent auditors' report.

DELAWARE AVENUE FUND

Created 1831

Fund for the improvement of the Delaware front of the City, removal of wooden buildings, etc., created under the will of Stephen Girard.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 11,044,319
Additions:	
Income from invested funds	114,916
Net realized gain on sale of units	224,188
Net increase in unrealized appreciation in fair value of units	1,453,714
Total additions	1,792,818
Deductions:	
Net decrease in unrealized appreciation in fair value of units	—
Administrative expenses	7,916
Withdrawal from:	
Delaware River Waterfront Corporation	125,000
Historic Philadelphia, Inc.	87,500
The Fund for the Water Works	80,000
The Independence Historical Trust	125,000
Total deductions	425,416
Change in net assets	1,367,402
Net Position Held in Trust, December 31, 2021	\$ 12,411,721

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 67
Investment income receivable	34,369
82,819 units of Collective Legal Investment Fund	12,382,318
Accrued expenses	(5,033)
Net Position Held in Trust, December 31, 2021	\$ 12,411,721

See accompanying independent auditors' report.

RUTH DENE AWARD FUND

Created 1931

"Income from \$500 to be presented annually at the mid-year Commencement of the Philadelphia High School for Girls, to a student of the graduating class who, in the judgment of the Principal and the Award Committee, shall have shown marked growth in character during her high school years." By Court adjudication, award is to be made at the June Commencement, the midyear Commencement being discontinued in the public schools.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	3,874
Additions:		
Income from invested funds		39
Net realized gain on sale of units		268
Net increase in unrealized appreciation in fair value of units		299
Total additions		<u>606</u>
Deductions:		
Administrative expenses		3
Total deductions		<u>3</u>
Change in net assets		<u>603</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>4,477</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	431
Investment income receivable		11
27 units of Collective Legal Investment Fund		4,037
Accrued expenses		<u>(2)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>4,477</u></u>

See accompanying independent auditors' report.

DIRECTORS AND OFFICERS FIDUCIARY LIABILITY FUND

Created 1977

Created by the Board of Directors of City Trusts to self-insure, for fiduciary liability risks, the directors and officers of the Board of Directors of City Trusts

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	8,343,819
Additions:		
Income from invested funds		85,234
Net realized gain on sale of units		300,358
Net increase in unrealized appreciation in fair value of units		959,685
Total additions		<u>1,345,277</u>
Deductions:		
Administrative expenses		6,078
Insurance premiums		421,820
Total deductions		<u>427,898</u>
Change in net assets		<u>917,379</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>9,261,198</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	2,200
Investment income receivable		25,639
61,783 units of Collective Legal Investment Fund		9,237,213
Accrued expenses		<u>(3,854)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>9,261,198</u></u>

See accompanying independent auditors' report.

HANNAH MATILDA DODD FUND

Created 1872

Income "to procure gold and silver medals to be presented to the most distinguished graduates of the Girls High School, with their name and year of graduating engraved thereon."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	20,447
Additions:		
Income from invested funds		212
Net realized gain on sale of units		209
Net increase in unrealized appreciation in fair value of units		2,890
Total additions		3,311
Deductions:		
Administrative expenses		15
Cost of medals		361
Total deductions		376
Change in net assets		2,935
Net Position Held in Trust, December 31, 2021	\$	23,382

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	602
Investment income receivable		63
152 units of Collective Legal Investment Fund		22,726
Accrued expenses		(9)
Net Position Held in Trust, December 31, 2021	\$	23,382

See accompanying independent auditors' report.

**MICHAEL F. DOYLE FUND
(PENN TREATY PARK)**

Created 1961

"To reconstruct and re-establish Penn Treaty Park"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	37,311
Additions:		
Income from invested funds		389
Net realized gain on sale of units		1,015
Net increase in unrealized appreciation in fair value of units		4,663
Total additions		6,067
Deductions:		
Administrative expenses		27
Withdrawal from Penn Treaty Park		1,600
Total deductions		1,627
Change in net assets		4,440
Net Position Held in Trust, December 31, 2021	\$	41,751

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	189
Investment income receivable		120
288 units of Collective Legal Investment Fund		43,059
Accrued expenses		(1,617)
Net Position Held in Trust, December 31, 2021	\$	41,751

See accompanying independent auditors' report.

JAMES DUTTON FUND

Created 1813

Income to be expended "in the purchase of Food, Clothing and Firewood Fuel"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	47,720
Additions:		
Income from invested funds		483
Net realized gain on sale of units		1,312
Net increase in unrealized appreciation in fair value of units		5,748
Total additions		<u>7,543</u>
Deductions:		
Administrative expenses		33
Fuel office expenses		57
Cost of fuel distributed to those in need		1,800
Total deductions		<u>1,890</u>
Change in net assets		<u>5,653</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>53,373</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	171
Investment income receivable		147
355 units of Collective Legal Investment Fund		53,076
Accrued expenses		<u>(21)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>53,373</u></u>

See accompanying independent auditors' report.

EARLY EIGHTIES PRIZE FUND

Created 1925

"The income of this fund is to be used for prizes for pupils of Girard College."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	93,010
Additions:		
Income from invested funds		958
Net realized gain on sale of units		2,629
Net increase in unrealized appreciation in fair value of units		11,533
Total additions		15,120
Deductions:		
Administrative expenses		67
Prizes		4,000
Total deductions		4,067
Change in net assets		11,053
Net Position Held in Trust, December 31, 2021	\$	104,063

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	207
Investment income receivable		288
693 units of Collective Legal Investment Fund		103,611
Accrued expenses		(43)
Net Position Held in Trust, December 31, 2021	\$	104,063

See accompanying independent auditors' report.

FRAN EGAN CIVIC AWARD FUND

Created 2006

Fran Egan was a long-time friend and supporter of Project H.O.M.E. who passed in 2005. This Award, given in conjunction with Fran's family, honors her memory and legacy, which was one of a deep commitment to improving our community. This Award is intended for adults or teens who intend to use their education to improve civic life in Philadelphia. The award will include a financial grant.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	69,784
Additions:		
Income from invested funds		716
Net realized gain on sale of units		1,167
Net increase in unrealized appreciation in fair value of units		9,377
Total additions		<u>11,260</u>
Deductions:		
Administrative expenses		51
Awards		3,000
Total deductions		<u>3,051</u>
Change in net assets		<u>8,209</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>77,993</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	215
Investment income receivable		215
519 units of Collective Legal Investment Fund		77,596
Accrued expenses		<u>(33)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>77,993</u></u>

See accompanying independent auditors' report.

GEORGE EMLÉN FUND

Created 1776

Income "to be laid out and distributed in wood . . . during the three Winter Months . . . to Objects included either in the City of two Suburbs of Phila . . . and if . . . a sufficient Number of such Objects Cannot Sometimes be found . . . to Buying some warm cheap Clothing to be given to such Objects as are discharged for said Bettering House and Hospital . . ."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 60,851
Additions:	
Income from invested funds	616
Net realized gain on sale of units	1,651
Net increase in unrealized appreciation in fair value of units	<u>7,359</u>
Total additions	<u>9,626</u>
Deductions:	
Administrative expenses	43
Fuel office expenses	74
Cost of fuel distributed to those in need	<u>2,300</u>
Total deductions	<u>2,417</u>
Change in net assets	<u>7,209</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>68,060</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 172
Investment income receivable	188
453 units of Collective Legal Investment Fund	67,728
Accrued expenses	<u>(28)</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>68,060</u></u>

See accompanying independent auditors' report.

JOSEPH C. FERGUSON PRIZE FUND

Created 1922

"To provide cash prizes for the boy and girl in the highest class of the JOSEPH C. FERGUSON SCHOOL at 7th and Norris Streets, Phila., passing the best examinations or whose work in the last term of attendance at the school shall be most satisfactory, the certificate of the Supervising Principal to be the authority for the award of the prizes."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	7,125
Additions:		
Income from invested funds		73
Net realized gain on sale of units		38
Net increase in unrealized appreciation in fair value of units		<u>1,026</u>
Total additions		<u>1,137</u>
Deductions:		
Administrative expenses		<u>5</u>
Total deductions		<u>5</u>
Change in net assets		<u>1,132</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>8,257</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	463
Investment income receivable		22
52 units of Collective Legal Investment Fund		7,775
Accrued expenses		<u>(3)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>8,257</u></u>

See accompanying independent auditors' report.

GEORGE W. FETTER SCHOLARSHIP FUND

Created 1943

To collect the income therefrom and expend it in the purchase of Scholarships in the higher institutions of learning for such poor, young students of the City of Philadelphia as may in the judgment of the Board of City Trusts be most worthy of the benefit.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	408,158
Additions:		
Income from invested funds		4,271
Net realized gain on sale of units		12,438
Net increase in unrealized appreciation in fair value of units		49,820
Total additions		66,529
Deductions:		
Administrative expenses		301
Scholarship awards		7,500
Total deductions		7,801
Change in net assets		58,728
Net Position Held in Trust, December 31, 2021	\$	466,886

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	210
Investment income receivable		1,309
3,154 units of Collective Legal Investment Fund		471,556
Accrued expenses		(6,189)
Net Position Held in Trust, December 31, 2021	\$	466,886

See accompanying independent auditors' report.

RUFUS M. FETTER SCHOLARSHIP FUND

Created 1998

"A Scholarship in memory of Rufus M. Fetter to be disbursed at the discretion of the Girard College Trustees."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	161,495
Additions:		
Income from invested funds		1,676
Net realized gain on sale of units		3,007
Net increase in unrealized appreciation in fair value of units		<u>21,483</u>
Total additions		<u>26,166</u>
Deductions:		
Administrative expenses		118
Scholarship awards		<u>8,000</u>
Total deductions		<u>8,118</u>
Change in net assets		<u>18,048</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>179,543</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	308
Investment income receivable		505
1,216 units of Collective Legal Investment Fund		181,805
Accrued expenses		<u>(3,075)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>179,543</u></u>

See accompanying independent auditors' report.

DANIEL FINK PRIZE FUND

Created 1953

The income therefrom to be distributed and awarded annually as cash prizes "To Sixth and Twelfth grade students for the best performance-based project/presentation, which demonstrates the integration of technology into the curriculum."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	13,372
Additions:		
Income from invested funds		139
Net realized gain on sale of units		77
Net increase in unrealized appreciation in fair value of units		1,940
Total additions		2,156
Deductions:		
Administrative expenses		10
Prizes		600
Total deductions		610
Change in net assets		1,546
Net Position Held in Trust, December 31, 2021	\$	14,918

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	231
Investment income receivable		41
98 units of Collective Legal Investment Fund		14,652
Accrued expenses		(6)
Net Position Held in Trust, December 31, 2021	\$	14,918

See accompanying independent auditors' report.

DANIEL FINK SCHOLARSHIP FUND

Created 1953

"The income therefrom to be capitalized so as to form part of the principal until the amount of principal of this trust shall reach the sum of \$_____ and thereafter the income shall be used annually to provide scholarship assistance to graduates of Girard College, as recommended by the President of Girard College, provided that first preference shall be given to worthy graduates who show superior performance in technical and related courses of study while pupils at Girard College."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	79,710
Additions:		
Income from invested funds		829
Net increase in unrealized appreciation in fair value of units		1,269
Other		10,826
Total additions		<u>12,924</u>
Deductions:		
Net realized loss on sale of units		—
Administrative expenses		57
Scholarship awards		3,300
Total deductions		<u>3,357</u>
Change in net assets		<u>9,567</u>
Net Position Held in Trust, December 31, 2021	\$	<u>89,277</u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	258
Investment income receivable		251
604 units of Collective Legal Investment Fund		90,304
Accrued expenses		<u>(1,536)</u>
Net Position Held in Trust, December 31, 2021	\$	<u>89,277</u>

See accompanying independent auditors' report.

FIRE INSURANCE FUND

Created 1892

Created from the Girard Estate Residuary fund income to carry a selected portion of the fire risks of the Girard Estate

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 4,833,519
Additions:	
Income from invested funds	50,859
Net increase in unrealized appreciation in fair value of units	<u>741,166</u>
Total additions	<u>792,025</u>
Deductions:	
Administrative expenses	<u>3,391</u>
Total deductions	<u>3,391</u>
Change in net assets	<u>788,634</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>5,622,153</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 168
Investment income receivable	15,568
37,513 units of Collective Legal Investment Fund	5,608,591
Accounts payable and accrued expenses	<u>(2,174)</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>5,622,153</u></u>

See accompanying independent auditors' report.

PHILIP R. FREAS FUND

Created 1910

Awarded by Decree of the Orphans' Court of Philadelphia County, dated November 22, 1940, to the City of Philadelphia, acting by the Board of Directors of City Trusts, ". . . the income of which shall be annually applied to the purchase of fuel for the benefit of the poor . . . "

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	33,582
Additions:		
Income from invested funds		339
Net realized gain on sale of units		507
Net increase in unrealized appreciation in fair value of units		<u>4,465</u>
Total additions		<u>5,311</u>
Deductions:		
Administrative expenses		23
Fuel office expenses		40
Cost of fuel distributed to those in need		<u>1,300</u>
Total deductions		<u>1,363</u>
Change in net assets		<u>3,948</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>37,530</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	214
Investment income receivable		103
249 units of Collective Legal Investment Fund		37,228
Accrued expenses		<u>(15)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>37,530</u></u>

See accompanying independent auditors' report.

INEZ FULTON SCHOLARSHIP FUND

Created 1945

To purchase a scholarship for a graduate of Girard College attending "any school" with a preference given first to "Thomas Jefferson University."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 1,073,499
Additions:	
Income from invested funds	11,105
Net realized gain on sale of units	31,394
Net increase in unrealized appreciation in fair value of units	<u>131,348</u>
Total additions	<u>173,847</u>
Deductions:	
Administrative expenses	788
Scholarship awards	<u>46,300</u>
Total deductions	<u>47,088</u>
Change in net assets	<u>126,759</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>1,200,258</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 101
Investment income receivable	3,326
8,015 units of Collective Legal Investment Fund	1,198,327
Accrued expenses	<u>(1,496)</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>1,200,258</u></u>

See accompanying independent auditors' report.

GIARDELLO STATUE FUND

Created 2011

For the perpetual maintenance of a pedestal with the sculpture of Joey Giardello which the Veteran Boxers Association has been authorized by Ordinance adopted by the Philadelphia City Council to construct, own, and maintain on the traffic median created by the intersection of Passyunk Avenue, Mifflin Street, and Thirteenth Street.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	20,586
Additions:		
Income from invested funds		215
Net realized gain on sale of units		105
Net increase in unrealized appreciation in fair value of units		<u>3,030</u>
Total additions		<u>3,350</u>
Deductions:		
Administrative expenses		<u>14</u>
Total deductions		<u>14</u>
Change in net assets		<u>3,336</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>23,922</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	242
Investment income receivable		66
158 units of Collective Legal Investment Fund		23,623
Accrued expenses		<u>(9)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>23,922</u></u>

See accompanying independent auditors' report.

EDWARD GIDEON MEMORIAL PRIZE FUND

Created 1933

"Income to be used annually as a prize to that member of the graduating class of the Philadelphia Normal School who has done the most distinguished work in the field of social science."

In view of the Philadelphia Normal School having been abolished, the donors of the fund have requested that the income be used in the purchase of books, related to teaching, to be added to "The Edward Gideon Memorial Book Shelf" in the library for Teachers.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	10,111
Additions:		
Income from invested funds		103
Net realized gain on sale of units		141
Net increase in unrealized appreciation in fair value of units		1,380
Total additions		<u>1,624</u>
Deductions:		
Administrative expenses		7
Withdrawal from The School District of Philadelphia		400
Total deductions		<u>407</u>
Change in net assets		<u>1,217</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>11,328</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	238
Investment income receivable		31
74 units of Collective Legal Investment Fund		11,064
Accrued expenses		<u>(5)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>11,328</u></u>

See accompanying independent auditors' report.

STEPHEN GIRARD FUEL FUND

Created 1831

"Income to purchase fuel between the months of March and August in every year forever, and in the month of January in every year forever, distribute the same amongst poor housekeepers and roomkeepers, of good character, residing in the (old) city of Philadelphia."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	66,834
Additions:		
Income from invested funds		676
Net realized gain on sale of units		1,768
Net increase in unrealized appreciation in fair value of units		8,115
Total additions		<u>10,559</u>
Deductions:		
Administrative expenses		47
Fuel office expenses		80
Cost of fuel distributed to those in need		2,600
Total deductions		<u>2,727</u>
Change in net assets		<u>7,832</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>74,666</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	183
Investment income receivable		206
497 units of Collective Legal Investment Fund		74,307
Accrued expenses		<u>(30)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>74,666</u></u>

See accompanying independent auditors' report.

STEPHEN GIRARD SCHOOL FUND

Created 1831

"For the use of the schools upon the Lancaster System in the first section of the first school district of Pennsylvania."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	88,659
Additions:		
Income from invested funds		913
Net realized gain on sale of units		1,257
Net increase in unrealized appreciation in fair value of units		12,236
Total additions		<u>14,406</u>
Deductions:		
Administrative expenses		64
Withdrawal from The School District of Philadelphia		3,800
Total deductions		<u>3,864</u>
Change in net assets		<u>10,542</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>99,201</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	140
Investment income receivable		274
661 units of Collective Legal Investment Fund		98,827
Accrued expenses		<u>(40)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>99,201</u></u>

See accompanying independent auditors' report.

SHERWOOD GITHENS FUND

Created 1948

For "prizes to be awarded annually or semi-annually, in amounts determined by the President of Girard College, to the two members of the graduating class or classes, who have, in his opinion, performed outstanding work in public speaking."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	7,222
Additions:		
Income from invested funds		73
Net realized gain on sale of units		152
Net increase in unrealized appreciation in fair value of units		937
Total additions		<u>1,162</u>
Deductions:		
Administrative expenses		5
Prizes		300
Total deductions		<u>305</u>
Change in nets assets		<u>857</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>8,079</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	136
Investment income receivable		22
53 units of Collective Legal Investment Fund		7,924
Accrued expenses		<u>(3)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>8,079</u></u>

See accompanying independent auditors' report.

JULIANA H. GOOD FUND

Created 1876

"Toward the maintenance of a House of Correction in said City (Philadelphia)"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	22,902
Additions:		
Income from invested funds		237
Net realized gain on sale of units		108
Net increase in unrealized appreciation in fair value of units		<u>3,333</u>
Total additions		<u>3,678</u>
Deductions:		
Administrative expenses		17
Withdrawal from Riverview Correctional Facility Female Inmate Welfare Fund		<u>1,000</u>
Total deductions		<u>1,017</u>
Change in net assets		<u>2,661</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>25,563</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	236
Investment income receivable		70
169 units of Collective Legal Investment Fund		25,267
Accrued expenses		<u>(10)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>25,563</u></u>

See accompanying independent auditors' report.

JOSEPH C. AND CLARE F. GOODMAN SCHOLARSHIP FUND

Created 1970

Bequeathed to Girard College for the establishment of a scholarship fund

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	30,511
Additions:		
Income from invested funds		317
Net realized gain on sale of units		920
Net increase in unrealized appreciation in fair value of units		<u>3,716</u>
Total additions		<u>4,953</u>
Deductions:		
Administrative expenses		22
Scholarship awards		<u>1,000</u>
Total deductions		<u>1,022</u>
Change in net assets		<u>3,931</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>34,442</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	174
Investment income receivable		96
232 units of Collective Legal Investment Fund		34,686
Accrued expenses		<u>(514)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>34,442</u></u>

See accompanying independent auditors' report.

FRED GOWING MEMORIAL SCHOLARSHIP FUND

Created 1930

To provide Scholarships for graduates of Philadelphia High School for Girls.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	44,574
Additions:		
Income from invested funds		458
Net realized gain on sale of units		1,220
Net increase in unrealized appreciation in fair value of units		<u>5,557</u>
Total additions		<u>7,235</u>
Deductions:		
Administrative expenses		32
Scholarship awards		<u>1,800</u>
Total deductions		<u>1,832</u>
Change in net assets		<u>5,403</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>49,977</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	221
Investment income receivable		138
332 units of Collective Legal Investment Fund		49,638
Accrued expenses		<u>(20)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>49,977</u></u>

See accompanying independent auditors' report.

SIMON GRATZ PRIZE FUND

Created 1922

The income arising therefrom to be divided equally among the Philadelphia Normal School, the High School for Girls, the Central High School, the West Philadelphia High School for Girls, and the Northeast High School, for the award at each commencement of each of said schools, of a prize (in money) to that member of the graduating class of each school, who, in the judgment of the faculty of the school, has attained the highest degree of proficiency in the knowledge and correct use, oral and written, of the English language.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	37,907
Additions:		
Income from invested funds		398
Net realized gain on sale of units		184
Net increase in unrealized appreciation in fair value of units		<u>5,597</u>
Total additions		<u>6,179</u>
Deductions:		
Administrative expenses		<u>27</u>
Total deductions		<u>27</u>
Change in net assets		<u>6,152</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>44,059</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	1,747
Investment income receivable		118
285 units of Collective Legal Investment Fund		42,611
Accrued expenses		<u>(417)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>44,059</u></u>

See accompanying independent auditors' report.

SIMON GRATZ TEACHERS FUND

Created 1926

"For the purpose of affording pecuniary relief in special cases of teachers and clerical assistants employed or who have been employed in the Public Schools of Philadelphia who are in need of such assistance and and cannot obtain it elsewhere."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	2,414,942
Additions:		
Income from Blankenburg Pension Fund		1,368
Income from invested funds		25,225
Net realized gain on sale of units		3,812
Net increase in unrealized appreciation in fair value of units		365,197
Total additions		395,602
Deductions:		
Administrative expenses		1,703
Relief of teachers and clerical assistants		42,813
Total deductions		44,516
Change in net assets		351,086
Net Position Held in Trust, December 31, 2021	\$	2,766,028

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	240
Investment income receivable		7,659
18,455 units of Collective Legal Investment Fund		2,759,218
Accrued expenses		(1,089)
Net Position Held in Trust, December 31, 2021	\$	2,766,028

See accompanying independent auditors' report.

CHARLES R. GRISSINGER

Created 2017

For the purpose of providing scholarship aid to graduate students of Girard College desiring to enter the professions of Dentistry, Medicine and the Ministry with a special emphasis on Oral Surgery, Moxo-Facial Surgery and Exodontia. If there are no graduate students in such fields who qualify, the fund may be used to assist post-graduate students in any other fields of scholastic endeavor.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	108,913
Additions:		
Income from invested funds		1,113
Net realized gain on sale of units		1,799
Net increase in unrealized appreciation in fair value of units		<u>14,661</u>
Total additions		<u>17,573</u>
Deductions:		
Administrative expenses		81
Scholarship awards		<u>8,000</u>
Total deductions		<u>8,081</u>
Change in net assets		<u>9,492</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>118,405</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	215
Investment income receivable		333
802 units of Collective Legal Investment Fund		119,908
Accrued expenses		<u>(2,051)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>118,405</u></u>

See accompanying independent auditors' report.

THOMAS GROVER FUND

Created 1849

"Income to be distributed for fuel and food to needy persons residing in South Philadelphia with a preference given to poor persons in the district of Southwark."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 1,767,437
Additions:	
Income from invested funds	17,923
Net realized gain on sale of units	44,545
Net increase in unrealized appreciation in fair value of units	217,472
Total additions	279,940
Deductions:	
Administrative expenses	1,244
Fuel office expenses	2,127
Cost of fuel distributed to those in need	67,753
Total deductions	71,124
Change in net assets	208,816
Net Position Held in Trust, December 31, 2021	\$ 1,976,253

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 167
Investment income receivable	5,472
13,185 units of Collective Legal Investment Fund	1,971,297
Accrued expenses	(683)
Net Position Held in Trust, December 31, 2021	\$ 1,976,253

See accompanying independent auditors' report.

GEORGE L. AND EMILY McMICHAEL HARRISON MEMORIAL FUND

Created 1935

To extend and conduct the work of the Radiological Department of the Philadelphia Nursing Home (successor to Philadelphia General Hospital).

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	358,063
Additions:		
Income from invested funds		3,706
Net realized gain on sale of units		10,070
Net increase in unrealized appreciation in fair value of units		44,105
Total additions		57,881
Deductions:		
Administrative expenses		259
Withdrawal from Philadelphia Department of Welfare		15,500
Total deductions		15,759
Change in net assets		42,122
Net Position Held in Trust, December 31, 2021	\$	400,185

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	197
Investment income receivable		1,108
2,669 units of Collective Legal Investment Fund		399,044
Accrued expenses		(164)
Net Position Held in Trust, December 31, 2021	\$	400,185

See accompanying independent auditors' report.

CHEESMAN HERRICK SCHOLARSHIP FUND

Created 1980

Income to be used for the maintenance of a scholarship in any American college or university for such ambitious and diligent graduates of Girard College as the High School faculty shall recommend and deem worthy to receive the benefits of the same.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	53,980
Additions:		
Income from invested funds		556
Net realized gain on sale of units		1,704
Net increase in unrealized appreciation in fair value of units		6,459
Total additions		8,719
Deductions:		
Administrative expenses		39
Scholarship awards		2,300
Total deductions		2,339
Change in net assets		6,380
Net Position Held in Trust, December 31, 2021	\$	60,360

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	265
Investment income receivable		166
401 units of Collective Legal Investment Fund		59,954
Accrued expenses		(25)
Net Position Held in Trust, December 31, 2021	\$	60,360

See accompanying independent auditors' report.

JOSEPH HEUPEL FUND

Created 1983

By bequest for the use of Girard College.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	628,971
Additions:		
Income from invested funds		6,482
Net realized gain on sale of units		15,159
Net increase in unrealized appreciation in fair value of units		80,687
Total additions		<u>102,328</u>
Deductions:		
Administrative expenses		450
Withdrawal from Girard College		27,300
Total deductions		<u>27,750</u>
Change in net assets		<u>74,578</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>703,549</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	234
Investment income receivable		1,948
4,693 units of Collective Legal Investment Fund		701,653
Accrued expenses		(286)
Net Position Held in Trust, December 31, 2021	\$	<u><u>703,549</u></u>

See accompanying independent auditors' report.

JENNIE E. HOLLOWAY FUND

Created 1950

The income therefrom to be used by the Board for the purchase and distribution of coal to the deserving poor of the City of Philadelphia.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	118,557
Additions:		
Income from invested funds		1,201
Net realized gain on sale of units		3,218
Net increase in unrealized appreciation in fair value of units		14,342
Total additions		18,761
Deductions:		
Administrative expenses		83
Fuel office expenses		143
Cost of fuel distributed to those in need		4,600
Total deductions		4,826
Change in net assets		13,935
Net Position Held in Trust, December 31, 2021	\$	132,492

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	161
Investment income receivable		366
883 units of Collective Legal Investment Fund		132,018
Accrued expenses		(53)
Net Position Held in Trust, December 31, 2021	\$	132,492

See accompanying independent auditors' report.

VIRGINIA H. HOLLOWBUSH FUND

Created 1965

For purchase of books for the Free Library of Philadelphia and its several branches.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	200,545
Additions:		
Income from invested funds		2,075
Net realized gain on sale of units		5,904
Net increase in unrealized appreciation in fair value of units		24,434
Total additions		32,413
Deductions:		
Administrative expenses		148
Withdrawal from Free Library of Philadelphia		8,600
Total deductions		8,748
Change in net assets		23,665
Net Position Held in Trust, December 31, 2021	\$	224,210

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	165
Investment income receivable		620
1,495 units of Collective Legal Investment Fund		223,518
Accrued expenses		(93)
Net Position Held in Trust, December 31, 2021	\$	224,210

See accompanying independent auditors' report.

HAROLD HOLMAN MEMORIAL FUND

Created 1972

Prize to be awarded to the junior high school student who shows outstanding achievement and interest in the field of science.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	1,580
Additions:		
Income from invested funds		15
Net realized gain on sale of units		3
Net increase in unrealized appreciation in fair value of units		<u>220</u>
Total additions		<u>238</u>
Deductions:		
Administrative expenses		<u>1</u>
Total deductions		<u>1</u>
Change in net assets		<u>237</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>1,817</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	168
Investment income receivable		5
11 units of Collective Legal Investment Fund		1,645
Accrued expenses		<u>(1)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>1,817</u></u>

See accompanying independent auditors' report.

JOHN HOUSTON FUND

Created 2015

By bequest for the use of Girard College

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	1,519,521
Additions:		
Income from invested funds		15,661
Net realized gain on sale of units		19,006
Net increase in unrealized appreciation in fair value of units		<u>212,570</u>
Total additions		<u>247,237</u>
Deductions:		
Administrative expenses		1,087
Withdrawal from Girard College		<u>66,000</u>
Total deductions		<u>67,087</u>
Change in net assets		<u>180,150</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>1,699,671</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	207
Investment income receivable		4,706
11,340 units of Collective Legal Investment Fund		1,695,450
Accrued expenses		<u>(692)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>1,699,671</u></u>

See accompanying independent auditors' report.

DAVID JACOBS SCHOLARSHIP FUND

Created 1990

To provide scholarships for outstanding high school students in the serious study of music in the secondary schools of the City of Philadelphia.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	189,262
Additions:		
Income from invested funds		1,958
Net realized gain on sale of units		5,020
Net increase in unrealized appreciation in fair value of units		23,602
Total additions		30,580
Deductions:		
Administrative expenses		139
Scholarship awards		8,190
Total deductions		8,329
Change in net assets		22,251
Net Position Held in Trust, December 31, 2021	\$	211,513

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	206
Investment income receivable		585
1,410 units of Collective Legal Investment Fund		210,810
Accrued expenses		(88)
Net Position Held in Trust, December 31, 2021	\$	211,513

See accompanying independent auditors' report.

BUSHROD W. JAMES CEMETERY FUND

Created 1904

For the maintenance of the structures upon the burial lot of Bushrod W. James in Monument Cemetery, Philadelphia. By Decree of the Orphans' Court of Philadelphia County, dated January 9, 1956, the trustee was authorized and empowered to remove the remains of Bushrod Washington James, deceased, together with present memorials from Monument Cemetery to West Laurel Hill Cemetery.

By adjudication of the Orphans' Court, dated November 26, 1971, income not needed for above is to be divided equally between James Eye and Ear Institute and the Bushrod Library.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	30,317
Additions:		
Income from invested funds		312
Net realized gain on sale of units		930
Net increase in unrealized appreciation in fair value of units		3,638
Total additions		<u>4,880</u>
Deductions:		
Administrative expenses		22
Withdrawal from:		
Free Library of Philadelphia		650
Wills Eye Health System		650
Total deductions		<u>1,322</u>
Change in net assets		<u>3,558</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>33,875</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	156
Investment income receivable		93
225 units of Collective Legal Investment Fund		33,640
Accrued expenses		(14)
Net Position Held in Trust, December 31, 2021	\$	<u><u>33,875</u></u>

See accompanying independent auditors' report.

ELLEN KINNIER FUND

Created 1922

Awarded under decree of the Orphans' Court of Philadelphia County, dated November 19, 1940, to the City of Philadelphia, acting by the Board of Directors of City Trusts, "for the relief and employment of the poor. . ."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	5,482
Additions:		
Income from invested funds		54
Net realized gain on sale of units		251
Net increase in unrealized appreciation in fair value of units		540
Total additions		845
Deductions:		
Administrative expenses		4
Fuel office expenses		6
Cost of fuel distributed to those in need		206
Total deductions		216
Change in net assets		629
Net Position Held in Trust, December 31, 2021	\$	6,111

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	266
Investment income receivable		16
39 units of Collective Legal Investment Fund		5,831
Accrued expenses		(2)
Net Position Held in Trust, December 31, 2021	\$	6,111

See accompanying independent auditors' report.

GEORGE KOEHL – GIRARD COLLEGE FUND

Created 1955

"For the general uses and purposes of Girard College and/or the students thereof as in their absolute discretion they (Directors of City Trusts) may from time to time determine."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	57,201
Additions:		
Income from invested funds		588
Net realized gain on sale of units		1,475
Net increase in unrealized appreciation in fair value of units		7,218
Total additions		9,281
Deductions:		
Administrative expenses		41
Withdrawal from Girard College		2,500
Total deductions		2,541
Change in net assets		6,740
Net Position Held in Trust, December 31, 2021	\$	63,941

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	249
Investment income receivable		176
425 units of Collective Legal Investment Fund		63,542
Accrued expenses		(26)
Net Position Held in Trust, December 31, 2021	\$	63,941

See accompanying independent auditors' report.

GEORGE KOEHL – SPENDING MONEY FUND

Created 1955

"The net income arising therefrom and as for spending money (i.e., money set apart for extra personal expenses, pocket money) to and among deserving undergraduates at Girard College, Philadelphia, who possess little or no spending money of their own, at such times and in such amount as my said Trustee or an appropriate Committee thereof may determine."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	23,850
Additions:		
Income from invested funds		245
Net realized gain on sale of units		688
Net increase in unrealized appreciation in fair value of units		<u>2,934</u>
Total additions		<u>3,867</u>
Deductions:		
Administrative expenses		17
Withdrawal from Girard College students		<u>1,000</u>
Total deductions		<u>1,017</u>
Change in net assets		<u>2,850</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>26,700</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	175
Investment income receivable		73
177 units of Collective Legal Investment Fund		26,463
Accrued expenses		<u>(11)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>26,700</u></u>

See accompanying independent auditors' report.

HENRY J. AND WILLEMINA B. KUHN FUND

Created 1965

For the purpose of providing medical and dental care, attention, and maintenance, as well as medical and surgical appliances, to children attending the Public Schools of the City of Philadelphia, who by reason of their financial condition or the financial condition of their parents, would be unable to obtain such attention.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	2,102,604
Additions:		
Income from invested funds		22,234
Net increase in unrealized appreciation in fair value of units		322,345
Total additions		344,579
Deductions:		
Net decrease in unrealized appreciation in fair value of units		
Net realized loss on sale of units		2,585
Administrative expenses		1,549
Withdrawal from The School District of Philadelphia for medical and dental care of children		90,700
Total deductions		94,834
Change in net assets		249,745
Net Position Held in Trust, December 31, 2021	\$	2,352,349

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	237
Investment income receivable		6,764
16,300 units of Collective Legal Investment Fund		2,437,023
Accrued expenses		(91,675)
Net Position Held in Trust, December 31, 2021	\$	2,352,349

See accompanying independent auditors' report.

EDWIN G. LARE MEMORIAL FUND

Created 1965

The income is to be used to buy a picture of any other thing that will beautify or be useful for the public school at Green and New Market Streets, Philadelphia, Pennsylvania.

By adjudication of the Orphans' Court, dated March 12, 1969, the Jefferson School at Fourth and George Streets (now named High School for International Affairs) was named as the beneficiary of this fund.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	7,823
Additions:		
Income from invested funds		79
Net realized gain on sale of units		61
Net increase in unrealized appreciation in fair value of units		1,106
Total additions		<u>1,246</u>
Deductions:		
Administrative expenses		6
Withdrawal from The School District of Philadelphia		300
Total deductions		<u>306</u>
Change in net assets		<u>940</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>8,763</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	221
Investment income receivable		24
57 units of Collective Legal Investment Fund		8,522
Accrued expenses		(4)
Net Position Held in Trust, December 31, 2021	\$	<u><u>8,763</u></u>

See accompanying independent auditors' report.

SYLVAN LEFCOE SCHOLARSHIP FUND

Created 1976

"For such graduates of Girard College as are desirous of securing and, who, in the opinion of the Board, are worthy of a higher education."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	622,313
Additions:		
Income from invested funds		6,472
Net realized gain on sale of units		17,380
Net increase in unrealized appreciation in fair value of units		77,106
Total additions		100,958
Deductions:		
Administrative expenses		456
Scholarship awards		26,800
Total deductions		27,256
Change in net assets		73,702
Net Position Held in Trust, December 31, 2021	\$	696,015

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	152
Investment income receivable		1,954
4,708 units of Collective Legal Investment Fund		703,896
Accrued expenses		(9,987)
Net Position Held in Trust, December 31, 2021	\$	696,015

See accompanying independent auditors' report.

JAMES E. LENNON FUND

Created 1922

"The income arising therefrom to be used in the purchase of textbooks or other scholastic equipment for such graduates of Girard College as are pursuing their studies in other institutions of learning and who may be deemed by the Board of Directors of City Trusts as worthy of such assistance"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	11,310
Additions:		
Income from invested funds		118
Net realized gain on sale of units		35
Net increase in unrealized appreciation in fair value of units		1,671
Total additions		1,824
Deductions:		
Administrative expenses		8
Total deductions		8
Change in net assets		1,816
Net Position Held in Trust, December 31, 2021	\$	13,126

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	237
Investment income receivable		36
86 units of Collective Legal Investment Fund		12,858
Accrued expenses		(5)
Net Position Held in Trust, December 31, 2021	\$	13,126

See accompanying independent auditors' report.

S. GEORGE AND EMMY A. LEVI FUND

Created 1986

"In Trust. Nevertheless, the income therefrom to be used to defray the expenses of sending poor children to Camp William Penn (formerly called Camp Happy) and for their maintenance while at said Camp, under the supervision of the Department of Welfare of the said city. . ."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	22,489
Additions:		
Income from invested funds		236
Net realized gain on sale of units		70
Net increase in unrealized appreciation in fair value of units		3,346
Total additions		<u>3,652</u>
Deductions:		
Administrative expenses		16
Total deductions		<u>16</u>
Change in net assets		<u>3,636</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>26,125</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	198
Investment income receivable		72
173 units of Collective Legal Investment Fund		25,865
Accrued expenses		<u>(10)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>26,125</u></u>

See accompanying independent auditors' report.

JOHN E. MAYNES FUND

Created 1919

"Income shall be applied to furnishing fuel in winter to needy families."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 1,771,307
Additions:	
Income from invested funds	17,964
Net realized gain on sale of units	44,562
Net increase in unrealized appreciation in fair value of units	<u>218,058</u>
Total additions	<u>280,584</u>
Deductions:	
Administrative expenses	1,250
Fuel office expenses	2,135
Cost of fuel distributed to those in need	<u>67,722</u>
Total deductions	<u>71,107</u>
Change in net assets	<u>209,477</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>1,980,784</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 189
Investment income receivable	5,485
13,216 units of Collective Legal Investment Fund	1,975,932
Accrued expenses	<u>(822)</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>1,980,784</u></u>

See accompanying independent auditors' report.

MARY ALICE McLAUGHLIN FUND

Created 1954

"A special award is made annually to the nurse with the best record for cancer care nursing in the Philadelphia Nursing Home (successor to Philadelphia General Hospital)."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	12,211
Additions:		
Income from invested funds		123
Net increase in unrealized appreciation in fair value of units		1,797
Total additions		1,920
Deductions:		
Administrative expenses		9
Total deductions		9
Change in nets assets		1,911
Net Position Held in Trust, December 31, 2021	\$	14,122

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	184
Investment income receivable		39
93 units of Collective Legal Investment Fund		13,904
Accrued expenses		(5)
Net Position Held in Trust, December 31, 2021	\$	14,122

See accompanying independent auditors' report.

BERNARD McMAHON FUND

Created 1816

"For the use of the poor"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	9,856
Additions:		
Income from invested funds		99
Net realized gain on sale of units		30
Net increase in unrealized appreciation in fair value of units		<u>1,424</u>
Total additions		<u>1,553</u>
Deductions:		
Administrative expenses		6
Fuel office expenses		11
Cost of fuel distributed to those in need		<u>300</u>
Total deductions		<u>317</u>
Change in net assets		<u>1,236</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>11,092</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	152
Investment income receivable		30
73 units of Collective Legal Investment Fund		10,914
Accrued expenses		<u>(4)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>11,092</u></u>

See accompanying independent auditors' report.

ALEXANDER G. MERCER "HALL FUND"

Created 1884

(By Decree of Supreme Court of Rhode Island)

"To purchase suitable lots of ground in said City of Philadelphia contiguous to each other or located in various parts of said City as shall seem most expedient, and to erect thereon substantial and comfortable buildings, and to let the same to the worthy laboring poor of said City, at rentals, sufficient to pay taxes, water rates, insurance premiums, repairs, and expenses of managing them: but if...inexpedient... Then suitable lands with the buildings already erected thereon may be purchased and adopted to the purpose aforesaid"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	6,590,951
Additions:		
Income from invested funds		63,150
Real estate income		35,340
Net realized gain on sale of units		4,136
Net increase in unrealized appreciation in fair value of units		919,608
Total additions		<u>1,022,234</u>
Deductions:		
Administrative expenses		4,239
Real estate expenses		114,874
Total deductions		<u>119,113</u>
Change in net assets		<u>903,121</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>7,494,072</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	613
Investment income receivable		31,426
46,329 units of Collective Legal Investment Fund		6,926,677
Joint venture investment		430,000
Real estate, at cost		109,386
Accrued expenses		<u>(4,030)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>7,494,072</u></u>

See accompanying independent auditors' report.

GEORGE L. MEYER FUND

Created 1934

To give one deserving student of the Girard College one year's education in some university or college.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	49,808
Additions:		
Income from invested funds		514
Net realized gain on sale of units		1,438
Net increase in unrealized appreciation in fair value of units		<u>6,096</u>
Total additions		<u>8,048</u>
Deductions:		
Administrative expenses		36
Scholarship awards		<u>2,200</u>
Total deductions		<u>2,236</u>
Change in net assets		<u>5,812</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>55,620</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	171
Investment income receivable		154
372 units of Collective Legal Investment Fund		55,618
Accrued expenses		<u>(323)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>55,620</u></u>

See accompanying independent auditors' report.

GERTRUDE J. MIETERER FUND

Created 1954

" . . . any cash balance remaining unpaid . . . give to Charity of the City of Philadelphia"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	1,787
Additions:		
Income from invested funds		16
Net realized gain on sale of units		117
Net increase in unrealized appreciation in fair value of units		121
Total additions		<u>254</u>
Deductions:		
Administrative expenses		1
Fuel office expenses		2
Cost of fuel distributed to those in need		106
Total deductions		<u>109</u>
Change in net assets		<u>145</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>1,932</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	134
Investment income receivable		5
12 units of Collective Legal Investment Fund		1,794
Accrued expenses		<u>(1)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>1,932</u></u>

See accompanying independent auditors' report.

BOWMAN H. AND LILLIAN M. MOORE SCHOLARSHIP FUND

Created 1974

The income therefrom to be used for the assistance of a graduate of said (Girard) College who desires to continue studies in any accredited school, college, or university.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	536,098
Additions:		
Income from invested funds		5,553
Net realized gain on sale of units		15,894
Net increase in unrealized appreciation in fair value of units		65,541
Total additions		<u>86,988</u>
Deductions:		
Administrative expenses		393
Scholarship awards		23,100
Total deductions		<u>23,493</u>
Change in net assets		<u>63,495</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>599,593</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	139
Investment income receivable		1,660
4,000 units of Collective Legal Investment Fund		598,042
Accrued expenses		<u>(248)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>599,593</u></u>

See accompanying independent auditors' report.

BENJAMIN W. AND ISAAC W. MORRIS FUND

Created 1806

"To the only proper use and Behoof of the Guardians of the Poor of the City of Philadelphia . . ."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	8,777
Additions:		
Income from invested funds		87
Net realized gain on sale of units		661
Net increase in unrealized appreciation in fair value of units		619
Total additions		<u>1,367</u>
Deductions:		
Administrative expenses		6
Fuel office expenses		10
Cost of fuel distributed to those in need		658
Total deductions		<u>674</u>
Change in net assets		<u>693</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>9,470</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	329
Investment income receivable		25
61 units of Collective Legal Investment Fund		9,120
Accrued expenses		<u>(4)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>9,470</u></u>

See accompanying independent auditors' report.

SIMON MUHR SCHOLARSHIP FUND

Created 1896

"For the promotion of the welfare of children attending the Public Schools of the City of Philadelphia"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 1,212,564
Additions:	
Income from invested funds	12,599
Net realized gain on sale of units	22,105
Net increase in unrealized appreciation in fair value of units	<u>161,547</u>
Total additions	<u>196,251</u>
Deductions:	
Administrative expenses	878
Scholarship awards	<u>29,765</u>
Total deductions	<u>30,643</u>
Change in net assets	<u>165,608</u>
Net Position Held in Trust, December 31, 2021	<u><u>\$ 1,378,172</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 85
Investment Income receivable	3,817
9,197 units of Collective Legal Investment Fund	1,375,049
Accrued expenses	<u>(779)</u>
Net Position Held in Trust, December 31, 2021	<u><u>\$ 1,378,172</u></u>

See accompanying independent auditors' report.

JOHN NEISON FUND

Created 1944

The income to aid and assist graduates of the Girard College in obtaining a higher education after leaving Girard College and also to help students who are educated in Girard when in need.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 1,270,576
Additions:	
Income from invested funds	13,193
Net realized gain on sale of units	37,264
Net increase in unrealized appreciation in fair value of units	<u>155,572</u>
Total additions	<u>206,029</u>
Deductions:	
Administrative expenses	934
Scholarship awards	<u>54,200</u>
Total deductions	<u>55,134</u>
Change in net assets	<u>150,895</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>1,421,471</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 270
Investment Income receivable	3,965
9,555 units of Collective Legal Investment Fund	1,428,574
Accrued expenses	<u>(11,338)</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>1,421,471</u></u>

See accompanying independent auditors' report.

WILLIAM W. AND BETTY OMIN MEMORIAL FUND

Created 1960

" 'A William W. and Betty Omin Memorial Award' shall be made once a year at each of the Philadelphia Public High Schools . . . for the best essay on the subject of 'Brotherhood' . . . the amount of the award shall be a maximum of One Thousand Dollars (\$1,000) and shall be awarded each year at the time of the Commencement. If there is sufficient money leftover . . . or the 'Brotherhood Awards' become unfeasible, then the earnings shall be used for a scholarship or scholarships . . . to Drexel University based on the highest marks received by a senior student of any Philadelphia public high school . . . and the scholarship or scholarships shall be in Engineering with a preference given to Electrical Engineering."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	631,102
Additions:		
Income from invested funds		6,512
Net realized gain on sale of units		19,282
Net increase in unrealized appreciation in fair value of units		76,722
Total additions		102,516
Deductions:		
Administrative expenses		456
Scholarship awards		26,700
Total deductions		27,156
Change in net assets		75,360
Net Position Held in Trust, December 31, 2021	\$	706,462

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	752
Investment income receivable		1,954
4,709 units of Collective Legal Investment Fund		704,045
Accrued expenses		(289)
Net Position Held in Trust, December 31, 2021	\$	706,462

See accompanying independent auditors' report.

EDWARD POWELL FUND

Created 1943

"The income from this principal sum shall be allowed to accumulate for the term of four years and at the expiration of said period shall be awarded, distributed, and disposed of as follows: . . . unto any citizen of the City of Philadelphia, irrespective of sex, race, creed or color, who shall have in the judgment of a majority of said Committee by his or her individual efforts and personal application to the Manufacturing and Commercial interest of the City of Philadelphia in the previous four years, succeeded in producing the best results for the benefit and prosperity of the City of Philadelphia in that line . . . a suitable medal or decoration to be given to the person receiving the award."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 2,013,214
Additions:	
Income from invested funds	21,182
Net increase in unrealized appreciation in fair value of units	<u>308,693</u>
Total additions	<u>329,875</u>
Deductions:	
Administrative expenses	<u>1,412</u>
Total deductions	<u>1,412</u>
Change in net assets	<u>328,463</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>2,341,677</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 144
Investment income receivable	6,484
15,624 units of Collective Legal Investment Fund	2,335,954
Accrued expenses	<u>(905)</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>2,341,677</u></u>

See accompanying independent auditors' report.

MURTHA P. QUINN FUND

Created 1941

"To be applied, one-half part thereof for the purchase of eyeglasses for the poor, preference being given to the children and old people, and one-half part thereof for coal for the poor"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	91,626
Additions:		
Income from invested funds		937
Net realized gain on sale of units		2,633
Net increase in unrealized appreciation in fair value of units		<u>11,093</u>
Total additions		<u>14,663</u>
Deductions:		
Administrative expenses		66
Fuel office expenses		112
Cost of fuel distributed to those in need		1,750
Withdrawal from Wills Eye Health System for eyeglasses for those in need		<u>1,750</u>
Total deductions		<u>3,678</u>
Change in net assets		<u>10,985</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>102,611</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	254
Investment income receivable		283
___ units of Collective Legal Investment Fund		102,116
Accrued expenses		<u>(42)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>102,611</u></u>

See accompanying independent auditors' report.

THOMAS B. K. RINGE PRIZE FUND

Created 1957

The income of the Fund is to be employed in the award of a prize to that member of each graduating class of Girard College deemed by the President of the College outstanding in scholarship and all-around achievement.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	10,494
Additions:		
Income from invested funds		108
Net realized gain on sale of units		64
Net increase in unrealized appreciation in fair value of units		1,515
Total additions		1,687
Deductions:		
Administrative expenses		7
Prizes		400
Total deductions		407
Change in net assets		1,280
Net Position Held in Trust, December 31, 2021	\$	11,774

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	235
Investment income receivable		32
77 units of Collective Legal Investment Fund		11,512
Accrued expenses		(5)
Net Position Held in Trust, December 31, 2021	\$	11,774

See accompanying independent auditors' report.

RITTENHOUSE SCHOOL FUND

Created 1839

Income to be applied "to advance the education of the children of the vicinity of the Old Rittenhouse Academy (Roxborough)." By decree of the court, January 11, 1958, the income is used for the Anna Lane Lingelbach School.

Statement of Changes in Fiduciary Net Position Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	40,849
Additions:		
Income from invested funds		419
Net realized gain on sale of units		623
Net increase in unrealized appreciation in fair value of units		<u>5,575</u>
Total additions		<u>6,617</u>
Deductions:		
Administrative expenses		29
Withdrawal from The School District of Philadelphia		<u>1,800</u>
Total deductions		<u>1,829</u>
Change in net assets		<u>4,788</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>45,637</u></u>

Statement of Fiduciary Net Position December 31, 2021

Cash and cash equivalents	\$	228
Investment income receivable		126
303 units of Collective Legal Investment Fund		45,302
Accrued expenses		<u>(19)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>45,637</u></u>

See accompanying independent auditors' report.

ROBERTS SCHOOL FUND

Created 1763

"For a Public School for the Instruction of the Children and other Inhabitants of the said (Bristol) Township and the Northern Liberty and Oxford Township, or any Meeting the said Township shall have Occasion as the said Trustees shall think fit provided it doesn't interfere or interrupt the said school."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	8,394
Additions:		
Income from invested funds		85
Net realized gain on sale of units		181
Net increase in unrealized appreciation in fair value of units		1,083
Total additions		<u>1,349</u>
Deductions:		
Administrative expenses		6
Withdrawal from The School District of Philadelphia		400
Total deductions		<u>406</u>
Change in net assets		<u>943</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>9,337</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	196
Investment income receivable		25
61 units of Collective Legal Investment Fund		9,120
Accrued expenses		<u>(4)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>9,337</u></u>

See accompanying independent auditors' report.

ELMER RODENBOUGH FUND

Created 1947

"Use and apply the net income for the needs, service or benefit of any and all graduates, past, present, and future, of Girard College, Philadelphia . . . Including, but not restricted to, the helping of any graduate at anytime within three years of graduation of Girard College, to enter or continue studies in any school, college, university, or other institution of learning"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	346,705
Additions:		
Income from invested funds		3,595
Net realized gain on sale of units		10,238
Net increase in unrealized appreciation in fair value of units		42,277
Total additions		56,110
Deductions:		
Administrative expenses		249
Scholarship awards		14,900
Total deductions		15,149
Change in net assets		40,961
Net Position Held in Trust, December 31, 2021	\$	387,666

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	167
Investment income receivable		1,079
2,599 units of Collective Legal Investment Fund		388,578
Accrued expenses		(2,158)
Net Position Held in Trust, December 31, 2021	\$	387,666

See accompanying independent auditors' report.

GEORGE ROSS MEMORIAL FUND

Created 1988

Contributed by Mr. and Mrs. Henry R. Wimmersberger to establish a fund in memory of Mrs. Wimmersberger's father, Mr. George Ross, who attended Girard College from 1889 to 1894. The income from this fund is to be used for scholarships for graduates of Girard College.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	88,007
Additions:		
Income from invested funds		910
Net realized gain on sale of units		2,319
Net increase in unrealized appreciation in fair value of units		<u>11,000</u>
Total additions		<u>14,229</u>
Deductions:		
Administrative expenses		64
Scholarship awards		<u>3,000</u>
Total deductions		<u>3,064</u>
Change in net assets		<u>11,165</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>99,172</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	962
Investment income receivable		273
657 units of Collective Legal Investment Fund		98,228
Accrued expenses		<u>(291)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>99,172</u></u>

See accompanying independent auditors' report.

ANTONIO SAULINO FUND

Created 1957

"To pay and distribute the income now on hand or thereafter accruing to poverty-stricken musicians who were members of the Philadelphia Musical Association for three years immediately prior to its dissolution"

By Decree of the Orphans' Court, dated March 14, 1972, distribution may be made among needy members of the Philadelphia Musical Society.

By Decree of the Orphans' Court, dated March 23, 1978, accumulated income may be distributed to students at schools of music or vocal arts in Philadelphia.

By Decree of the Orphans' Court, dated December 8, 2003, the limit for individual grants to needy former members of the Philadelphia Musical Association or Philadelphia Musical Society is increased to \$3,000 per individual per year. The limit for grants to needy current members of those organizations is increased to \$_____ per individual per year. The limit for grants to needy students enrolled in music or vocal arts schools in Philadelphia is increased to \$_____ per individual per year. The period of all grants is not to exceed two consecutive years unless approved by the court upon good cause shown.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	144,030
Additions:		
Income from invested funds		1,501
Net realized gain on sale of units		2,762
Net increase in unrealized appreciation in fair value of units		19,202
Total additions		23,465
Deductions:		
Administrative expenses		106
Payments to needy musicians and students		6,000
Total deductions		6,106
Change in net assets		17,359
Net Position Held in Trust, December 31, 2021	\$	161,389

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	437
Investment income receivable		448
1,080 units of Collective Legal Investment Fund		161,471
Accrued expenses		(967)
Net Position Held in Trust, December 31, 2021	\$	161,389

See accompanying independent auditors' report.

THE SCHOLARSHIP FUND OF GIRARD COLLEGE

Created 1977

Consists of deposits from:

The Estate of Walter F. McCann	1,977
Edward R. Eagleson	1982–1989
The Estate of Russell P. Morgan	1,982
Friends of Ed Fritz	1,984

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 129,407
Additions:	
Income from invested funds	1,339
Net realized gain on sale of units	3,073
Net increase in unrealized appreciation in fair value of units	16,543
Total additions	20,955
Deductions:	
Administrative expenses	94
Scholarship awards	5,500
Total deductions	5,594
Change in net assets	15,361
Net Position Held in Trust, December 31, 2021	\$ 144,768

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 149
Investment income receivable	400
965 units of Collective Legal Investment Fund	144,278
Accrued expenses	(59)
Net Position Held in Trust, December 31, 2021	\$ 144,768

See accompanying independent auditors' report.

CHRISTIAN SCHRACK FUND

Created 1917

"I give and devise all the rents, interest, and income of my Estate to the Corporation of the City of Philadelphia, to be distributed by them according to the best of their judgment into the hands of the Missionary Societies of the said city for the relief of the Poor; but if there be no such society or societies at that time, then the said Corporation may distribute or designate the proper means for distributing the same for the relief of the poor of the said city. But no part thereof shall be appropriated towards the Almshouse of the said City or any of its inmates."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	569,159
Additions:		
Income from invested funds		5,864
Net realized gain on sale of units		12,049
Net increase in unrealized appreciation in fair value of units		73,636
Total additions		91,549
Deductions:		
Administrative expenses		410
Withdrawal from:		
Blind Relief Fund of Philadelphia		
Caring for Friends		3,200
CORA Services, Inc.		3,200
Helping Hand Rescue Mission		3,200
Old Saint Joseph's Outreach – Carewalk Center		3,200
People's Emergency Center		3,200
Project H.O.M.E.		3,200
Raymond and Miriam Klein Jewish Community Centers		3,200
St. Francis Inn		1,700
Total deductions		24,510
Change in net assets		67,039
Net Position Held in Trust, December 31, 2021	\$	636,198

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	224
Investment income receivable		1,770
4,265 units of Collective Legal Investment Fund		637,663
Accrued expenses		(3,459)
Net Position Held in Trust, December 31, 2021	\$	636,198

See accompanying independent auditors' report.

JOHN SCOTT MEDAL FUND

Created 1816

Income "to be laid out in premiums to be distributed among ingenious men and women who make useful inventions and/or discoveries in science, medicine or engineering, such premiums to be \$10,000 for any one premium, in any one year, with any additional premium to be awarded in the discretion of the Board but such additional premium to be made in accordance with the Board's Spending Rule as authorized under 20 Pa. C.S.A. § 8813, and . . . given a copper medal with this inscription 'To the most deserving.'"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 1,051,233
Additions:	
Income from invested funds	10,595
Net realized gain on sale of units	512
Net increase in unrealized appreciation in fair value of units	<u>154,348</u>
Total additions	<u>165,455</u>
Deductions:	
Administrative expenses	746
Awards	51,000
Expenses in connection with awards	<u>3,154</u>
Total deductions	<u>54,900</u>
Change in net assets	<u>110,555</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>1,161,788</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 210
Investment income receivable	3,229
7,782 units of Collective Legal Investment Fund	1,163,491
Accrued expenses	<u>(5,142)</u>
Net Position Held in Trust, December 31, 2021	\$ <u><u>1,161,788</u></u>

See accompanying independent auditors' report.

WILLIAM SCOTT FUND

Created 1947

By adjudication of the Orphans' Court of Montgomery County, Pennsylvania, dated July 26, 1947, approval was given to an Agreement of Settlement, whereby the City of Philadelphia, acting by the Board of Directors of City Trusts, administering Girard College, was awarded one-half of the principal of this Trust for the use of Girard College.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 778,635
Additions:	
Income from invested funds	8,024
Net realized gain on sale of units	19,769
Net increase in unrealized appreciation in fair value of units	98,881
Total additions	126,674
Deductions:	
Administrative expenses	557
Withdrawal from Girard College	33,800
Total deductions	34,357
Change in net assets	92,317
Net Position Held in Trust, December 31, 2021	\$ 870,952

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 238
Investment income receivable	2,411
5,810 units of Collective Legal Investment Fund	868,657
Accrued expenses	(354)
Net Position Held in Trust, December 31, 2021	\$ 870,952

See accompanying independent auditors' report.

SAMUEL SCOTTEN FUND

Created 1810

"To deliver to the poor of the said City (Philadelphia) and of Southwark twelve dollars' worth of bread annually." By court adjudication, all of the income available may be used to purchase bread.

By court adjudication, dated June 16, 1970, income is distributed to charitable organizations engaged in the distribution of food among the poor of Philadelphia.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 4,003
Additions:	
Income from invested funds	40
Net realized gain on sale of units	268
Net increase in unrealized appreciation in fair value of units	320
Total additions	628
Deductions:	
Administrative expenses	3
Withdrawal for Whosoever Gospel Mission	200
Total deductions	203
Change in net assets	425
Net Position Held in Trust, December 31, 2021	\$ 4,428

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 232
Investment income receivable	12
28 units of Collective Legal Investment Fund	4,186
Accrued expenses	(2)
Net Position Held in Trust, December 31, 2021	\$ 4,428

See accompanying independent auditors' report.

HENRY SEYBERT FUND

Created 1883

Income "for the distribution of Fuel and Bread amongst the deserving poor, during the Winter months"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	76,714
Additions:		
Income from invested funds		777
Net realized gain on sale of units		2,051
Net increase in unrealized appreciation in fair value of units		9,323
Total additions		12,151
Deductions:		
Administrative expenses		54
Fuel office expenses		92
Cost of fuel distributed to those in need		2,900
Total deductions		3,046
Change in net assets		9,105
Net Position Held in Trust, December 31, 2021	\$	85,819

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	246
Investment income receivable		237
571 units of Collective Legal Investment Fund		85,371
Accrued expenses		(35)
Net Position Held in Trust, December 31, 2021	\$	85,819

See accompanying independent auditors' report.

FREDERICK A. SHEAFF FUEL FUND

Created 1874

Income "to purchase fuel between the months of March and September in every year forever and in the month of February in every year forever to distribute the same among poor housekeepers and roomkeepers of good character residing in the City of Philadelphia"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	21,233
Additions:		
Income from invested funds		214
Net realized gain on sale of units		611
Net increase in unrealized appreciation in fair value of units		2,530
Total additions		3,355
Deductions:		
Administrative expenses		15
Fuel office expenses		25
Cost of fuel distributed to those in need		800
Total deductions		840
Change in net assets		2,515
Net Position Held in Trust, December 31, 2021	\$	23,748

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	220
Investment income receivable		65
157 units of Collective Legal Investment Fund		23,473
Accrued expenses		(10)
Net Position Held in Trust, December 31, 2021	\$	23,748

See accompanying independent auditors' report.

MARY SHIELDS FUEL FUND

Created 1880

To apply the interest thereof to the purchase of coal and to distribute the same in the fall and winter months to indigent widows and widowers, single women and men, without respect to color.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	31,462
Additions:		
Income from invested funds		318
Net realized gain on sale of units		812
Net increase in unrealized appreciation in fair value of units		<u>3,847</u>
Total additions		<u>4,977</u>
Deductions:		
Administrative expenses		22
Fuel office expenses		38
Cost of fuel distributed to those in need		<u>1,200</u>
Total deductions		<u>1,260</u>
Change in net assets		<u>3,717</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>35,179</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	111
Investment income receivable		97
234 units of Collective Legal Investment Fund		34,985
Accrued expenses		<u>(14)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>35,179</u></u>

See accompanying independent auditors' report.

MARY SHIELDS HOSPITAL FUND

Created 1880

To relieve and make more comfortable the sick at the Philadelphia Nursing Home (successor to Philadelphia General Hospital).

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	922,344
Additions:		
Income from invested funds		9,548
Net realized gain on sale of units		27,182
Net increase in unrealized appreciation in fair value of units		112,390
Total additions		149,120
Deductions:		
Administrative expenses		668
Withdrawal from Philadelphia Nursing Home		39,900
Total deductions		40,568
Change in net assets		108,552
Net Position Held in Trust, December 31, 2021	\$	1,030,896

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	281
Investment income receivable		2,854
6,877 units of Collective Legal Investment Fund		1,028,184
Accrued expenses		(423)
Net Position Held in Trust, December 31, 2021	\$	1,030,896

See accompanying independent auditors' report.

JOSEPH SIMCOCK PRIZE FUND

Created 1941

The interest derived therefrom shall be given annually in two cash prizes to be known as The Joseph G. Simcock Prize to the two high school students of Girard College, who compose and submit or deliver orally the best essays on the recent developments in technology and industry.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	6,137
Additions:		
Income from invested funds		62
Net realized gain on sale of units		264
Net increase in unrealized appreciation in fair value of units		643
Total additions		969
Deductions:		
Administrative expenses		4
Prizes		300
Total deductions		304
Change in net assets		665
Net Position Held in Trust, December 31, 2021	\$	6,802

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	209
Investment income receivable		18
44 units of Collective Legal Investment Fund		6,578
Accrued expenses		(3)
Net Position Held in Trust, December 31, 2021	\$	6,802

See accompanying independent auditors' report.

JACOB J. SNYDER FUND

Created 1874

Income to be "expended yearly by the Directors of City Trusts as they may deem best in aid of the poor people of this City (Philadelphia)"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	82,677
Additions:		
Income from invested funds		836
Net realized gain on sale of units		2,178
Net increase in unrealized appreciation in fair value of units		10,053
Total additions		13,067
Deductions:		
Administrative expenses		58
Fuel office expenses		100
Cost of fuel distributed to those in need		3,200
Total deductions		3,358
Change in net assets		9,709
Net Position Held in Trust, December 31, 2021	\$	92,386

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	219
Investment income receivable		255
615 units of Collective Legal Investment Fund		91,949
Accrued expenses		(37)
Net Position Held in Trust, December 31, 2021	\$	92,386

See accompanying independent auditors' report.

SPRING GARDEN FUND

Created 1847

Income to be "applied to the purchase of food and fuel, and no other purpose and . . . distributed during the winter months of each and every year among such of the poor. . ."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	27,865
Additions:		
Income from invested funds		281
Net realized gain on sale of units		848
Net increase in unrealized appreciation in fair value of units		<u>3,266</u>
Total additions		<u>4,395</u>
Deductions:		
Administrative expenses		20
Fuel office expenses		33
Cost of fuel distributed to those in need		<u>1,100</u>
Total deductions		<u>1,153</u>
Change in net assets		<u>3,242</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>31,107</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	236
Investment income receivable		85
206 units of Collective Legal Investment Fund		30,799
Accrued expenses		<u>(13)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>31,107</u></u>

See accompanying independent auditors' report.

RAYMOND R. START MEMORIAL FUND

Created 2014

For the purpose of providing scholarship aid to Girard College graduates pursuing a law degree.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	150,208
Additions:		
Income from invested funds		1,740
Net realized gain on sale of units		2,640
Net increase in unrealized appreciation in fair value of units		<u>22,250</u>
Total additions		<u>26,630</u>
Deductions:		
Administrative expenses		121
Scholarship awards		<u>6,000</u>
Total deductions		<u>6,121</u>
Change in net assets		<u>20,509</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>170,717</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	133
Investment income receivable		520
1,253 units of Collective Legal Investment Fund		187,337
Accrued expenses		<u>(17,273)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>170,717</u></u>

See accompanying independent auditors' report.

WILLIAM D. AND MARIE STEUBER FUND

Created 1957

"To distribute the net income therefrom annually at Christmas time to the poor in the City of Philadelphia according to the judgment and discretion of the said Board of City Trusts"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	91,524
Additions:		
Income from invested funds		946
Net realized gain on sale of units		2,744
Net increase in unrealized appreciation in fair value of units		<u>11,092</u>
Total additions		<u>14,782</u>
Deductions:		
Administrative expenses		67
Withdrawal from:		
St. John's Hospice		3,200
Whoesoever Gospel Mission		<u>700</u>
Total deductions		<u>3,967</u>
Change in net assets		<u>10,815</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>102,339</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	132
Investment income receivable		283
682 units of Collective Legal Investment Fund		101,966
Accrued expenses		<u>(42)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>102,339</u></u>

See accompanying independent auditors' report.

WILLIAM D. AND MARY STEUBER FUND

Created 1947

"To distribute the net income therefrom annually at Christmas time to the poor in the City of Philadelphia according to the judgment and discretion of the said Board of City Trusts"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	70,181
Additions:		
Income from invested funds		725
Net realized gain on sale of units		2,236
Net increase in unrealized appreciation in fair value of units		8,370
Total additions		<u>11,331</u>
Deductions:		
Administrative expenses		52
Withdrawal from:		
Sunday Breakfast Rescue Mission		3,000
Total deductions		<u>3,052</u>
Change in net assets		<u>8,279</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>78,460</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	231
Investment income receivable		217
522 units of Collective Legal Investment Fund		78,045
Accrued expenses		<u>(33)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>78,460</u></u>

See accompanying independent auditors' report.

FREDERICK DEYLE STITELER PRIZE FUND

Created 1971

"To provide a prize to be awarded to a group or individual or individuals participating in the annual Mummers Parade held in Philadelphia usually on New Year's Day, in accordance with such rules, regulations, and standards as shall be established by the official judging group for the Mummers Parade"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	27,688
Additions:		
Income from invested funds		287
Net realized gain on sale of units		317
Net increase in unrealized appreciation in fair value of units		<u>3,865</u>
Total additions		<u>4,469</u>
Deductions:		
Administrative expenses		<u>20</u>
Total deductions		<u>20</u>
Change in net assets		<u>4,449</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>32,137</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	215
Investment income receivable		88
213 units of Collective Legal Investment Fund		31,846
Accrued expenses		<u>(12)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>32,137</u></u>

See accompanying independent auditors' report.

C. HENDERSON SUPPLEE FUND

Created 1934

"To apply not more than Twenty Dollars per week to the maintenance of convalescent persons for not more than one month in any one year. Any income in any year that is not so used shall be distributed to such visiting nurse societies of Philadelphia as the Board of City Trusts shall determine, to be used by them in their work."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 1,376,344
Additions:	
Income from invested funds	14,248
Net realized gain on sale of units	39,393
Net increase in unrealized appreciation in fair value of units	<u>168,884</u>
Total additions	<u>222,525</u>
Deductions:	
Administrative expenses	996
Withdrawal from The Visiting Nurse Society of Philadelphia	<u>59,500</u>
Total deductions	<u>60,496</u>
Change in net assets	<u>162,029</u>
Net Position Held in Trust, December 31, 2021	<u>\$ 1,538,373</u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 168
Investment income receivable	4,259
10,264 units of Collective Legal Investment Fund	1,534,577
Accrued expenses	<u>(631)</u>
Net Position Held in Trust, December 31, 2021	<u>\$ 1,538,373</u>

See accompanying independent auditors' report.

FRANCIS H. THOLE FUND

Created 1952

"To pay the net income of said sum or principal from time to time to the Board of Education of the City of Philadelphia to be used and applied by the said Board of Education of Philadelphia for distribution in prizes of not less than Twenty-Five Dollars each among such scholars of the Public Schools of the City of Philadelphia, under the management and control of the said Board of Education or their lawful successors, who shall in proportion to the number of cash prizes provided by said net income be entitled thereto in the opinion of the Board of Education or its duly appointed agents, for the best written essay or essays by such scholars on the Constitution of the United States of America"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 105,700
Additions:	
Income from invested funds	1,106
Net realized gain on sale of units	1,169
Net increase in unrealized appreciation in fair value of units	15,060
Total additions	17,335
Deductions:	
Administrative expenses	76
Prizes	4,500
Total deductions	4,576
Change in net assets	12,759
Net Position Held in Trust, December 31, 2021	\$ 118,459

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 267
Investment income receivable	332
800 units of Collective Legal Investment Fund	119,608
Accrued expenses	(1,748)
Net Position Held in Trust, December 31, 2021	\$ 118,459

See accompanying independent auditors' report.

ARCHIBALD THOMSON FUND

Created 1799

Income to purchase bread "for the Support of the poor of the City of Philadelphia"

By Court adjudication, dated June 16, 1970, income is distributed to charitable organizations engaged in the distribution of food among the poor of Philadelphia.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$ 60,787
Additions:	
Income from invested funds	628
Net realized gain on sale of units	1,804
Net increase in unrealized appreciation in fair value of units	7,385
Total additions	9,817
Deductions:	
Administrative expenses	45
Withdrawal for Whosoever Gospel Mission and Rescue Home of Germantown	2,600
Total deductions	2,645
Change in net assets	7,172
Net Position Held in Trust, December 31, 2021	\$ 67,959

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$ 220
Investment income receivable	188
452 units of Collective Legal Investment Fund	67,579
Accrued expenses	(28)
Net Position Held in Trust, December 31, 2021	\$ 67,959

See accompanying independent auditors' report.

LAWRENCE TODD SCHOLARSHIP FUND

Created 1921

"Income therefrom to be used for scholarships for such graduates of Girard College as are desirous of securing, and who in the opinion of the Board are worthy of a higher education"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	569,358
Additions:		
Income from invested funds		5,884
Net realized gain on sale of units		17,585
Net increase in unrealized appreciation in fair value of units		68,798
Total additions		<u>92,267</u>
Deductions:		
Administrative expenses		418
Scholarship awards		24,400
Total deductions		<u>24,818</u>
Change in net assets		<u>67,449</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>636,807</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	186
Investment income receivable		1,763
4,248 units of Collective Legal Investment Fund		635,121
Accrued expenses		(263)
Accrued expenses	\$	<u><u>636,807</u></u>

See accompanying independent auditors' report.

SELDON TWITCHELL FUND

Created 1925

"To apply the net income for the care and maintenance of Independence Hall in said city (Philadelphia)"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	75,638
Additions:		
Income from invested funds		781
Net realized gain on sale of units		2,498
Net increase in unrealized appreciation in fair value of units		8,927
Total additions		<u>12,206</u>
Deductions:		
Administrative expenses		56
Care and maintenance of Independence Hall		3,300
Total deductions		<u>3,356</u>
Change in net assets		<u>8,850</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>84,488</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	265
Investment income receivable		233
562 units of Collective Legal Investment Fund		84,025
Accrued expenses		<u>(35)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>84,488</u></u>

See accompanying independent auditors' report.

GEORGE A. VARE MEDALS FUND

Created 1910

Income "to be applied in the procuring and awarding of gold medals, one to be awarded to the student attaining the highest standing of each semi-annual graduation from the Southern Manual Training High School of the City of Philadelphia." By court adjudication, award is to be made at the June graduation, the mid-year graduations having been discontinued in the public schools.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	8,633
Additions:		
Income from invested funds		89
Net realized gain on sale of units		54
Net increase in unrealized appreciation in fair value of units		<u>1,243</u>
Total additions		<u>1,386</u>
Deductions:		
Administrative expenses		<u>6</u>
Total deductions		<u>6</u>
Change in net assets		<u>1,380</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>10,013</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	572
Investment income receivable		26
63 units of Collective Legal Investment Fund		9,419
Accrued expenses		<u>(4)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>10,013</u></u>

See accompanying independent auditors' report.

LOUIS WAGNER PRIZE FUND

Created 1914

"I give and bequeath unto the City of Philadelphia, Board of Directors of City Trusts, the sum of \$2,094 in trust that the same shall be kept invested by the said Board and the interest or income derived therefrom be used each year in the purchase of a gold watch, the same to be suitably engraved and known as the 'Wagner Prize,' which shall be presented to the person graduating with the highest honors in the graduating class during each year at Girard College."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	19,450
Additions:		
Income from invested funds		203
Net realized gain on sale of units		178
Net increase in unrealized appreciation in fair value of units		<u>2,777</u>
Total additions		<u>3,158</u>
Deductions:		
Administrative expenses		<u>14</u>
Total deductions		<u>14</u>
Change in net assets		<u>3,144</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>22,594</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	264
Investment income receivable		62
149 units of Collective Legal Investment Fund		22,277
Accrued expenses		<u>(9)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>22,594</u></u>

See accompanying independent auditors' report.

ELIZABETH F. WARDER FUND

Created 1953

By adjudication, dated April 2, 1953, the Orphans' Court of Philadelphia County awarded one-third of the estate to the Board of Directors of City Trusts with the following direction:

"... to expend the Fund, principal, and income to and among such former members of the Fire Department as were disabled in the line of duty and are now receiving pension. The Board of City Trusts shall accept from year to year the designation of the eligible individuals by the commissioner of Fire. The amount to be distributed until the Fund is exhausted shall be at the rate of ____% of the pension payable to each recipient annually. Final payment shall be made pro rata among those eligible to receive the funds in the year when the same shall be exhausted."

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	76,533
Additions:		
Income from invested funds		767
Net realized gain on sale of units		2,550
Net increase in unrealized appreciation in fair value of units		8,657
Total additions		11,974
Deductions:		
Administrative expenses		55
Withdrawal from disabled firemen		3,300
Total deductions		3,355
Change in net assets		8,619
Net Position Held in Trust, December 31, 2021	\$	85,152

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	179
Investment income receivable		235
567 units of Collective Legal Investment Fund		84,773
Accrued expenses		(35)
Net Position Held in Trust, December 31, 2021	\$	85,152

See accompanying independent auditors' report.

ESTHER WATERS FUND

Created 1833

Income to be used to "give, distribute, and deliver such Firewood or other Fuel to and amongst such of the poor of the City of Philadelphia as shall be found upon careful inquiry to be most deserving of such aid"

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	84,266
Additions:		
Income from invested funds		853
Net realized gain on sale of units		2,273
Net increase in unrealized appreciation in fair value of units		10,198
Total additions		<u>13,324</u>
Deductions:		
Administrative expenses		59
Fuel office expenses		101
Cost of fuel distributed to those in need		3,200
Total deductions		<u>3,360</u>
Change in net assets		<u>9,964</u>
Net Position Held in Trust, December 31, 2021	\$	<u>94,230</u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	265
Investment income receivable		260
627 units of Collective Legal Investment Fund		93,743
Accrued expenses		(38)
Net Position Held in Trust, December 31, 2021	\$	<u>94,230</u>

See accompanying independent auditors' report.

OBADIAH WHEELOCK FUND

Created 1887

Income "to be awarded . . . to a Meritorious Scholar of the Girls Normal School of the City of Philadelphia"

In view of the Normal School having been abolished and upon recommendation of the Board of Public Education, the income is to be paid to the Pedagogical Library of the Board of Public Education for the purchase of books in memory of Obadiah Wheelock.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	5,688
Additions:		
Income from invested funds		57
Net realized gain on sale of units		165
Net increase in unrealized appreciation in fair value of units		683
Total additions		<u>905</u>
Deductions:		
Administrative expenses		4
Withdrawal from The School District of Philadelphia		200
Total deductions		<u>204</u>
Change in net assets		<u>701</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>6,389</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	245
Investment income receivable		17
41 units of Collective Legal Investment Fund		6,130
Accrued expenses		<u>(3)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>6,389</u></u>

See accompanying independent auditors' report.

J. WILLIAM WHITE FUND

Created 1925

Income may be used to purchase artificial limbs, braces, orthopedic shoes, and any and all like devices for former patients of Philadelphia Nursing Home (successor to Philadelphia General Hospital) so that they become self-reliant and avoid being readmitted to Philadelphia Nursing Home or other like institutions.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	149,439
Additions:		
Income from invested funds		1,546
Net realized gain on sale of units		4,065
Net increase in unrealized appreciation in fair value of units		<u>18,536</u>
Total additions		<u>24,147</u>
Deductions:		
Administrative expenses		108
Withdrawal from Philadelphia Nursing Home		<u>6,500</u>
Total deductions		<u>6,608</u>
Change in net assets		<u>17,539</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>166,978</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	179
Investment income receivable		462
1,113 units of Collective Legal Investment Fund		166,405
Accrued expenses		<u>(68)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>166,978</u></u>

See accompanying independent auditors' report.

JAMES WINDRIM SCHOLARSHIP FUND

Created 1921

The income is to be used to assist graduates of Girard College who desire to continue studies in school, college, or university who are considered deserving of such opportunity by the Board.

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	47,966
Additions:		
Income from invested funds		496
Net realized gain on sale of units		1,434
Net increase in unrealized appreciation in fair value of units		5,827
Total additions		7,757
Deductions:		
Administrative expenses		35
Scholarship awards		2,100
Total deductions		2,135
Change in net assets		5,622
Net Position Held in Trust, December 31, 2021	\$	53,588

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	137
Investment income receivable		149
360 units of Collective Legal Investment Fund		53,824
Accrued expenses		(522)
Net Position Held in Trust, December 31, 2021	\$	53,588

See accompanying independent auditors' report.

JOSEPH WRIGHT FUND

Created 1947

By Decree of the Court of Common Pleas of Philadelphia county, dated June 26, 1946, Wright's Industrial and Beneficial Institute of Frankford was dissolved, and the assets of the corporation were awarded to the City of Philadelphia, acting by the Board of Directors of City Trusts, in trust, one-third of the income therefrom to be paid over to the Trustees of the Free Library of Philadelphia for the exclusive benefit of the Frankford Branch, and the balance of said income to be used for the poor as near as may be in keeping with the purposes specified in the Will of Joseph Wright, deceased (those living within a circuit of one mile from the corner of Main and Sellers Streets, in Frankford).

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Net Position Held in Trust, January 1, 2021	\$	132,849
Additions:		
Income from invested funds		1,353
Net realized gain on sale of units		1,679
Net increase in unrealized appreciation in fair value of units		<u>18,146</u>
Total additions		<u>21,178</u>
Deductions:		
Administrative expenses		93
Fuel office expenses		160
Cost of fuel distributed to those in need		3,400
Withdrawal from the trustees of the Free Library of Philadelphia		<u>1,700</u>
Total deductions		<u>5,353</u>
Change in net assets		<u>15,825</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>148,674</u></u>

Statement of Fiduciary Net Position

December 31, 2021

Cash and cash equivalents	\$	158
Investment income receivable		411
991 units of Collective Legal Investment Fund		148,165
Accrued expenses		<u>(60)</u>
Net Position Held in Trust, December 31, 2021	\$	<u><u>148,674</u></u>

See accompanying independent auditors' report.



**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

(A Component Unit of the Estate of Stephen Girard, Deceased)

Basic Financial Statements with Required Supplementary Information

December 31, 2021

(With Independent Auditors' Report Thereon)

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

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KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

The Members of the Board
Board of Directors of City Trusts:

Opinion

We have audited the financial statements of the Board of Directors of City Trusts Contributory Retirement Plan (the Plan), a component unit of the Estate of Stephen Girard, Deceased, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements for the year then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2021, and the changes in fiduciary net position for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit 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 the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan'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.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information in schedules 1 through 3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

Philadelphia, Pennsylvania
July 28, 2023

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2021

The following discussion and analysis of the Board of Directors of City Trusts Contributory Retirement Plan, a component unit of the Estate of Stephen Girard, Deceased, ("Plan") provides an overview of the financial activities of the Plan for the year ended December 31, 2021.

The information contained within this Management's Discussion and Analysis is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the Notes to the Financial Statements that is provided in addition to this Management's Discussion and Analysis.

The Plan is a single-employer defined benefit plan for certain employees of the Estate of Stephen Girard, Deceased of the Board of Directors of City Trusts acting for the City of Philadelphia, Trustee ("Board"). The Plan covers certain union employees, hired prior to December 20, 2019, who have completed one year of service regardless of age and whose union contract does not provide benefits under either a union pension plan or the Board's noncontributory plans.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction into the Plan's financial statements. The Plan is considered a fiduciary fund in accordance with governmental accounting standards. Fiduciary funds are used to account for resources held for the benefit of parties outside a government. The Plan's financial statements comprise the statement of fiduciary net position, statement of changes in fiduciary net position, notes to the financial statements, and required supplementary information.

Statement of Fiduciary Net Position

This statement is used to account for resources held in a trustee or agency capacity for others and are not available for the support of any government programs. This statement presents the total assets held less any liabilities to report the net position restricted for pension benefits for the Plan. Investments are shown at fair value and all other assets and liabilities are determined on an accrual basis.

Statement of Changes in Fiduciary Net Position

This statement presents the results of activities during the year. Activities include additions of employer and employee contributions, investment income, net appreciation of investments, and deductions including benefit payments and administrative expenses to determine the change in net position restricted for pension benefits for the year.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements providing additional detail that is essential to a full understanding of the financial statements.

Required Supplementary Information (Unaudited)

This information is not audited and includes management's discussion and analysis (this section), a schedule of changes in the employer's net pension asset and related ratios, a schedule of employer contributions, a schedule of investment returns, and the notes to required supplementary information.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2021

Financial Highlights

The Plan's net position restricted for pension benefits increased approximately \$1.3 million (16%) compared to an increase of approximately \$750 thousand (11%) in 2020. The increase was primarily due to improved market conditions and fluctuations of investment returns.

Condensed Financial Information

The following schedule is a summary of the December 31, 2021 Statement of Fiduciary Net Position with comparative information as of December 31, 2020.

Fiduciary Net Position

	<u>2021</u>	<u>2020</u>
Investments	\$ 8,882,724	7,700,235
Net other assets and liabilities	<u>224,394</u>	<u>141,192</u>
Net position restricted for pension benefits	<u>\$ 9,107,118</u>	<u>7,841,427</u>

During the year ended December 31, 2021, the various stock market indices all experienced increases which had a direct impact on the Plan's investments which increased by approximately \$1.2 million (15%).

The following schedule is a summary of the statement of changes in Fiduciary Net Position for the year ended December 31, 2021 with comparative information for the year ended December 31, 2020.

Changes in Fiduciary Net Position

	<u>2021</u>	<u>2020</u>
Additions:		
Contributions	\$ 446,384	294,623
Net investment income	<u>1,263,337</u>	<u>898,459</u>
Total additions	<u>1,709,721</u>	<u>1,193,082</u>
Deductions:		
Benefit payments, including return of employee contributions	392,897	391,849
Administrative expenses	<u>51,133</u>	<u>51,720</u>
Total deductions	<u>444,030</u>	<u>443,569</u>
Increase in net position restricted for pension benefits	<u>\$ 1,265,691</u>	<u>749,513</u>

Due to favorable market conditions, net investment income increased approximately \$1.3 million. Contributions during 2021 increased to approximately \$446,000 from 2020 due primarily from an increase in employer contributions of approximately \$158,000 offset slightly from a reduction of employee contributions of approximately \$6,000.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2021

Benefit payments and administrative expenses were approximately the same each year.

Plan Investments

The Plan's investment policy is to invest in the Collective Legal Investment Fund (CLIF) which was created by the Board to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of this Plan, the Estate of Stephen Girard, Deceased, Wills Eye Hospital, two other retirement plans of the Board, and the 117 smaller trusts. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments, and alternative investments held in private equity investments. At December 31, 2021, all of the Plan's investments are held in the CLIF which owned 59,412 units (approximately 1.2% of total units) in the CLIF.

The following is a summary of the CLIF's investments at fair value as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Short-term investments	\$ 21,832,596	10,744,250
Equity securities:		
Domestic	430,293,993	381,205,029
International	<u>42,494,621</u>	<u>40,525,106</u>
Total equity securities	<u>472,788,614</u>	<u>421,730,135</u>
Fixed income:		
U.S. Government and agencies	53,524,537	58,303,064
Corporate and other	53,089,209	62,734,129
Asset-backed securities	4,201,261	5,508,943
Mortgage-backed securities	6,017,537	6,202,278
Mutual funds	<u>92,018,144</u>	<u>40,374,715</u>
Total fixed income	208,850,688	173,123,129
Alternative investments	<u>34,618,179</u>	<u>15,930,855</u>
Total	<u>\$ 738,090,077</u>	<u>621,528,369</u>

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2021

Contact Information

This financial report is designed to provide families, supporters, investors and creditors with a general overview of the Plan's finances and to demonstrate the Plan's accountability. Additional information is also available on the Plan's website at www.citytrusts.com. If you have any questions about this report or would like additional information, please contact:

Finance Department
Board of Directors of City Trusts
Contributory Retirement Plan
c/o Board of City Trusts
1101 Market Street
Suite 2600
Philadelphia, PA 19107
215-568-0440

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Statement of Fiduciary Net Position

December 31, 2021

Assets:

Cash	\$ 219,437
Investment income receivable	24,624
Investment in Collective Legal Investment Fund	<u>8,882,724</u>
Total assets	<u>9,126,785</u>

Liabilities:

Accrued expenses	<u>19,667</u>
Total liabilities	<u>19,667</u>
Net position restricted for pensions	<u>\$ 9,107,118</u>

See accompanying notes to basic financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Additions:

Contributions:

Employee contributions	\$ 24,857
Employer contributions	<u>421,527</u>
Total contributions	<u>446,384</u>

Net investment income:

Investment income	134,345
Net appreciation of investments	<u>1,182,490</u>
Total investment income	1,316,835

Investment expenses	<u>(53,498)</u>
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Net investment income	<u>1,263,337</u>
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Total additions	1,709,721
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Deductions:

Benefit payments, including refunds of member contributions	392,897
Administrative expenses	<u>51,133</u>

Total deductions	<u>444,030</u>
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Net increase in net position restricted for pension benefits	1,265,691
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Net position restricted for pensions, beginning of year	<u>7,841,427</u>
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Net position restricted for pensions, end of year	<u><u>\$ 9,107,118</u></u>
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See accompanying notes to basic financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2021

(1) Description of Plan

(a) General

The Board of Directors of City Trusts Contributory Retirement Plan (the Plan) is a single-employer defined benefit plan for certain employees of the Estate of Stephen Girard, Deceased of the Board of Directors of City Trusts acting for the City of Philadelphia, Trustee (the Board). The Plan covers certain union employees, hired prior to December 20, 2019, who have completed one year of service regardless of age and whose union contract does not provide benefits under either a union pension plan or the Board's noncontributory plans. All administrative expenses are paid out of plan assets. Participants should refer to the plan document for more complete information.

(b) Board of Directors

The Board of Directors are appointed by the Judges of Courts of Common Pleas of Philadelphia and consists of fourteen members of which twelve have voting rights.

(c) Contributions

Members are required to contribute to the Plan at approximately 1.7% of the first \$3,600 plus 4.25% of the excess over \$3,600 of the annual rate of earnings on each January 1 according to salary class, contributed pro rata throughout the calendar year, while employed. In addition, the Board contributes amounts as are necessary to provide the Plan with sufficient assets to meet the benefits to be paid to plan members, based upon amounts recommended by the Plan's actuary. Such amounts are determined in accordance with the projected unit credit actuarial cost method. Members contribute amounts based on salary terms, as defined in the plan agreement.

(d) Benefits

Plan participants who have attained age 65 are entitled to receive retirement benefits payable during their lifetime on the first day of each month following their retirement or termination of employment. Early retirement and survivor benefits are also available to participants.

Benefits are based on cumulative employee contributions required by the Plan determined on career salary levels. Benefits payable upon early retirement are computed in the same manner as normal retirement benefits; however, early retirement benefits are discounted by an early retirement factor.

(1) Normal Retirement Benefit:

- (i) Service Benefit: Approximately 1.1% of the first \$3,600 plus 2.75% of the excess over \$3,600 of the annual rate of earnings on each January 1 according to salary class.
 - (ii) Minimum Benefit: \$2,400 annually.
- (2) Early Retirement Benefit: Retirement benefit accrued to early retirement date, as in (1) above, and reduced 4% for each year that retirement precedes age 65.
- (3) Postponed (Late) Retirement Benefit: For active members, the Retirement Benefit accrued to Postponed Retirement Date. For inactive members, the retirement benefit as in (1) above, accrued

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2021

to Normal Retirement Date is increased 1/3 of 1% for each month that benefit commencement exceeds Normal Retirement Date.

- (4) **Deferred Vested Benefit:** Retirement benefit accrued to date of termination as in (1) above. Benefits commence at normal retirement date or, if member has 15 or more years of service, as early as age 50 with benefits reduced as described in (2) above. If member delays commencement beyond normal retirement date, the benefit shall be increased as described in (3) above.

(e) Vesting

A participant becomes 100% vested in his or her accrued benefits upon completion of five years of credited service.

Upon termination of employment, vested participants are entitled to plan benefits computed in the same manner as normal retirement benefits.

(f) Plan Termination

The Board has the right to terminate the Plan. Upon plan termination, all funds shall be used to pay participants their retirement income accrued, to the extent funded, as of the date of termination of the Plan. Information regarding vesting benefits provisions and the priority order of the participants' claims upon plan termination may be found in the plan document.

(g) Plan Membership

As of December 31, 2021, the number of benefit recipients and members in the Plan consisted of the following:

Inactive Plan members or beneficiaries currently receiving benefits	33
Inactive Plan members entitled to but not yet receiving benefits	16
Active Plan members	<u>8</u>
Total	<u><u>57</u></u>

(2) Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements were prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The Plan is presented as a fiduciary fund utilizing the accrual basis of accounting where the measurement focus is on the flow of economic resources. Employee and employer contributions are recognized as additions in the period in which they are due and administrative expenses are recognized in the period they are incurred. Investment income is recognized when earned and benefit payments and refunds are recognized when due and payable.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2021

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

(c) Deposits

Cash equivalents consist of financial instruments with original maturity dates of three months or less.

All of the Plan's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") (subject to the FDIC limit or \$250,000 per plan per member).

(d) Valuation of Investment in Collective Legal Investment Fund

The Plan's investment policy is to invest in the Collective Legal Investment Fund (CLIF), which was created by the Board to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of the Plan. The CLIF is an external investment pool, as defined by the GASB, and is not registered with the Securities and Exchange Commission, but is subject to oversight by the Board. The CLIF issues separately available audited financial statements.

Investment in CLIF is measured using net asset value (NAV) per share as a practical expedient to fair value.

(e) Accrued Expenses

Accrued expenses is comprised of amounts primarily representing accruals for professional fees.

(3) Investments

The Board acts as the investment advisor to the Plan. The Plan's investment policy addresses governing provisions and guidelines for the investment process and is approved by the Board. The Plan's investment policy is to invest in the CLIF, which is a balanced portfolio, primarily comprising equity securities, fixed income funds, short-term investments, and alternative investments held in private equity investments. The Plan has no restrictions on withdrawals from the CLIF.

(4) Net Pension Asset

The components of the net pension asset of the employer at December 31, 2021 were as follows:

Total pension liability	\$	4,694,018
Plan fiduciary net position		<u>9,107,118</u>
Net pension asset	\$	<u>(4,413,100)</u>
Plan fiduciary net position as a percentage of the total pension liability		194.02 %

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2021

(a) Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Projected salary increases	3.0% compounded annually
Investment rate of return	7.5% per annum, compounded annually, net of investment expenses
Inflation adjustment	3.0% compounded annually
Mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2011–December 31, 2020.

(b) Expected Rate of Return on Investments

The long-term expected rate of return on the Plan's investment in the CLIF was determined using a building block method in which the best estimate ranges of expected real rates of return (i.e., expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of real rates of return for each major asset class of the CLIF are summarized in the following table as of December 31, 2021:

Asset class	Target asset allocation	Range of Long-term expected real rate of return
Domestic equity	50 %	5.4 to 6.4 %
International equity	10	5.5 to 6.5
Fixed income	30	1.3 to 3.3
Real estate / alternative	10	4.5 to 5.5
Total	100 %	

For the year ended December 31, 2021, the Plan's money weighted-rate of return, net of investment expenses, was 16.11%.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2021

(c) Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the rates applicable to each member and that employer contributions will be made at rates as determined by the actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

(d) Sensitivity of Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the employer calculated using the discount rate of 7.5%, as well as what the employer's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.5 %	Discount rate 7.5 %	1% Increase 8.5 %
Net pension asset	\$ (3,765,583)	(4,413,100)	(4,980,920)

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Schedule of Changes in the Employer's Net Pension Asset and Related Ratios (Unaudited)
December 31, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	\$ 69,784	89,262	86,038	83,001	71,894	67,782	59,390	54,903
Interest	341,443	349,689	356,009	356,110	347,575	338,252	323,854	304,616
Differences between expected and actual experience	(71,805)	(122,177)	(49,736)	72,023	84,417	25,517	225,972	—
Changes of assumptions	85,290	(17,390)	(16,901)	(18,990)	(14,589)	230,890	—	68,390
Benefit payments, including refunds of member contributions	<u>(392,697)</u>	<u>(381,849)</u>	<u>(382,870)</u>	<u>(370,987)</u>	<u>(375,873)</u>	<u>(344,077)</u>	<u>(319,551)</u>	<u>(378,309)</u>
Net change in total pension liability	31,795	(92,445)	(7,460)	121,157	113,424	318,364	289,665	49,600
Total pension liability – beginning	<u>4,662,223</u>	<u>4,754,668</u>	<u>4,782,128</u>	<u>4,640,871</u>	<u>4,527,547</u>	<u>4,209,183</u>	<u>3,819,518</u>	<u>3,889,918</u>
Total pension liability – ending	<u>4,694,018</u>	<u>4,662,223</u>	<u>4,754,668</u>	<u>4,762,128</u>	<u>4,640,971</u>	<u>4,527,547</u>	<u>4,209,183</u>	<u>3,919,518</u>
Plan fiduciary net position:								
Contributions – employer	421,527	263,855	232,320	256,356	385,160	237,720	354,051	412,068
Contributions – member	24,857	30,768	36,390	40,026	35,117	36,306	37,527	45,497
Net investment income	1,263,337	898,459	1,253,875	(348,873)	831,003	344,926	(29,651)	310,254
Benefit payments, including refunds of member contributions	<u>(392,897)</u>	<u>(391,849)</u>	<u>(382,870)</u>	<u>(370,987)</u>	<u>(375,873)</u>	<u>(344,077)</u>	<u>(319,551)</u>	<u>(378,309)</u>
Administrative expenses	<u>(51,133)</u>	<u>(51,720)</u>	<u>(69,867)</u>	<u>(47,874)</u>	<u>(46,563)</u>	<u>(48,851)</u>	<u>(45,967)</u>	<u>(48,553)</u>
Net change in plan fiduciary net position	1,265,691	749,513	1,069,828	(471,352)	829,044	226,024	(3,491)	340,957
Plan fiduciary net position – beginning	<u>7,841,427</u>	<u>7,091,914</u>	<u>6,022,086</u>	<u>6,493,438</u>	<u>5,684,394</u>	<u>5,438,370</u>	<u>5,441,861</u>	<u>5,109,804</u>
Plan fiduciary net position – ending	<u>9,107,118</u>	<u>7,841,427</u>	<u>7,091,914</u>	<u>6,022,086</u>	<u>6,513,438</u>	<u>5,664,394</u>	<u>5,438,370</u>	<u>5,441,861</u>
Net pension asset	<u>\$ (4,413,100)</u>	<u>(3,179,204)</u>	<u>(2,337,240)</u>	<u>(1,259,956)</u>	<u>(1,892,467)</u>	<u>(1,138,847)</u>	<u>(1,229,187)</u>	<u>(1,522,343)</u>
Plan fiduciary net position as a percentage of the total pension liability	194.02 %	168.19 %	149.16 %	126.46 %	139.92 %	125.11 %	129.20 %	138.84 %
Covered employee payroll	\$ 843,969	815,357	908,334	946,203	897,132	993,694	1,241,350	1,319,441
Net pension asset as a percentage of covered employee payroll	(685.30)%	(389.92)%	(257.31)%	(133.16)%	(206.49)%	(114.41)%	(99.02)%	(115.38)%

The requirement for this schedule is to present 10 years of information. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN
Schedule of Employer Contributions (Unaudited)
December 31, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 142,971	263,855	232,320	256,356	385,160	237,720	354,051	412,068
Contributions in relation to the actuarially determined contribution	421,527	263,855	232,320	256,356	385,160	237,720	354,051	412,068
Contribution deficiency (excess)	<u>\$ (278,556)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Covered employee payroll	\$ 643,969	815,357	908,334	946,203	897,132	993,694	1,241,350	1,319,441
Contributions as a percentage of covered employee payroll	65.46 %	32.36 %	25.58 %	27.09 %	42.93 %	23.92 %	28.52 %	31.23 %

The requirement for this schedule is to present 10 years of information. Additional years will be displayed as they become available.

See accompanying Independent auditors' report.

BOARD OF DIRECTORS OF CITY TRUSTS
 CONTRIBUTORY RETIREMENT PLAN
 Schedule of Investment Returns (Unaudited)
 December 31, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money weighted rate of return, net of investment expenses	\$ 16.11 %	12.80 %	21.14 %	(5.42)%	14.67 %	6.41 %	(0.54)%	6.06 %

The requirement for this schedule is to present 10 years of information. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN
Notes to Required Supplementary Information (Unaudited)
December 31, 2021

§1) ~~Disclose~~ **Methods and assumptions used in calculating the actuarial determined contribution.**
The methods and assumptions used in calculating the actuarial determined contribution are as follows:

	2021	2020	2019	2018	2017	2016	2015	2014
Valuation date	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Actuarial cost method	Entry Age Normal 15 years with level payments on an open amortization basis	Entry Age Normal 15 years with level payments on an open amortization basis	Entry Age Normal 15 years with level payments on an open amortization basis	Entry Age Normal 15 years with level payments on an open amortization basis	Entry Age Normal 15 years with level payments on an open amortization basis	Entry Age Normal 15 years with level payments on an open amortization basis	Entry Age Normal 15 years with level payments on an open amortization basis	Entry Age Normal 15 years with level payments on an open amortization basis
Amortization method								
Remaining amortization period	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years
Actuarial assumptions								
Investment rate of return	7.55 %	7.75 %	7.75 %	7.75 %	7.75 %	7.75 %	8.00 %	8.00 %
Projected salary increases	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %
Postretirement mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	RP-2014 with 2019 MP generational scale	RP-2014 with 2018 MP generational scale	RP-2014 with 2017 MP generational scale	RP-2014 with 2016 MP generational scale	RP-2014 with 2015 MP generational scale	RP-2009	RP-2009
Inflation adjustment	3.00 %	3.00 %	2.75 %	2.50 %	2.50 %	2.50 %	2.50 %	2.50 %
Discount rate – actuarially accrued liability	2.70 %	2.72 %	3.49 %	4.14 %	3.79 %	3.48 %	4.70 %	4.06 %

See accompanying independent auditors' report.



**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**
(A Component Unit of the Estate of Stephen Girard, Deceased)

Basic Financial Statements with Required Supplementary Information

December 31, 2021

(With Independent Auditors' Report Thereon)

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

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KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

The Members of the Board
Board of Directors of City Trusts:

Opinion

We have audited the financial statements of the Board of Directors of City Trusts Girard Non-Contributory Retirement Plan (the Plan), a component unit of the Estate of Stephen Girard, Deceased, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements for the year then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2021, and the changes in fiduciary net position for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit 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 the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan'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.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information in schedules 1 through 3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

Philadelphia, Pennsylvania
July 28, 2023

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2021

The following discussion and analysis of the Board of Directors of City Trusts Girard Non-Contributory Retirement Plan, a component unit of the Estate of Stephen Girard, Deceased, ("Plan") provides an overview of the financial activities of the Plan for the year ended December 31, 2021.

The information contained within this Management's Discussion and Analysis is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the Notes to the Financial Statements that is provided in addition to this Management's Discussion and Analysis.

The Plan is a single employer defined benefit plan for certain employees of the Board of Directors of City Trusts acting for the City of Philadelphia, Trustee (the Board). The Plan covers Girard Estate and Girard College non-union employees, hired prior to September 1, 2010, and certain union employees, hired prior to September 16, 2019, who have completed one year of service regardless of age and certain union employees under union contracts that provide for participation.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction into the Plan's financial statements. The Plan is considered a fiduciary fund in accordance with governmental accounting standards. Fiduciary funds are used to account for resources held for the benefit of parties outside a government. The Plan's financial statements comprise the statement of fiduciary net position, statement of changes in fiduciary net position, notes to the financial statements, and required supplementary information.

Statement of Fiduciary Net Position

This statement is used to account for resources held in a trustee or agency capacity for others and are not available for the support of any government programs. This statement presents the total assets held less any liabilities to report the net position restricted for pension benefits for the Plan. Investments are shown at fair value and all other assets and liabilities are determined on an accrual basis.

Statement of Changes in Fiduciary Net Position

This statement presents the results of activities during the year. Activities include additions of employer contributions, investment income, net appreciation of investments, and deductions including benefit payments and administrative expenses to determine the change in net position restricted for pension benefits for the year.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements providing additional detail that is essential to a full understanding of the financial statements.

Required Supplementary Information (Unaudited)

This information is not audited and includes management's discussion and analysis (this section), a schedule of changes in the employer's net pension asset and related ratios, a schedule of employer contributions, a schedule of investment returns, and the notes to required supplementary information.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2021

Financial Highlights

The Plan's net position restricted for pension benefits increased approximately \$6.9 million (15%) compared to an increase of approximately \$4.3 million (10%) in 2020. The increase was primarily due to improved market conditions and fluctuations of investment returns.

Condensed Financial Information

The following schedule is a summary of the December 31, 2021 Statement of Fiduciary Net Position with comparative information as of December 31, 2020.

Fiduciary Net Position

	<u>2021</u>	<u>2020</u>
Investments	\$ 53,032,307	45,972,518
Net other assets and liabilities	<u>382,414</u>	<u>567,802</u>
Net position restricted for pension benefits	<u>\$ 53,414,721</u>	<u>46,540,320</u>

During the year ended December 31, 2021, the various stock market indices all experienced increases which had a direct impact on the Plan's investments which increased by approximately \$7.1 million (15%).

The following schedule is a summary of the statement of changes in Fiduciary Net Position for the year ended December 31, 2021 with comparative information for the year ended December 31, 2020.

Changes in Fiduciary Net Position

	<u>2021</u>	<u>2020</u>
Additions:		
Contributions	\$ 1,140,000	790,000
Net investment income	<u>7,542,470</u>	<u>5,351,887</u>
Total additions	<u>8,682,470</u>	<u>6,141,887</u>
Deductions:		
Benefit payments, including return of employee contributions	1,744,323	1,741,520
Administrative expenses	<u>63,746</u>	<u>64,410</u>
Total deductions	<u>1,808,069</u>	<u>1,805,930</u>
Increase in net position restricted for pension benefits	<u>\$ 6,874,401</u>	<u>4,335,957</u>

Due to favorable market conditions, net investment income increased approximately \$2.2 million. Contributions during 2021 increased \$350,000 from 2020 primarily from an increase in employer contributions.

Benefit payments and administrative expenses were approximately the same each year.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2021

Plan Investments

The Plan's investment policy is to invest in the Collective Legal Investment Fund (CLIF) which was created by the Board to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of this Plan, the Estate of Stephen Girard, Deceased, Wills Eye Hospital, two other retirement plans of the Board, and the 117 smaller trusts. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments, and alternative investments held in private equity investments. At December 31, 2021, all of the Plan's investments are held in the CLIF which owned 354,706 units (approximately 7.2% of total units) in the CLIF. The following is a summary of the CLIF's investments at fair value as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Short-term investments	\$ 21,832,596	10,744,250
Equity securities:		
Domestic	430,293,993	381,205,029
International	<u>42,494,621</u>	<u>40,525,106</u>
Total equity securities	472,788,614	421,730,135
Fixed income:		
U.S. Government and agencies	53,524,537	58,303,064
Corporate and other	53,089,209	62,734,129
Asset-backed securities	4,201,261	5,508,943
Mortgage-backed securities	6,017,537	6,202,278
Mutual funds	<u>92,018,144</u>	<u>40,374,715</u>
Total fixed income	208,850,688	173,123,129
Alternative investments	<u>34,618,179</u>	<u>15,930,855</u>
Total	<u>\$ 738,090,077</u>	<u>621,528,369</u>

Contact Information

This financial report is designed to provide families, supporters, investors and creditors with a general overview of the Plan's finances and to demonstrate the Plan's accountability. Additional information is also available on the Plan's website at www.citytrusts.com. If you have any questions about this report or would like additional information, please contact:

Finance Department
Board of Directors of City Trusts
Girard Non-Contributory Retirement Plan
c/o Board of City Trusts
1101 Market Street
Suite 2600
Philadelphia, PA 19107
215-568-0440

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Statement of Fiduciary Net Position

December 31, 2021

Assets:	
Cash	\$ 254,114
Investment income receivable	147,967
Investment in Collective Legal Investment Fund	<u>53,032,307</u>
Total assets	<u>53,434,388</u>
Liabilities:	
Accrued expenses	<u>19,667</u>
Total liabilities	<u>19,667</u>
Net position restricted for pensions	<u><u>\$ 53,414,721</u></u>

See accompanying notes to basic financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Additions:		
Employer contributions		\$ 1,140,000
Net investment income:		
Investment income		802,079
Net appreciation of investments		<u>7,059,790</u>
Total investment income		7,861,869
Investment expenses		<u>(319,399)</u>
Net investment income		<u>7,542,470</u>
Total additions		8,682,470
Deductions:		
Benefit payments, including refunds of member contributions		1,744,323
Administrative expenses		<u>63,746</u>
Total deductions		<u>1,808,069</u>
Net increase in net position restricted for pension benefits		6,874,401
Net position restricted for pensions, beginning of year		<u>46,540,320</u>
Net position restricted for pensions, end of year		<u><u>\$ 53,414,721</u></u>

See accompanying notes to basic financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2021

(1) Description of Plan

(a) General

The Board of Directors of City Trusts Girard Non-Contributory Retirement Plan (the Plan) is a single employer defined benefit plan for certain employees of the Board of Directors of City Trusts acting for the City of Philadelphia, Trustee (the Board). The Plan covers Girard Estate and Girard College non-union employees, hired prior to September 1, 2010, and certain union employees, hired prior to September 16, 2019, who have completed one year of service regardless of age and certain union employees under union contracts that provide for participation. Other union employees are eligible for coverage under a contributory plan. All administrative expenses are paid out of plan assets. Participants should refer to the plan document for more complete information.

(b) Board of Directors

The Board of Directors are appointed by the Judges of Courts of Common Pleas of Philadelphia and consists of fourteen members of which twelve have voting rights.

(c) Funding Policy

The Board contributes amounts as necessary to provide the Plan with sufficient assets to meet the benefits to be paid to plan members, based upon amounts recommended by the Plan's actuary. Such amounts are determined in accordance with the projected unit credit actuarial cost method.

(d) Benefits

Plan participants who have attained age 65 are entitled to receive retirement benefits payable during their lifetime on the first day of each month following their retirement or termination of employment. Early retirement and survivor benefits are also available to participants.

Benefits are based on salary and years of service. Early retirement benefits are calculated by discounting the normal retirement benefit by an early retirement factor.

- (1) Normal Retirement Benefit, with an effective date of May 1, 1975; except for union employees where the effective date shall be the effective date of the union contract in which the plan participant is first included (effective date), includes:

- (i) Accrued Benefit: The annual accrued benefit credited in the prior Contributory Plan as of the effective date of this Plan, if any, plus
- (ii) Past Service Benefit: 1% of annual pay on the effective date multiplied by years of service to the effective date, provided the members had not attained age 65 on the effective date, plus
- (iii) Future Service Benefit: 1.5% (2% for non-union employees) of final 5-year average pay multiplied by years of service from date of participation to retirement.

Monthly retirement income shall not exceed 50% of final monthly base pay.

- (2) Early Retirement Benefit: Income accrued to early retirement date as in (1) above, reduced 1/3 of 1% for each month by which the benefit commencement date preceded Normal Retirement Date.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2021

- (3) Deferred Vested Income: Income accrued to date of termination as in (1) above. Benefits commence at Normal Retirement Date or, if member has 15 or more years of service, as early as age 50 with benefits reduced as described in (2) above.

(e) Vesting

A participant becomes 100% vested in his or her accrued benefits upon completion of five years of credited service.

Upon termination of employment, the amount of benefit that a vested participant is entitled to under the Plan will be computed based on years of membership service and average monthly salary at the time of termination.

(f) Plan Termination

The Board has the right to terminate the Plan. Upon plan termination, all funds shall be used to pay participants their retirement income accrued, to the extent funded, as of the date of termination of the Plan. Information regarding vesting benefits provisions and the priority order of the participants' claims upon plan termination may be found in the plan document.

(g) Plan Membership

As of December 31, 2021, the number of benefit recipients and members in the Plan consisted of the following:

Inactive Plan members or beneficiaries currently receiving benefits	135
Inactive Plan members entitled to but not yet receiving benefits	137
Active Plan members	58
Total	330

(2) Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements were prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB).

The Plan is presented as a fiduciary fund utilizing the accrual basis of accounting where the measurement focus is on the flow of economic resources. Employer contributions are recognized as additions in the period in which they are due and administrative expenses are recognized in the period they are incurred. Investment income is recognized when earned and benefit payments and refunds are recognized when due and payable.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2021

of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

(c) Deposits

Cash equivalents consist of financial instruments with original maturity dates of three months or less.

All of the Plan's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") (subject to the FDIC limit or \$250,000 per plan per member).

(d) Valuation of Investment in Collective Legal Investment Fund

The Plan's investment policy is to invest in the Collective Legal Investment Fund (CLIF), which was created by the Board to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of the Plan. The CLIF is an external investment pool, as defined by the GASB, and is not registered with the Securities and Exchange Commission, but is subject to oversight by the Board. The CLIF issues separately available audited financial statements.

Investment in CLIF is measured using net asset value (NAV) per share as a practical expedient to fair value.

(e) Accrued Expenses

Accrued expenses is comprised of amounts primarily representing accruals for professional fees.

(3) Investments

The Board acts as the investment advisor to the Plan. The Plan's investment policy addresses governing provisions and guidelines for the investment process and is approved by the Board. The Plan's investment policy is to invest in the CLIF, which is a balanced portfolio, primarily comprising equity securities, fixed income funds, short-term investments, and alternative investments held in private equity investments. The Plan has no restrictions on withdrawals from the CLIF.

(4) Net Pension Asset

The components of the net pension asset of the employer at December 31, 2021 were as follows:

Total pension liability	\$	28,221,862
Plan fiduciary net position		<u>53,414,721</u>
Net pension asset	\$	<u>(25,192,859)</u>
Plan fiduciary net position as a percentage of the total pension liability		189.27 %

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2021

(a) Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Projected salary increases	3.0% compounded annually
Investment rate of return	7.5% per annum, compounded annually, net of investment expenses
Inflation adjustment	3.0% compounded annually
Mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2011–December 31, 2020.

(b) Expected Rate of Return on Investments

The long-term expected rate of return on the Plan's investment in the CLIF was determined using a building block method in which the best estimate ranges of expected real rates of return (i.e., expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of real rates of return for each major asset class of the CLIF are summarized in the following table as of December 31, 2021:

Asset class	Target asset allocation	Range of Long-term expected real rate of return
Domestic equity	50 %	5.4% to 6.4%
International equity	10 %	5.5 to 6.5
Fixed income	30 %	1.3 to 3.3
Real estate / alternative	10 %	4.5 to 5.5
Total	100 %	

For the year ended December 31, 2021, the Plan's money weighted-rate of return, net of investment expenses, was 16.32%.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2021

(c) Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that employer contributions will be made at rates as determined by the actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

(d) Sensitivity of Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the employer calculated using the discount rate of 7.5%, as well as what the employer's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.5%	Discount rate 7.5%	1% Increase 8.5%
Net pension asset	\$ (21,525,782)	(25,192,859)	(28,218,901)

BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN

Schedule of Changes in the Employer's Net Pension Asset and Related Ratios (Unaudited)

December 31, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 167,962	163,327	169,689	185,901	219,495	225,789	239,019	245,000
Interest	2,022,900	2,019,863	1,986,825	1,963,436	1,969,149	1,961,454	1,864,464	1,795,610
Differences between expected and actual experience	87,917	(1,494)	(51,111)	(822,615)	(293,763)	27,297	76,633	—
Changes of assumptions	114,890	376,911	(94,901)	(98,567)	(91,205)	1,225,000	—	367,911
Benefit payments, including refunds of member contributions	(1,744,323)	(1,741,520)	(1,703,893)	(1,687,431)	(1,500,874)	(1,372,869)	(1,308,143)	(1,201,062)
Net change in total pension liability	649,346	817,087	306,609	(439,276)	316,802	2,066,671	675,967	1,207,459
Total pension liability – beginning	27,572,516	26,755,429	26,448,820	26,888,096	28,571,294	24,504,623	23,629,656	22,421,187
Total pension liability – ending	\$ 28,221,862	27,572,516	26,755,429	26,448,820	28,888,096	26,571,294	24,304,623	23,628,646
Plan fiduciary net position								
Contributions – employer	\$ 1,140,000	790,000	520,000	1,475,616	1,927,488	1,927,488	1,927,488	1,927,488
Net investment income	7,542,470	5,351,887	7,499,404	(2,111,704)	4,588,022	2,017,683	(167,071)	1,722,310
Benefit payments, including refunds of member contributions	(1,744,323)	(1,741,520)	(1,703,893)	(1,667,431)	(1,506,874)	(1,372,869)	(1,306,149)	(1,201,062)
Administrative expense	(63,746)	(644,10)	(60,911)	(59,318)	(57,347)	(54,883)	(55,841)	(60,212)
Net change in plan fiduciary net position	6,874,401	4,335,957	6,254,600	(2,362,837)	4,951,289	2,517,619	398,427	2,388,524
Plan fiduciary net position – beginning	45,540,320	42,204,363	35,949,763	38,312,600	33,361,311	30,843,692	30,445,265	28,056,741
Plan fiduciary net position – ending	\$ 52,414,721	46,540,320	42,204,363	35,949,763	38,312,600	33,361,311	30,843,692	30,445,265
Net pension asset	\$ (25,192,859)	(18,987,804)	(15,448,934)	(9,500,943)	(11,424,504)	(6,790,017)	(6,338,069)	(6,816,809)
Plan fiduciary net position as a percentage of the total pension liability	189.27 %	168.79 %	157.74 %	135.92 %	142.49 %	125.55 %	125.87 %	128.85 %
Covered employee payroll	3,586,030	3,687,840	3,799,354	4,565,227	4,865,493	4,607,230	4,940,396	5,719,484
Net pension asset as a percentage of covered employee payroll	(7.025)%	(5.171)%	(4.066)%	(2.081)%	(2.348)%	(1.474)%	(1.283)%	(1.192)%

The requirement for this schedule is to present 10 years of information. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Schedule of Employer Contributions (Unaudited)

December 31, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,140,000	790,000	520,000	1,475,616	1,927,488	1,927,488	1,927,488	1,927,488
Contributions in relation to the actuarially determined contribution	1,140,000	790,000	520,000	1,475,616	1,927,488	1,927,488	1,927,488	1,927,488
Contribution deficiency (excess)	\$ ---	---	---	---	---	---	---	---
Covered employee payroll	\$ 3,588,030	3,799,354	3,799,354	4,565,227	4,865,493	4,607,230	4,940,388	5,719,484
Contributions as a percentage of covered employee payroll	31.79 %	20.79 %	13.69 %	32.32 %	39.62 %	41.84 %	39.01 %	33.70 %

The requirement for this schedule is to present 10 years of information. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Schedule of Investment Returns (Unaudited)

December 31, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money weighted rate of return, net of investment expenses	16.32 %	12.84 %	21.23 %	(5.53) %	13.68 %	6.49 %	(0.54) %	6.07 %

The requirement for this schedule is to present 10 years of information. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN
Notes to Required Supplementary Information (Unaudited)
December 31, 2021

(1) Significant methods and assumptions used in calculating the actuarially determined contributions

The methods and assumptions used in calculating the actuarially determined contributions are as follows:

	2021	2020	2019	2018	2017	2016	2015	2014
Valuation date	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis
Remaining amortization period	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years
Actuarial assumptions:								
Investment rate of return	7.50 %	7.50 %	7.75 %	7.75 %	7.75 %	7.75 %	8.00 %	8.00 %
Projected salary increases	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %
Postretirement mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2020 MP generational scale	RP-2014 with 2016 MP generational scale	RP-2014 with 2017 MP generational scale	RP-2014 with 2016 MP generational scale	RP-2014 with 2015 MP generational scale	RP-2000	RP-2000
Inflation adjustment	3.00 %	3.00 %	2.75 %	2.50 %	2.50 %	2.50 %	2.50 %	2.50 %
Discount rate - actuarially accrued liability	2.73 %	2.64 %	3.46 %	4.14 %	3.77 %	3.51 %	4.27 %	4.16 %

See accompanying independent auditors' report.



**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**
(A Component Unit of Wills Eye Hospital)

Basic Financial Statements with Required Supplementary Information

December 31, 2021

(With Independent Auditors' Report Thereon)

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

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KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

The Members of the Board
Board of Directors of City Trusts:

Opinion

We have audited the financial statements of the Board of Directors of City Trusts Wills Eye Health System Non-Contributory Retirement Plan (the Plan), a component unit of Wills Eye Hospital, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements for the year then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2021, and the changes in fiduciary net position for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit 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 the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan'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.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information in schedules 1 through 3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

Philadelphia, Pennsylvania
July 28, 2023

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2021

The following discussion and analysis of the Board of Directors of City Trusts Wills Eye Health System Non-Contributory Retirement Plan, a component unit of Wills Eye Hospital, ("Plan") provides an overview of the financial activities of the Plan for the year ended December 31, 2021.

The information contained within this Management's Discussion and Analysis is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the Notes to the Financial Statements that is provided in addition to this Management's Discussion and Analysis.

The Plan is a single employer defined benefit plan for certain employees of the Board of Directors of City Trusts acting for the City of Philadelphia, Trustee (the Board). The Plan covers Wills Eye Health System nonunion employees, hired prior to September 10, 2010, who have completed one year of service regardless of age and certain union employees under union contracts that provide for participation.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction into the Plan's financial statements. The Plan is considered a fiduciary fund in accordance with governmental accounting standards. Fiduciary funds are used to account for resources held for the benefit of parties outside a government. The Plan's financial statements comprise the statement of fiduciary net position, statement of changes in fiduciary net position, notes to the financial statements, and required supplementary information.

Statement of Fiduciary Net Position

This statement is used to account for resources held in a trustee or agency capacity for others and are not available for the support of any government programs. This statement presents the total assets held less any liabilities to report the net position restricted for pension benefits for the Plan. Investments are shown at fair value and all other assets and liabilities are determined on an accrual basis.

Statement of Changes in Fiduciary Net Position

This statement presents the results of activities during the year. Activities include additions of employer contributions, investment income, net appreciation of investments, and deductions including benefit payments and administrative expenses to determine the change in net position restricted for pension benefits for the year.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements providing additional detail that is essential to a full understanding of the financial statements.

Required Supplementary Information (Unaudited)

This information is not audited and includes management's discussion and analysis (this section), a schedule of changes in the employer's net pension asset and related ratios, a schedule of employer contributions, a schedule of investment returns, and the notes to required supplementary information.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**
Management's Discussion and Analysis (Unaudited)
December 31, 2021

Financial Highlights

The Plan's net position restricted for pension benefits increased approximately \$5.2 million (13%) compared to an increase of approximately \$3.4 million (10%) in 2020. The increase was primarily due to improved market conditions and fluctuations of investment returns.

Condensed Financial Information

The following schedule is a summary of the December 31, 2021 Statement of Fiduciary Net Position with comparative information as of December 31, 2020.

Fiduciary Net Position

	<u>2021</u>	<u>2020</u>
Investments	\$ 45,473,350	40,264,872
Net other assets and liabilities	<u>429,382</u>	<u>392,290</u>
Net position restricted for pension benefits	<u>\$ 45,902,732</u>	<u>40,657,162</u>

During the year ended December 31, 2021, the various stock market indices all experienced increases which had a direct impact on the Plan's investments which increased by approximately \$5.2 million (13%).

The following schedule is a summary of the statement of changes in Fiduciary Net Position for the year ended December 31, 2021 with comparative information for the year ended December 31, 2020.

Changes in Fiduciary Net Position

	<u>2021</u>	<u>2020</u>
Additions:		
Contributions	\$ 1,500,000	1,500,000
Net investment income	<u>6,524,205</u>	<u>4,679,321</u>
Total additions	<u>8,024,205</u>	<u>6,179,321</u>
Deductions:		
Benefit payments, including return of employee contributions	2,703,821	2,686,540
Administrative expenses	<u>74,814</u>	<u>74,926</u>
Total deductions	<u>2,778,635</u>	<u>2,761,466</u>
Increase in net position restricted for pension benefits	<u>\$ 5,245,570</u>	<u>3,417,855</u>

Due to favorable market conditions, net investment income increased approximately \$1.8 million while employer contributions remained flat.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2021

Benefit payments and administrative expenses were approximately the same each year.

Plan Investments

The Plan's investment policy is to invest in the Collective Legal Investment Fund (CLIF) which was created by the Board to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of this Plan, the Estate of Stephen Girard, Deceased, Wills Eye Hospital, two other retirement plans of the Board, and the 117 smaller trusts. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments, and alternative investments held in private equity investments. At December 31, 2021, all of the Plan's investments are held in the CLIF which owned 304,148 units (approximately 6.2% of total units) in the CLIF.

The following is a summary of the CLIF's investments at fair value as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Short-term investments	\$ 21,832,596	10,744,250
Equity securities:		
Domestic	430,293,993	381,205,029
International	<u>42,494,621</u>	<u>40,525,106</u>
Total equity securities	<u>472,788,614</u>	<u>421,730,135</u>
Fixed income:		
U.S. Government and agencies	53,524,537	58,303,064
Corporate and other	53,089,209	62,734,129
Asset-backed securities	4,201,261	5,508,943
Mortgage-backed securities	6,017,537	6,202,278
Mutual funds	<u>92,018,144</u>	<u>40,374,715</u>
Total fixed income	208,850,688	173,123,129
Alternative investments	<u>34,618,179</u>	<u>15,930,855</u>
Total	<u>\$ 738,090,077</u>	<u>621,528,369</u>

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2021

Contact Information

This financial report is designed to provide families, supporters, investors and creditors with a general overview of the Plan's finances and to demonstrate the Plan's accountability. Additional information is also available on the Plan's website at www.citytrusts.com. If you have any questions about this report or would like additional information, please contact:

Finance Department
Board of Directors of City Trusts
Wills Eye Health System
Non-Contributory Retirement Plan
c/o Board of City Trusts
1101 Market Street
Suite 2600
Philadelphia, PA 19107
215-568-0440

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Statement of Fiduciary Net Position

December 31, 2021

Assets	
Cash	\$ 330,615
Investment income receivable	126,084
Investment in Collective Legal Investment Fund	<u>45,473,350</u>
Total assets	<u>45,930,049</u>
Liabilities	
Accrued expenses	<u>27,317</u>
Total liabilities	<u>27,317</u>
Net position restricted for pensions	\$ <u><u>45,902,732</u></u>

See accompanying notes to basic financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Statement of Changes in Fiduciary Net Position

Year ended December 31, 2021

Additions:	
Employer contributions	\$ 1,500,000
Net investment income:	
Investment income	690,748
Net appreciation of investments	<u>6,108,659</u>
Total investment income	6,799,407
Investment expenses	<u>(275,202)</u>
Net investment income	<u>6,524,205</u>
Total additions	<u>8,024,205</u>
Deductions:	
Benefit payments, including refunds of member contributions	2,703,821
Administrative expenses	<u>74,814</u>
Total deductions	<u>2,778,635</u>
Net increase in net position restricted for pension benefits	5,245,570
Net position restricted for pensions, beginning of year	<u>40,657,162</u>
Net position restricted for pensions, end of year	<u><u>\$ 45,902,732</u></u>

See accompanying notes to basic financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2021

(1) Description of Plan

(a) General

The Board of Directors of City Trusts Wills Eye Health System Non-Contributory Retirement Plan (the Plan) is a single employer defined benefit plan for certain employees of the Board of Directors of City Trusts acting for the City of Philadelphia, Trustee (the Board). The Plan covers Wills Eye Health System nonunion employees, hired prior to September 10, 2010, who have completed one year of service regardless of age and certain union employees under union contracts that provide for participation. All administrative expenses are paid out of plan assets. Participants should refer to the plan document for more complete information.

(b) Board of Directors

The Board of Directors are appointed by the Judges of Courts of Common Pleas of Philadelphia and consists of fourteen members of which twelve have voting rights.

(c) Funding Policy

The Board contributes amounts as are necessary to provide the Plan with sufficient assets to meet the benefits to be paid to plan members, based upon amounts recommended by the Plan's actuary. Such amounts are determined in accordance with the projected unit credit actuarial cost method.

(d) Benefits

Plan participants who have attained age 65 are entitled to receive retirement benefits payable during their lifetime on the first day of each month following their retirement or termination of employment. Early retirement and survivor benefits are also available to participants.

Benefits are based on salary and years of service. Early retirement benefits are calculated by discounting the normal retirement benefit by an early retirement factor.

- (1) Normal Retirement Benefit, with an effective date of May 1, 1975; except for union employees where the effective date shall be the effective date of the union contract in which the plan participant is first included (effective date), includes:

- (i) Accrued Benefit: The annual accrued benefit credited in the prior Contributory Plan as of the effective date of this Plan, if any, plus
- (ii) Past Service Benefit: 1% of annual pay on the effective date multiplied by years of service to the effective date, provided the members had not attained age 65 on the effective date, plus
- (iii) Future Service Benefit: 1.5% of final 5-year average pay multiplied by years of service from date of participation to retirement.

For non-union employees, 2.0% of final 5-year average pay multiplied by years of service from date of participation to retirement.

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Monthly retirement income shall not exceed 50% of final monthly base pay and shall not be less than \$200 per month (as a single life annuity).

- (2) Early Retirement Benefit: Income accrued to early retirement date as in (1) above, reduced 1/3 of 1% for each month by which the benefit commencement date preceded Normal Retirement Date.
- (3) Deferred Vested Income: Income accrued to date of termination as in (1) above. Benefits commence at Normal Retirement Date or, if member has 15 or more years of service, as early as age 50 with benefits reduced as described in (2) above.

(e) Vesting

A participant becomes 100% vested in his or her accrued benefits upon completion of five years of credited service.

Upon termination of employment, the amount of benefit that a vested participant is entitled to under the Plan will be computed based on years of membership service and average monthly salary at the time of termination.

(f) Plan Termination

The Board has the right to terminate the Plan. Upon plan termination, all funds shall be used to pay participants their retirement income accrued, to the extent funded, as of the date of termination of the Plan. Information regarding vesting benefits provisions and the priority order of the participants' claims upon plan termination may be found in the plan document.

(g) Plan Membership

As of December 31, 2021, the number of benefit recipients and members in the Plan consisted of the following:

Inactive Plan members or beneficiaries currently receiving benefits	267
Inactive Plan members entitled to but not yet receiving benefits	147
Active Plan members	<u>16</u>
Total	<u><u>430</u></u>

(2) Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements were prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB).

The Plan is presented as a fiduciary fund utilizing the accrual basis of accounting where the measurement focus is on the flow of economic resources. Employer contributions are recognized as additions in the period in which they are due and administrative expenses are recognized in the period

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they are incurred. Investment income is recognized when earned and benefit payments and refunds are recognized when due and payable.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

(c) Deposits

Cash equivalents consist of financial instruments with original maturity dates of three months or less.

All of the Plan's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") (subject to the FDIC limit or \$250,000 per plan per member). However, the Plan's cash balances can exceed FDIC insured limits. As of December 31, 2021, cash in the bank amounted to \$328,314, of which \$78,314 was uninsured.

(d) Valuation of Investment in Collective Legal Investment Fund

The Plan's investment policy is to invest in the Collective Legal Investment Fund (CLIF), which was created by the Board to pool for investment management purposes the collective assets of the trusts it manages, including certain assets of the Plan. The CLIF is an external investment pool, as defined by the GASB, and is not registered with the Securities and Exchange Commission, but is subject to oversight by the Board. The CLIF issues separately available audited financial statements.

Investment in CLIF is measured using net asset value (NAV) per share as a practical expedient to fair value.

(e) Accrued Expenses

Accrued expenses is comprised of amounts primarily representing accruals for professional fees.

(3) Investments

The Board acts as the investment advisor to the Plan. The Plan's investment policy addresses governing provisions and guidelines for the investment process and is approved by the Board. The Plan's investment policy is to invest in the CLIF, which is a balanced portfolio, primarily comprising equity securities, fixed income funds, short-term investments, and alternative investments held in private equity investments. The Plan has no restrictions on withdrawals from the CLIF.

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(4) Net Pension Asset

The components of the net pension asset of the employer at December 31, 2021 were as follows:

Total pension liability	\$ 37,676,113
Plan fiduciary net position	<u>45,902,732</u>
Net pension asset	<u>\$ (8,226,619)</u>
Plan fiduciary net position as a percentage of the total pension liability	121.84 %

(a) Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to December 31, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Projected salary increases	3.0% compounded annually
Investment rate of return	7.5% per annum, compounded annually, net of investment expenses
Inflation adjustment	3.0% compounded annually
Mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2011–December 31, 2020.

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(b) Expected Rate of Return on Investments

The long-term expected rate of return on the Plan's investment in the CLIF was determined using a building block method in which the best estimate ranges of expected real rates of return (i.e., expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of real rates of return for each major asset class of the CLIF are summarized in the following table as of December 31, 2021:

Asset class	Target asset allocation	Range of long-term expected real rate of return
Domestic equity	50 %	5.4 to 6.4%
International equity	10	5.5 to 6.5
Fixed income	30	1.3 to 3.3
Real estate / alternative	10	4.5 to 5.5
Total	100 %	

For the year ended December 31, 2021, the Plan's money weighted-rate of return, net of investment expenses, was 15.64%.

(c) Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that employer contributions will be made at rates as determined by the actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

(d) Sensitivity of Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the employer, calculated using the discount rate of 7.5%, as well as what the employer's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.5 %	Discount rate 7.5 %	1% Increase 8.5 %
Net pension asset	\$ (4,420,489)	(8,226,619)	(11,918,377)

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Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios (Unaudited)

December 31, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	\$ 51,874	77,549	131,139	129,707	146,763	151,489	157,934	167,278
Interest	2,713,580	2,775,905	2,749,757	2,749,422	2,771,758	2,692,747	2,626,675	2,593,140
Differences between expected and actual experience	(291,457)	189,950	(112,972)	(480,885)	826,767	(59,937)	88,779	—
Changes of assumptions	157,822	522,419	(132,000)	(139,000)	(130,000)	1,678,000	—	512,400
Benefit payments, including refunds of member contributions	<u>(2,703,821)</u>	<u>(2,888,540)</u>	<u>(2,673,431)</u>	<u>(2,590,846)</u>	<u>(2,549,887)</u>	<u>(2,485,082)</u>	<u>(2,478,685)</u>	<u>(2,364,835)</u>
Net change in total pension liability	(72,002)	679,283	(37,507)	(331,406)	1,065,601	1,975,217	394,703	907,983
Total pension liability - beginning	<u>37,748,115</u>	<u>36,868,832</u>	<u>36,906,339</u>	<u>37,237,745</u>	<u>36,172,144</u>	<u>34,196,927</u>	<u>33,802,224</u>	<u>32,894,241</u>
Total pension liability - ending	<u>37,676,113</u>	<u>37,748,115</u>	<u>36,868,832</u>	<u>36,906,339</u>	<u>37,237,745</u>	<u>36,172,144</u>	<u>34,196,927</u>	<u>33,802,224</u>
Plan fiduciary net position:								
Contributions - employer	1,500,000	1,500,000	1,501,400	1,325,000	1,200,000	1,200,000	1,200,000	1,020,000
Net investment income	6,524,205	4,679,321	6,813,092	(1,867,167)	4,333,178	1,954,950	(135,553)	1,921,812
Benefit payments, including refunds of member contributions	(2,703,821)	(2,686,540)	(2,673,431)	(2,590,846)	(2,549,887)	(2,485,082)	(2,478,685)	(2,364,835)
Administrative expense	<u>(74,814)</u>	<u>(74,926)</u>	<u>(71,305)</u>	<u>(66,786)</u>	<u>(62,989)</u>	<u>(69,933)</u>	<u>(54,508)</u>	<u>(59,844)</u>
Net change in plan fiduciary net position	5,245,570	3,417,855	5,369,756	(3,199,599)	2,920,502	599,935	(1,468,746)	517,133
Plan fiduciary net position - beginning	<u>40,657,182</u>	<u>37,239,307</u>	<u>31,869,551</u>	<u>35,069,150</u>	<u>32,148,648</u>	<u>31,548,713</u>	<u>33,017,459</u>	<u>32,500,326</u>
Plan fiduciary net position - ending	<u>45,902,732</u>	<u>40,657,162</u>	<u>37,239,307</u>	<u>31,869,551</u>	<u>35,069,150</u>	<u>32,148,648</u>	<u>31,548,713</u>	<u>33,017,459</u>
Net pension liability (asset)	<u>\$ (8,226,619)</u>	<u>(2,909,047)</u>	<u>(370,475)</u>	<u>5,036,788</u>	<u>2,168,595</u>	<u>4,023,496</u>	<u>2,648,214</u>	<u>784,765</u>
Plan fiduciary net position as a percentage of the total pension liability	121.84 %	107.71 %	101.00 %	88.35 %	94.18 %	88.88 %	92.26 %	97.68 %
Covered employee payroll	\$ 2,242,447	2,236,885	2,208,357	2,235,608	2,484,534	2,718,440	2,635,641	2,714,612
Net pension asset as a percentage of covered employee payroll	(366.86)%	(130.05)%	(16.78)%	225.30 %	87.28 %	148.01 %	100.46 %	289.1 %

The requirement for this schedule is to present 10 years of information. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

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Schedule of Employer Contributions (Unaudited)
December 31, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,500,000	1,500,000	1,501,400	1,325,000	1,200,000	1,200,000	1,200,000	1,020,000
Contributions in relation to the actuarially determined contribution	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,501,400</u>	<u>1,325,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,020,000</u>
Contribution deficiency (excess)	\$							
Covered employee payroll	\$ 2,242,447	2,236,885	2,208,357	2,235,608	2,484,534	2,718,440	2,635,641	2,714,612
Contributions as a percentage of covered employee payroll	66.89 %	67.06 %	67.99 %	59.27 %	48.30 %	44.14 %	45.53 %	37.57 %

The requirement for this schedule is to present 10 years of information. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

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 Schedule of Investment Returns (Unaudited)
 December 31, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money weighted rate of return, net of investment expenses	15.64 %	12.78 %	21.16 %	(5.43)%	13.78 %	6.33 %	(0.42)%	6.04 %

The requirement for this schedule is to present 10 years of information. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

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Notes to Required Supplementary Information (Unaudited)
December 31, 2021

(1) Significant methods and assumptions used in calculating the actuarially determined contributions:

The methods and assumptions used in calculating the actuarially determined contributions are as follows:

	2021	2020	2019	2018	2017	2016	2015	2014
Valuation date	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis	15 years with level payments on an open amortization basis
Remaining amortization period	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years
Actuarial assumptions:								
Investment rate of return	7.50 %	7.50 %	7.75 %	7.75 %	7.75 %	7.75 %	8.00 %	8.00 %
Projected salary increases	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %
Postretirement mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	PRI-2012 Amount Weighted Mortality Table with 2020 MP generational scale	RP-2014 with 2018 MP generational scale	RP-2014 with 2017 MP generational scale	RP-2014 with 2016 MP generational scale	RP-2014 with 2015 MP generational scale	RP-2000	RP-2000
Inflation adjustment	3.00 %	3.00 %	2.75 %	2.30 %	2.50 %	2.50 %	2.50 %	2.50 %
Discount rate – actuarially accrued liability	2.56 %	2.45 %	3.34 %	4.08 %	3.65 %	3.35 %	4.11 %	4.01 %

See accompanying Independent audit firm report.