

**BOARD OF DIRECTORS OF CITY TRUSTS
ACTING FOR THE CITY OF PHILADELPHIA
2022 ANNUAL REPORT**

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One Hundred Fifty Second 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 2022. 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 year ended June 30, 2022 and financial statements for the Estate of Stephen Girard, Deceased (the “Girard Estate”) for the fiscal year ended June 30, 2022.

In March 2022, a new Director, Hon. Donna Bullock, was appointed to the Board by the Board of Judges of the Court of Common Pleas.

GIRARD ESTATE

The net position of the Girard Estate available for the maintenance of Girard College amounted to \$440,565,000 at June 30, 2022, 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, 2022 amounted to \$19,717,000. In addition, \$4,131,000 was spent on long-term projects/capital expenditures benefiting future years.

At June 30, 2022 the Estate’s investments totaled \$492,767,000, including \$26,281,000 that has been segregated to comply with the requirements of debt and swap agreements.

GIRARD COLLEGE

Girard College began the 2021-2022 school year by welcoming more students back to campus for in-person learning and residential programming through its continuous efforts to follow all health and safety guidelines.

Part of Stephen Girard's legacy includes how he acted in times of crises, specifically his coordination of Philadelphia's response to the Yellow Fever outbreak of 1793. His commitment to ensure proper care for all who needed it informs the College's response to the current coronavirus crisis. The Girard community faithfully adopted new health procedures to keep the Girard community safe as well as compassionately supported those whose families that have been impacted by COVID.

The College continues to be committed to its education mission, providing excellent academic and residential programs for its students, safeguarding the future through fiscal responsibility, and investing in campus revitalization efforts that showcase Girard's unique assets to the citizens of Philadelphia and beyond.

Sadly, the Girard College community lost three longtime loyal alumni supporters with the passing of Dennis Kelleher '65, Charles Hicks '74 and Jim O'Neill '51.

STUDENT BODY AND STAFF

At the beginning of the 2021-2022 school year, Interim President James D. Turner led 193 full and part-time staff members in the education of 288 students.

Student Body

Elementary/Middle School	176 Students
High School	112 Students

Gender

Male	42%
Female	58%

Ethnicity

African-American	90%
Asian	1%
Hispanic/Latino	3%
Caucasian	1%
Multiracial	4%
Other	1%

Staff

Dining/Laundry/Maintenance	52.0
Secretaries	4.0
Teachers/Counselors	47.0
Residential Advisors	36.0
Non-Union	54.0

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 Interim President and served through June 2022. In July 2022, F. Christopher Goins was appointed as the new President of Girard College.

Mr. Goins' experience as the founder of a high performing, non-selective charter school in Chicago, IL as well as his work with the Obama Foundation to build the My Brother's Keeper Alliance, a nonprofit organization that aims to create safe and supportive communities, made him the ideal candidate to lead Girard College.

CLASS OF 2022

Eighteen students graduated from Girard College during Commencement on June 16, 2022. Ninety four percent of this class year's graduates matriculated to a four-year institution of higher education.

Reginald Brasby III [^]	West Chester University
Aaliyah Burton	Albright College
Constance Clark [*]	Dillard University
Kalen Davis	Drexel University
Briana Frazier-Johnson [*]	Delaware State University
Jyaire Hampton	University of Delaware
JaMear Harris	Jacksonville University
Durran Hyland	Year Up Wilmington
Faith Lynn [^]	West Chester University
Samuel Okereke	Delaware State University
Michael Okutoro	Four-year nursing program
Vivica Ortiz	Moore College of Art and Design
Madison Roberts-Maddrey [*]	Bethune-Cookman University
Christian Sayonkon	Clark University
Christian Scott	Thomas Jefferson University
Fantasia Stone	Barry University
Yandiel Surillo	Montclair State University
Dakota Williams Nova	Southern University

**Member of the National Honor Society*

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

PARTNERSHIPS AND GIVING

Girard College was awarded a Redevelopment Assistance Capital Program (RAC-P) grant of \$1 million from the Commonwealth of Pennsylvania. This highly competitive grant requires a one-to-one match and will support the construction of a new STEM Center for our students. Girard College was also awarded additional RAC-P grants totaling \$1,750,000 from the Commonwealth of Pennsylvania which will support the Founders Hall revitalization project.

The College was proud to once again partner with Global Citizen and serve as the signature project site for the Greater Philadelphia Martin Luther King Jr. Day of Service in January 2022. Following the theme of "Combatting Racism and Building Community," teams from Black Doctors COVID-19 Consortium and Children's Hospital of Philadelphia administered COVID vaccinations, testing and flu shots for children and adults.

Partnerships provide amazing opportunities for Girard College students. Girard's seventh graders visited Wills Eye Hospital where they learned about the science of the eye and career options in ophthalmology through interactive demonstrations and activities that included examining real human eyeballs with a variety of diseases.

The Office of Advancement at Girard College reported \$2,699,000 in gifts during fiscal year 2022 which was a significant increase in donations that were received during fiscal year 2021.

FACILITIES

Girard College replaced two air conditioning units which provide cooling to the cafeteria spaces in Banker Hall. The existing units were at the end of their useful lives. These replacements help provide its students with a more comfortable dining experience. This project commenced in July 2021 and was completed in September 2021.

The existing roof of Banker Hall was removed and replaced with a new EPDM roofing system. This project commenced in late fall of 2021 and was completed in December 2021.

During summer 2021, Constitution Hall was upgraded and included the replacement of the flooring material, painting the walls and new furniture for the lounge areas on the third floor. This project also included new stair treads on the stair towers on all three floors of the building. Additionally, the College installed new furniture for the lounge areas on the first and second floors of Constitution and Navigator Halls. All of these projects were completed in September 2021.

Additional improvements were made by Girard College during summer 2021. The College replaced the existing playground structure with a new one. The new structure included a new poured rubber surfacing underlayment material for improved safety. This project was completed in September 2021.

In spring 2022, Girard College commenced on a series of capital improvements to its iconic and signature building, Founder's Hall. Originally constructed at the behest of Stephen Girard in the 1840's, Founder's Hall served as the College's first classroom building and is considered the finest example of Greek Revival architecture in the United States. This project includes targeted renovations aimed at increasing its present usefulness so that it may accommodate educational, event and conferencing functions while also increase access for its students and the public as part of Girard's Campus for the City initiative. These renovations include the removal of an interior wall that will provide an improved space for larger events as well as a new HVAC system that will provide both heating and cooling to the first and second floors of the building. This project is expected to be completed in fall 2023, coinciding with the school's 175th anniversary.

PRESERVATION AND IMPROVEMENTS

Girard College embarked on an entablature masonry conservation project which included repointing, repairs and a 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. This conservation project helped to ensure all mortar joints were watertight, eroded stone units were replaced and cracks were patched to protect the building's structural integrity, and the marble cleaning showcased the building's true beauty. The project commenced in the spring of 2021 and concluded in June 2022. The work was funded in large part by a grant from the William Dietrich Foundation.

The College had a conservation assessment done on the Founder's Hall 1890s green ceiling in fall 2021 (in advance of the Founder's Hall revitalization project). This assessment was done by Evergreene Architectural Arts.

From January to June 2022, Girard College rehoused approximately 700 of the most fragile manuscript volumes in the Stephen Girard Papers and school history collection into custom fitted archival book

boxes. This was a project funded by a NEH small preservation grant and carried out by Katherine Haas, with assistance from a collections volunteer and a college intern.

In spring 2022, Ms. Haas worked with a graduate class at the University of Pennsylvania, led by conservator Cassie Myers, to do historical paint analysis of select woodwork in Founder's Hall. This work helped inform paint selections that will be incorporated as part of the Founder's Hall revitalization project.

EVENTS

In partnership with Global Citizen, a Philadelphia non-profit organization, Girard College served as the signature project site for the 27th annual Martin Luther King, Jr. Day of Service on January 17, 2022. It marked the 13th consecutive year that Girard hosted this largest volunteer event in the nation. The theme was "Combating Racism & Building Community." Five areas of focus included: health justice, voting rights, gun violence, living wage jobs, and early child literacy. In person activities included free COVID testing, vaccination, and flu shots provided by Children's Hospital of Philadelphia and Black Doctors COVID-19 Consortium.

In February 2022, the Girard College community held a virtual memorial service on the passing Charles W. Hicks '74 and reflected on his legacy as the College's first African American graduate.

Following her epic performance in the 2021 WNBA Finals with the Chicago Sky, Kahleah Copper returned to Girard College in February 2022 to meet with students and teachers and share with them the lessons she learned and the importance of hard work. Ms. Copper attended Girard College from 1st to 10th grade. The visit included a photo shoot for SLAM Magazine in the Armory where Copper laid the foundation of her MVP career.

In April 2022, Girard College juniors Curtis Goines and Jaelyn Handy participated in the annual Good Citizen Day at the Union League of Philadelphia. Curtis and Jaelyn were connected with nearly 250 student leaders throughout Greater Philadelphia to discuss and debate current topics of interest. During an evening ceremony, these students were presented with the Good Citizenship Award from The Union League Legacy Foundation.

PERSONNEL

Key Hires and Departures

- August 2021 – The College welcomed Tin Luu as the Director of Admissions.
- August 2021 – Mark Johnson, Dean of Campus Life, concluded his work at the College.
- October 2021 – The College welcomed Denise Colbert as the Dean of Residential Life.
- February 2022 – Keenan Dorsey, Vice President of Administration, 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 2022, income from the funds designated for the purchase of fuel for low-income families provided \$300,000 in assistance to approximately 1,000 recipients for the purchase of home heating oil and natural gas.

The Board approved scholarship aid totaling approximately \$76,000 to 28 students of the Philadelphia public and parochial schools. In addition, scholarship aid from various funds provided financial assistance to 57 graduates of Girard College attending institutions of higher learning totaling \$298,000. Prizes and medals awarded to students attending the public schools in Philadelphia and students at Girard College amounted to \$8,000.

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 2022 John Scott Medals and cash awards were awarded in November 2022 to:

- Barry Arkles, Ph.D. (\$10,000) for developing organosilicon materials and organometallic and biochemical reagents for use as contact lens materials, heat shield coatings on space shuttles, and super strong light plastics.
- Gary K. Beauchamp, Ph.D. (\$10,000) for basic and translational research on taste, smell, and flavor, leading to discoveries of how food and flavor preferences are formed and can be changed, and impacting population-wide recommendations for healthier diets.
- Nancy M. Bonini, Ph.D. (\$10,000) for pioneering the use of model organism *Drosophila* (fly) to gain insight into genes, mechanisms, and risk factors relevant to human brain degenerative diseases for treatment development.

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>2022</u>	<u>2021</u>
Wills Eye Hospital Surgeries	11,395	11,040
Community ASC Surgeries	22,096	20,306

2. Hospital Services

In 2022, the direct effects of the Covid-19 pandemic continued to ease. However, the health care industry saw a wave of departures of its workforce, creating severe salary and talent competition that sharply increased operating costs for hospitals, facilities, medical practices, etc. nationwide. Many health systems were forced to reduce elective care. Wills Eye Hospital remained able to provide full care; however, costs increased, and the existing workforce experienced higher rates of turnover. These pressures eased from their highest point, but workforce challenges and financial challenges continue to exist both for Wills Eye Hospital and for health care nationally.

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 recruits 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. Wills Eye also continued its efforts to recruit nationally recognized researchers and successfully recruited Joel Schuman, MD, internationally renowned Glaucoma physician researcher.

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.

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 2022, new gifts and pledges totaled \$2,865,080.

The Office of Development continued to implement fundraising best practices and engagement through grateful patient focused philanthropic efforts. Suzanne Beers, Chief Development Officer, along with Edmund Flood, Director of Corporate and Foundation Relations, continued ongoing collaborations with leadership to determine funding needs and priorities to discuss with potential donors.

The 41st Annual Wills Eye Golf Classic was held on September 12, 2022 at Whitemarsh Valley Golf Country Club, Lafayette Hill, PA. We welcomed 103 golfers and 13 dinner additional guests to this event. Net proceeds of \$66,702 were raised in support of the Wills Eye Center for Academic Global Ophthalmology (CAGO).

After an eight-month delay due to the COVID-19 pandemic resurgence in October 2021, the Wills Eye Ball was held on Saturday, June 25, 2022 at The Union League of Philadelphia. We welcomed 306 guests to this event that celebrated 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. Net proceeds of \$140,228 were raised through the Wills Eye Ball event.

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:

- \$75,000 from the Florence Nesh Charitable Trust, which is held and administered by the PNC Charitable Trust, to support the purchase of an additional OCT machine for use in the Cataract and Primary Care Service at our 840 Walnut Street location.
- \$75,000 from Alcon Research Institute for a Young Investigator Grant awarded to Ajay Kuriyan MD, MS, for his project, "Investigating the Role of Monocarboxylate Transporter 4 (MCT4) and Lactate in Proliferative Vitreoretinopathy."

- \$50,000 from The Retina Society and \$30,000 from the Macular Society was awarded for Dr. Kuriyan's project listed above.

Christine Scully, Director of Donor Relations, Stewardship, and Protocol, has developed a robust stewardship program for Wills Eye donors, including email and mail communications. Her involvement as a member of the Communications Committee has been invaluable to the content of the newsletter and information sharing across the organization. One of her projects included stewardship of members of the 1832 Society who made gifts totaling \$1.8 million in the current fiscal year were treated to foods that benefit eye health.

Margaret Frederick, Director of 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. Electronic and direct mail strategies were employed in line with best practices. In calendar year 2022 we welcomed 262 new, first time donors. Doctors' Day in March raised \$76,507 and Days of Giving in September/October raised \$61,390.

A leadership transition occurred when John Zabinski left the organization in December 2021. Subsequently, Suzanne Beers was promoted from Director of Major Gifts to Chief Development Officer in May 2022. In addition to leading the team of seven fundraising professionals, she continued to focus her 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+) During this time, she successfully solicited and received three \$100,000+ gifts, four \$50,000 gifts and six \$25,000 gifts. Recruitment for the new Director of Major Gifts was ongoing through the Fall of 2022.

6. Community Outreach

On September 17th, Wills Eye Hospital hosted our first Wills Eye on Diabetes Day in an interest to raise awareness of diabetic eye disease. We hope that by providing free eye screenings, we can identify and treat diabetic eye disease before it causes blindness. We made 143 appointments for the event, and saw 72 patients. 10 patients tested positive for diabetic eye complications. 26% of the patients screened did not have insurance. The most common household income reported was between \$25,000 and \$49,000. 48.3% of the patients screened reported that they have never had their eyes checked for diabetic complications.

The 13th annual Give Kids Sight Day, held on October 15, 2022, once again required Wills' hard work and commitment to provide children with the gift of sight. Just as the last two years with the COVID-19 pandemic, we were once again tested, and we pivoted to make this day a success. Earlier this year, our longtime partner Children First (formerly PCCY) informed us that they were changing the scope of their mission and turning more towards the governmental advocacy side. Children First had partnered with Wills in the patient outreach as well as the registration and screening logistics. Now knowing that Wills had to fully take on the outreach, patient scheduling, and overall planning of the event, we still remained dedicated.

With the help of a group of amazing Sidney Kimmel Medical College at Thomas Jefferson University third- and fourth-year medical students who helped us come up with a system so that patients could make appointments instead of just showing up, 775 screening appointments were made. In addition, children with active prescriptions from other providers were also allowed to come in and pick out two pairs of free

glasses. Each child who failed the eye screening was given a refractive examination, and received a glasses prescription if necessary.

Unfortunately, Wills faced another unanticipated challenge this year. Based on previous data from Children First and the experience doing the virtual screening during the COVID Pandemic, the appointment numbers that were scheduled anticipated a 79% show rate. This year, due to unexpected events in the city as well as public transportation issues, only 196 of the 775 scheduled patients were able to make their appointments. As disheartening as it was for the planning group, we are reminded of the children we were able to help. Children with more severe pathology will be able to receive follow up care in our pediatric clinic at no cost. Of the 196, 46 children who have conditions such as amblyopia, glaucoma, astigmatism, and more, are able to receive care thanks to Give Kids Sight Day. These conditions could impair their vision for the rest of their lives without this treatment. Over the last 13 years, we have provided care to over 12,500 kids.

On April 26, 2022 Wills Eye Hospital hosted a group of 18 Girard College students for hands-on demonstrations, including interacting with real human eyeballs, aimed at inspiring young men and women to consider careers in ophthalmology. Dr. Julia Haller and Dr. Leslie Brown addressed the students with their experience, and personal travels into the world of ophthalmology. The group received personalized scrubs, and then moved to the hospital's Ophthalmic Surgical Training Laboratory for hands-on demonstrations of a lens insertion, suturing artificial skin, and viewing pig eyes under a microscope. They also went to Wills Pathology Laboratory to view real human eyes led by Dr. Ralph C. Eagle Jr., a physician specializing in ocular pathology. The eyes provided exhibited a variety of diseases, offering students the opportunity to get up close and personal with several aspects of ophthalmology.

Education Pillar

In 2022, another class of outstanding residents graduated from Wills. Dr. Dilru Amarasekera stayed at Wills Eye for a Glaucoma fellowship; Dr. Louis Cai went to Bascom Palmer Eye Institute for a Vitreoretinal fellowship; Dr. Ollya Fromal went to Emory Eye Center for a Vitreoretinal fellowship; Dr. Anand Gopal stayed at Wills for a Vitreoretinal fellowship; Dr. Rakhi Melvani went to UC Irvine Gavin Herbert Eye Institute for a Cornea fellowship; Dr. Matthew Pieters is a comprehensive ophthalmologist in Canton, MI; Dr. Marisa Schoen is in an Anterior Segment Surgery fellowship with Drs. Nicole Fram and Samuel Masket in Los Angeles, CA; and Dr. Vikram Shankar is in a Glaucoma fellowship at Stanford.

Research Pillar

In 2022, the Vickie and Jack Farber Vision Research Center (VRC) continued to provide valuable resources and infrastructure to facilitate research at Wills Eye. The use of "big data" in Ophthalmology is an expanding frontier to address the important questions about best practices for clinical care based on "real world" data. As one of the four academic centers across the US selected to access the entire American Academy of Ophthalmology's (Academy) IRIS Registry (Intelligent Research in Sight), we continue to leverage this rich dataset to address a wide range of topics and are constantly considering new ways to leverage these data to promote innovation. We currently have 15 projects either ongoing or completed, including investigations of rare ophthalmic conditions such as open globe injuries, Sturge-Weber associated glaucoma, and sympathetic ophthalmia, and rare clinical outcomes (e.g., retinal events or chronic uveitis after cataract surgery). Other projects include evaluating potential disparities in the occurrence and treatment of various eye conditions, including retinal vein occlusions and age-related

macular degeneration, and describing changing treatment patterns over time for keratoconus after the introduction of cross-linking. Our experienced informatics team members are doing this work with the specific technical expertise in computational and analytic approaches required to analyze large data sets such as the IRIS Registry.

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. These programs are now integrated into the annual Wills Calendar of events.

- The Annual Research Guest Lecture
 - Last year, we welcomed Dr. David Friedman, Director of Glaucoma Service and Co-Director of the Glaucoma Center of Excellence at Massachusetts Eye and Ear, a former Wills Eye resident and an internationally renowned clinician-scientist came back to Wills to speak about his landmark research in Angle Closure Glaucoma.
 - We are thrilled that this year's lecturers, in May 2023, will be Dr. Cecilia Lee, Associate Professor, Klorfine Family Endowed Chair and Director of Clinical Research, and Dr. Aaron Lee, Associate Professor and C. Dan and Irene Hunter Endowed Professor, in the Department of Ophthalmology at the University of Washington, Seattle. As leaders and innovators in the ophthalmology "big data" world, they will discuss their experience in using novel computational techniques in machine learning to uncover new disease associations from electronic health records and imaging and in finding connections between the eye and brain using non-invasive imaging. They will also share their personal career journeys in a more informal setting, which has become a valuable addition to the visits from these leaders in the field who serve as role models for our faculty and trainees.
- The Wills Eye Faculty Research Seminars will begin its third series in May 2023 with a talk by Dr. Christopher Rapuano, Chief of the Wills Eye Cornea Service. These quarterly seminars offer an informal forum for Wills faculty and trainees to share completed, ongoing or new research with colleagues to promote an exchange of ideas across subspecialties in ophthalmology. The past year included four outstanding lectures by Dr. Rebecca Soares (Retina Clinical Fellow), Dr. Jose Pulido (Translational Research), Dr. Kammi Gunton (Pediatric Ophthalmology), and Dr. Alison Watson (Oculoplastics) and myself who each shared their current and past research initiatives.
- Our Scholar in Residence Program is an innovative partnership between the Vision Research Center and a Wills Clinical Service. The Scholar in Residence presents a keynote lecture on their research, discusses their career journey, and leads workshops on research-related topics. This year, we are delighted that Dr. Justis Ehlers, The Norman C. and Donna L. Harbert Endowed Chair of Ophthalmic Research at the Cole Eye Institute at The Cleveland Clinic and former Wills resident (2008), was our second Scholar in Residence, which was a joint program with the Retina Service's Annual Saturday Update on May 6, 2023! The next Scholar in Residence Program will be held as a collaboration with the Cornea Service Visiting Professor Program on September 13-14, 2023 with Dr. Jennifer Rose-Nussbaumer, Associate Professor, Stanford University, Stanford Byers Eye Institute, as the Scholar in Residence/VP

In 2022, 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. The BCC has collaborated with numerous Wills faculty and trainees on a range of projects, leading to over 32 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 several NIH-subcontracts involving the Pediatric Ophthalmology and Ocular Genetics Service and an NIH R21 award shared between Dr. Ed Zhang, Research Professor and Director of the BCC, and his collaborators at George Washington University. 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, several new foundation and society awards were granted in 2022 for the following projects:

- PNC Charitable Trust's Snyder Trust awarded a 1-year grant to James P Dunn MD, Professor and Uveitis specialist, for a project on the incidence and risk factors post-operative undifferentiated persistent pseudophakic iridocyclitis (PUPPI) in the IRIS Registry
- Dr. Ajay Kuriyan, Associate Professor and attending retina surgeon, was awarded three separate awards to support his research investigating the role of monocarboxylate transporter 4 (MCT4) and Lactate in proliferative vitreoretinopathy. These awards include The Young Investigator Grant awarded by Alcon Research Institute (ARI), The Mills and Margaret Cox Research Award from the Macula Society, and a research award from the Retina Society.
- Dr. Natasha Nayak Kolomeyer, Assistant Professor and Glaucoma Surgeon, was awarded the Young Clinician Scientist Grant from the American Glaucoma Society to support her project investigating the likelihood and risk factors for progression from unilateral to bilateral blindness in glaucoma patients.

Industry-sponsored research has continued in 2022 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, 2022:</u>			
Active participants	8	53	15
Retired participants	32	154	269
Terminated participants with vested benefits	16	123	141
Pension liability	\$ 4,743,000	\$ 27,957,000	\$ 37,534,000
Net position restricted for pension benefits	7,843,000	45,055,000	38,213,000
Annual rate of retirement benefits currently being paid	376,000	1,980,000	2,656,000
<u>YEAR ENDED DECEMBER 31, 2022:</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	131,000	782,000	661,000

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

Basic Financial Statements

June 30, 2022

(With Independent Auditors' Reports Thereon in Accordance with
Government Auditing Standards)

THE ESTATE OF STEPHEN GIRARD, DECEASED

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KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

The Members of the Board
The Estate of Stephen Girard, Deceased:

Opinion

We have audited the financial statements of the Estate of Stephen Girard, Deceased (the Estate) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Estate'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 Estate as of June 30, 2022, 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 Estate 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 Estate'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 Estate'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 Estate'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 4 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
August 15, 2023

THE ESTATE OF STEPHEN GIRARD, DECEASED

Management's Discussion and Analysis (Unaudited)

June 30, 2022

The following discussion and analysis of the Estate of Stephen Girard, Deceased (the Estate) provides an overview of the financial activities of the Estate for the year ended June 30, 2022.

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 basic financial statements that are provided in addition to this Management's Discussion and Analysis. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

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, which is overseen by the Board of Directors of City Trusts (the Board). 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.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction into the Estate's basic financial statements. The Estate 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 Estate's basic financial statements comprise the statement of fiduciary net 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 position held in trust for the Estate. Investments and the interest rate swap 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 contributions to Girard College, lease income and other real estate activity, investment income, net appreciation of investments, and deductions, including expenses for Girard College, real estate activity expenses, and administrative expenses to determine the change in 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.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Management's Discussion and Analysis (Unaudited)

June 30, 2022

Financial Highlights

The Estate's net position decreased approximately \$18 million (4%) compared to an increase of approximately \$93.1 million in fiscal year 2021. The change year over year is primarily due to changes in investment performance as a result of market conditions. Net investment income (loss) for the year ended June 30, 2022 was approximately (\$360,000) compared to approximately \$99 million for the prior fiscal year.

Additionally, effective July 1, 2021, the Estate adopted Governmental Accounting Standards Board Statement No. 87, *Leases* (GASB 87), which requires lessors to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease (or at adoption of the standard for the Estate) for all of lease payments expected to be received discounted back to present value. At July 1, 2021, the Estate recorded a lease receivable of approximately \$111.6 million with an offsetting amount recorded to deferred inflows of resources.

Condensed Financial Information

The following schedule is a summary of the June 30, 2022 statement of fiduciary net position with comparative information as of June 30, 2021.

Fiduciary Net Position

	2022	2021
Assets:		
Cash and cash equivalents	\$ 2,772	2,874
Other assets	6,847	6,359
Investments	492,767	526,904
Lease receivable	105,037	111,574
Net pension asset	29,606	22,147
Capital assets, net	129,204	132,480
Total assets	766,233	802,338
Deferred outflows of resources	1,017	1,024
Total assets and deferred outflows of resources	767,250	803,362
Liabilities:		
Accounts payable and accrued expenses	4,997	4,510
Line of credit	11,497	11,537
Interest rate swap	14,784	24,082
Other liabilities	2,370	2,161
Long-term debt	113,213	114,200
Total liabilities	146,861	156,490
Deferred inflows of resources	179,824	190,661
Net position restricted	\$ 440,565	456,211

THE ESTATE OF STEPHEN GIRARD, DECEASED

Management's Discussion and Analysis (Unaudited)

June 30, 2022

The Estate's investments are primarily invested in the Collective Legal Investment Fund (CLIF) and various real estate investments.

The CLIF is a pooled investment fund created for the collective investments managed by the Board. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments, and alternative investments held in private equity investments. The real estate investments represent limited partnership interests in real estate assets. The Estate has no authority to operate or govern the assets of these investments, it is not the guarantor of any debt obligations, and does not have an ongoing financial responsibility. The Estate is entitled to preferred cumulative dividends and/or operational cash flow from net operating income.

The Estate's investments are reported at fair value and decreased by approximately \$34 million primarily due to the sale of several real estate ventures during the year. During the year ended June 30, 2022, the Estate earned approximately \$15 million in investment income, \$2.2 million in interest related to its leases, \$9.3 million for the change in fair value of the interest rate swap, and offset by approximately \$25 million in net depreciation in fair value of investments.

The change of approximately \$6.5 million in lease receivable represents the impact of one year of lease payments.

The net pension asset is measured as of December 31, 2021 and rolled forward to June 30, 2022. The various stock market indices all experienced increases that had a direct impact on the Plans' investments, which increased by approximately \$7.5 million.

Depreciation on capital assets was approximately \$9.5 million and was offset by new capital additions of approximately \$6.2 million.

Accounts payable and accrued liabilities increased by approximately \$487,000 due to fluctuations of liabilities at year-end.

The fair value of the interest rate swap liability decreased by approximately \$9.3 million due to the changes in interest rates and market conditions.

Deferred inflows of resources decreased by approximately \$10.8 million due to a decrease of \$11.3 million relating to the recognition of lease income offset by an increase of \$500 thousand for the difference between projected and actual earnings on pension plan investments.

The following schedule is a summary of the statement of changes in fiduciary net position for the year ended June 30, 2022 with comparative information for the year ended June 30, 2021.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Management's Discussion and Analysis (Unaudited)

June 30, 2022

Changes in Fiduciary Net Position

	<u>2022</u>	<u>2021</u>
Additions:		
Contributions to Girard College	\$ 1,797	1,256
Lease income	23,169	22,378
Net investment (loss) income	(360)	111,040
Other	2,657	2,434
Total additions	<u>27,263</u>	<u>137,108</u>
Deductions:		
Girard College	19,717	18,867
Real estate	18,439	17,835
Administrative and other	1,086	989
Interest	6,035	6,297
Total deductions	<u>45,277</u>	<u>43,988</u>
Change in net position	\$ <u>(18,014)</u>	<u>93,120</u>

Contributions fluctuate from year to year and contributions to Girard College increased by approximately \$540,000.

The Estate leases its properties to various tenants with various expiration dates ranging from fiscal 2023 through fiscal year 2036 and with monthly lease income ranging from \$125 per month to \$185,000 per month. None of the leases allow a lessee to terminate the lease or abate payments. The Estate did not enter into any new leases during the fiscal year ended June 30, 2022. Lease income increased by approximately \$800,000 primarily due to the present value adjustment for the lease receivable and deferred inflows.

During the year ended June 30, 2022, net investment loss totaled approximately (\$360,00) compared to net investment income of approximately \$111 million from the year before. The change of \$111 million was primarily due to a reversal of unrealized gains on the Estate's investments for the year ended June 30, 2021 offset by increase in the change in fair value of the interest rate swap due to changes in interest rates and gains from the change in fair value of the real estate investments.

The expenses for Girard College increased approximately 4% or \$850,000 due to increases in contract services.

Real estate expenses increased approximately \$600 thousand due to an increase in depreciation expense of approximately \$337,000, an increase in contract expenses of approximately \$495,000, and an increase in insurance expense of approximately \$383,000, offset by reductions in real estate taxes and changes in allocation of expenses.

Interest expense decreased by approximately \$262,000 due to the reduction in principal year over year.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Management's Discussion and Analysis (Unaudited)

June 30, 2022

DEBT

The Estate had no new debt obligations during the year ended June 30, 2022. The following is a summary of the Estate's existing debt obligations.

Mortgage Payable

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. Principal payments for the mortgage payable totaled approximately \$987,000 for the year ended June 30, 2022.

Series 2014 Tax Exempt Revenue Refunding Bonds

On December 1, 2014, The Philadelphia Authority for Industrial Development issued \$59,200,000 Series 2014 Tax Exempt Revenue Refunding Bonds. There are no principal payments due until 2031 (\$23.2 million) and 2032 (\$36 million).

In connection with the issuance of the Series 2014 Bonds, in order to address its interest rate risk, the Estate entered into an interest rate swap contract by converting the variable interest rate for the 2014 Bonds to a synthetic fixed rate plus the applicable credit spread. The terms of the swap contract have a notional amount of \$59,200,000, the Estate pays an interest rate of 4.9035% plus 69% of the 30-day LIBOR and receives 69% of the 30-day LIBOR. The swap contract matures on June 1, 2032. The fair value of the rate interest rate swap was estimated by a third party and amounted to a liability of \$14,784,000 at June 30, 2022. Changes in the fair value are reported as a component of investment income (loss) in the statement of changes of fiduciary net position.

For the year ended June 30, 2022, the change in the fair value of the interest rate swap was a gain of approximately \$9,299,000.

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 BSBY plus 0.40%. 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 statement of fiduciary net position. In April 2022, the line was renewed by the bank for three years to April 2025 with a mutual option to renew by both parties. At June 30, 2022 and 2021, the Estate had outstanding borrowings of approximately \$11.5 million.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Management's Discussion and Analysis (Unaudited)

June 30, 2022

CONTACTING THE ESTATE

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

Finance Department
Estate of Stephen Girard, Deceased
c/o Board of City Trusts
1101 Market Street
Suite 2600
Philadelphia, PA 19107
215-568-0440

THE ESTATE OF STEPHEN GIRARD, DECEASED

Statement of Fiduciary Net Position

June 30, 2022

(In thousands)

Assets:

Cash and cash equivalents	\$ 2,772
Other receivables, net	2,796
Prepaid and other assets	4,051
Investments	492,767
Lease receivable	105,037
Net pension asset	29,606
Nondepreciable capital assets	29,138
Depreciable capital assets, net	<u>100,066</u>
Total assets	766,233

Deferred outflows of resources:

Pension activities	<u>1,017</u>
Total assets and deferred outflows	<u>767,250</u>

Liabilities:

Current portion of long-term debt	2,446
Accounts payable	2,264
Accrued expenses	2,733
Line of credit	11,497
Interest rate swap liability	14,784
Other liabilities	2,370
Long-term debt, net of current portion	<u>110,767</u>
Total Liabilities	<u>146,861</u>

Deferred inflows of resources:

Pension activities	6,412
Lease income	<u>173,412</u>
	<u>179,824</u>
Net position restricted for Girard College	<u><u>\$ 440,565</u></u>

See accompanying notes to basic financial statements.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2022

(In thousands)

Additions:

Contributions to Girard College	\$	1,797
Reimbursements under government grants		687
Lease income		23,169
Other		1,970

Net investment income (loss):

Investment income	14,758
Interest on lease income	2,227
Change in fair value of interest rate swap	9,299
Net depreciation in fair value of investments	<u>(24,996)</u>

Total investment income 1,288

Investment expenses (1,648)

Net investment loss (360)

Total additions 27,263

Deductions:

Girard College expenses	19,717
Real estate and other expenses	18,439
Administrative expenses	1,086
Interest expense	<u>6,035</u>

Total deductions 45,277

Net decrease in net position (18,014)

Net position restricted:

Beginning of year 458,579

End of year \$ 440,565

See accompanying notes to basic financial statements.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

(1) Summary of Significant Accounting Policies

(a) Description of the Entity

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, which is overseen by the Board of Directors of City Trusts (the Board). The Estate of Stephen Girard, deceased (Estate or Girard 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 to support 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

The accompanying financial statements were prepared in accordance with U.S. generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), which utilizes the accrual basis of accounting where the measurement focus is on the flow of economic resources. The Estate is classified as a Private-Purpose Trust Fund under the fiduciary fund designation of GASB.

(c) Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

(d) Adoption of New Accounting Pronouncement

Effective July 1, 2021, Girard Estate adopted GASB Statement No. 87, *Leases* (GASB 87), which establishes a uniform approach for lease accounting based on the principle that leases are financings of the right to use an underlying asset. In accordance with GASB 87, the lessee is required to recognize a lease liability and an intangible right to use lease asset, and the lessor is required to recognize a lease receivable and deferred inflows of resources. GASB 87 also requires enhanced disclosure, which includes a general description of the leasing arrangement, the aggregate amount of resource inflows and outflows recognized from lease contracts, including those not included in the measurement of the lease liability and receivable. At July 1, 2021, Girard Estate recognized a lease receivable of approximately \$111.5 million with an offsetting amount recorded to deferred inflows of resources using a discount rate ranging from 0.84% to 2.23%, which was based on the Estate's incremental borrowing rate. See Note 7 for further information.

(e) Deposits

Cash and cash equivalents are defined as deposits with financial institutions, money market accounts and money market mutual funds and highly liquid investments, which are readily convertible into cash and have a maturity date when purchased of three months or less.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

The Estate's deposits are insured by the Federal Deposit Insurance Corporation (FDIC) (subject to the FDIC limit or \$250,000). However, the Estate's cash balances can exceed FDIC insured limits. As of June 30, 2022, cash in the bank amounted to approximately \$2.9 million, of which, approximately \$2.1 million was uninsured.

(f) Receivables

Receivables include investment income and other receivables, net of an allowance for bad debts, which is estimated based upon the Estate's assessment of factors related to the collectibility 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.

(g) Valuation of Investments

i) Collective Legal Investment Fund (CLIF)

The Estate's investments are primarily invested in the CLIF, which is a pooled investment fund created for the collective investments managed by the Board. The Estate has no restrictions on withdrawals from the CLIF. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments, and alternative investments held in private equity investments. The Estate's investment in the CLIF is measured using net asset value (NAV) per share as a practical expedient to fair value. The CLIF issues separately available audited financial statements, which are available at www.citytrusts.com.

ii) Real Estate Investments

The Estate is a limited partner in several investments that own diversified real estate assets. The Estate has no authority to operate or govern the assets of these limited partnerships, it is not the guarantor of any debt obligations, and does not have an ongoing financial responsibility. The Estate is entitled to preferred cumulative dividends and/or operational cash flow from net operating income. Real estate investments are reported at fair value and considered Level 3 investments in the fair value hierarchy table.

iii) Money Market Funds

The Estate also invests in money market funds, which are valued at \$1 per share and are considered Level I investments in the fair value hierarchy table.

(h) Interest Rate Swap

The Estate records its interest rate swap at fair value and is considered a Level 3 investment in the hierarchy table. The interest swap is ineffective and, accordingly, is classified as an investment derivative. The change in fair value is recognized as a component of investment income (loss) in the statement of changes in fiduciary net position.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

(i) Capital Assets

Capital assets comprise land, equipment, real estate improved and acquired, Girard College real property and facilities, and construction in progress. The Estate capitalizes assets that exceed \$5,000 and have a useful life greater than one year.

Expenditures for capital assets 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.

(j) 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 and money market funds that are traded in an active exchange market and 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, 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.

At June 30, 2022, the Estate's investments held in the CLIF, are valued at NAV.

(k) Contributions and Grant Reimbursements

Contributions are typically made for the general purpose of Girard College, while reimbursements are typically related to federal programs. Contributions and grant reimbursements are recognized when all applicable eligibility requirements are met. Funds received before the eligibility requirements are met are reported as unearned revenue.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

(I) Lease

The Estate is a lessor for various noncancellable leases of its buildings. A lease receivable and deferred inflows of resources are initially recognized at the commencement of the lease and discounted back to present value using the Estate's incremental borrowing rate. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflows of resources is subsequently amortized on a straight line basis and recognized as lease income over the lease term.

(i) Variable Lease Payments

Variable lease payments that are based on a Consumer Price Index and tenant's pay a pro-rata amount of common area maintenance costs are excluded from the measurement of the lease receivable. These amounts are recognized in the period in which the amounts are earned.

(ii) Short-Term Leases

For lease arrangements with a term less than 12 months at commencement, the Estate recognizes lease income based on the provisions of the lease.

(iii) Advanced Lease Payments

Lease payments received in advance of the commencement of the lease are reported as deferred inflows of resources and recognized as lease income on a straight-line basis over the term of the lease.

(iv) Key Estimates and Judgments

Key estimates and judgments include how the Estate determines the discount rate it uses to calculate the present value of the expected lease receivable, term, and payments.

- The Estate uses its estimated incremental borrowing rate as the discount rate, which is based on the rate of interest it would need to pay if it obtained debt to borrow an amount equal to the lease payments under similar terms at the commencement or remeasurement date.
- The lease term includes the noncancellable period of the lease plus any options that extend the term of the lease by either the Estate or tenant for which the option is reasonably certain to be exercised. Periods in which both the Estate and the tenant have a unilateral option to terminate are excluded from the lease.
- Payments are evaluated by the Estate to determine if they should be included in the measurement of the lease including those payments that require a determination of whether they are reasonably certain of being made.

(v) Remeasurement of Lease

The Estate monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease receivable, the receivable is remeasured and a corresponding adjustment is made to the deferred inflows of resources.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

(m) Deferred Outflows/Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets, and deferred inflows of resources decrease net position, similar to liabilities.

(n) Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (benefit) have been determined on the same basis as they are reported by the Board of Directors of City Trusts Contributory and Non-Contributory Retirement plans (the Plans). See note 8 for further information.

(2) Investments

Investments consists of the following as of June 30, 2022 (in thousands):

Investment in CLIF	\$	397,442	*
Real estate investments		95,107	
Money market funds		<u>218</u>	
Total investments	\$	<u><u>492,767</u></u>	

* Amounts include \$26,281,000 at June 30, 2022 that are segregated within the CLIF to comply with provisions under the Collateral Pledge and Security Agreement for the 2014 swap master agreement in which 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. In addition, the counterparty has a priority secured position, in the event of default, against the Estate's marketable securities.

Net investment loss consists of the following for the year ended June 30, 2022 (in thousands):

Investment income	\$	14,758
Investment expenses		<u>(1,648)</u>
		13,110
Change in fair value of interest rate swap		9,299
Net depreciation in fair value of investments		<u>(24,996)</u>
		(2,587)
Interest on lease income		<u>2,227</u>
Net investment loss	\$	<u><u>(360)</u></u>

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

(3) Capital Assets, Net

Capital assets and related accumulated depreciation activity for the year ended June 30, 2022 is as follows (in thousands):

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Non-depreciable capital assets:				
Land	\$ 26,563	—	—	26,563
Construction in progress	1,010	1,565	—	2,575
	<u>27,573</u>	<u>1,565</u>	<u>—</u>	<u>29,138</u>
Depreciable capital assets:				
Buildings and improvements	194,036	2,618	—	196,654
Tenant alterations	24,921	1,600	—	26,521
Equipment	3,923	407	—	4,330
	<u>222,880</u>	<u>4,625</u>	<u>—</u>	<u>227,505</u>
Accumulated depreciation:				
Buildings and improvements	110,983	7,254	—	118,237
Tenant alterations	4,418	1,852	—	6,270
Equipment	2,572	360	—	2,932
	<u>117,973</u>	<u>9,466</u>	<u>—</u>	<u>127,439</u>
Depreciable capital assets, net	<u>104,907</u>	<u>(4,841)</u>	<u>—</u>	<u>100,066</u>
Total capital assets, net	<u>\$ 132,480</u>	<u>(3,276)</u>	<u>—</u>	<u>129,204</u>

Depreciation expense for the year ended June 30, 2022 was approximately \$9,466,000.

(4) 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 Bloomberg Short-Term Bank Yield Index (BSBY) plus 0.40% (1.89% at June 30, 2022). The agreement also allows the Estate to draw unsecured advances at its option under the line, which bear interest at the daily BSBY rate plus 0.50%. 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. In April 2022, the line was renewed by the bank for three years to April 2025 with a mutual option to renew by both parties.

At June 30, 2022, the Estate had outstanding borrowings of \$11,497,000 under this line of which all were secured.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

(5) Long-Term Debt

(a) *Mortgage Payable*

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.

(b) *Series 2014 Tax-Exempt 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 2014 Tax-Exempt Revenue Refunding Bonds (2014 Bonds) with a bank being the sole holder. All revenues of the Estate secure the 2014 Bonds.

There are no principal payments due until 2031 (\$23.2 million) and 2032 (\$36 million). As of June 30, 2022, the interest rate on the bonds was 1.66%. In January 2023, the interest rate was amended to change from London Interbank Offered Rate (LIBOR) to Secured Financing Overnight Rate (SOFR)

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.

A summary of long-term debt activity for the year ended June 30, 2022 is as follows (in thousands):

	<u>June 30,</u> <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30,</u> <u>2022</u>	<u>Amounts due</u> <u>within 1 year</u>
Mortgage payable	\$ 55,000	—	(987)	54,013	2,446
2014 Bonds	59,200	—	—	59,200	—
Total	<u>\$ 114,200</u>	<u>—</u>	<u>(987)</u>	<u>113,213</u>	<u>2,446</u>

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

Future principal and interest maturities of the long-term debt outstanding are as follows (in thousands):

	Principal	Interest	Total
Year ending June 30:			
2023	\$ 2,446	5,836	8,282
2024	2,559	5,724	8,283
2025	2,676	5,606	8,282
2026	2,800	5,483	8,283
2027	2,928	5,354	8,282
2028–2032	75,994	22,932	98,926
2033–2035	23,810	2,206	26,016
	<u>\$ 113,213</u>	<u>53,141</u>	<u>166,354</u>

(c) Debt Covenants

The bond and mortgage agreements require the Estate to maintain a ratio of market value cash and investments to funded debt equal to or greater than 1.50, and the Estate was in compliance. The bond and mortgage agreements also require the Estate to deliver its audited financial statements within 120 days of year-end. The Estate obtained a waiver for not providing its June 30, 2022 audited financial statements within 120 days of year-end.

(6) Interest Rate Swap

In connection with the issuance of the 2014 Bonds, in order to address its interest rate risk, the Estate entered into an interest rate swap contract by converting the variable interest rate for the 2014 Bonds to a synthetic fixed rate plus the applicable credit spread. The terms of the swap contract have a notional amount of \$59,200,000, the Estate pays an interest rate of 4.9035% plus 69% of the 30-day LIBOR and receives 69% of the 30-day LIBOR. The swap contract matures on June 1, 2032. In December 2022, the interest rate on the swap contract was amended to change from LIBOR to SOFR.

The fair value of the interest rate swap amounted to a liability of \$14,784,000 at June 30, 2022. Changes in the fair value are reported as increase or decrease in the statement of changes of fiduciary net position. For the year ended June 30, 2022, the change in the fair value of the interest rate swap was a gain of approximately \$9,299,000.

(a) Counterparty Risk

Interest rate swaps are also subject to counterparty risk, which is the risk of loss of an amount expected to be delivered under an agreement in the event of the default or bankruptcy of the counterparty. Counterparty risk with swaps is limited by execution under the standardized International Swap and Derivatives Association Agreements. These contracts allow for the mutual exchange of collateral should an overall unsecured market value exceed a certain threshold.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

(b) Credit Risk

As of June 30, 2022, the Estate was not exposed to credit risk on its interest rate swap contract since the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the Estate would be exposed to credit risk in the amount of the swap's fair value.

(c) Interest rate risk

The Estate will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated.

(7) Leases

The Estate leases its properties to various tenants with various expiration dates ranging from fiscal 2023 through fiscal year 2036 and with monthly lease income ranging from \$125 per month to \$185,000 per month. None of the leases allow a lessee to terminate the lease or abate payments.

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. The \$90,000,000 was paid prior to lease commencement and reported as deferred inflows of resources in the statement of fiduciary net position. The unamortized balance at June 30, 2022 were \$71,937,000. 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.

For the year ended June 30, 2022, the components of lease income recognized on the statement of changes in fiduciary net position is as follows (in thousands):

Amortization of deferred inflows of resources	\$	8,245
Short-term lease income		5,428
Variable lease income		<u>9,496</u>
		23,169
Interest on leases		<u>2,227</u>
Total lease income	\$	<u><u>25,396</u></u>

As of June 30, 2022, the lease receivable and deferred inflows of resources related to the aforementioned leases amounted to approximately \$105 million and \$173.4 million, respectively.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

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A summary of principal and interest from the future payments that are included in the measurement of the lease receivable for the next five years and in subsequent five-year increments thereafter is as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30			
2023	\$ 8,792	2,112	10,904
2024	10,163	1,942	12,105
2025	9,664	1,762	11,426
2026	8,316	1,588	9,904
2027	7,901	1,416	9,317
2028–2032	42,050	4,322	46,372
2033–2037	18,151	651	18,802
Total	<u>\$ 105,037</u>	<u>13,793</u>	<u>118,830</u>

(8) Defined Benefit Pension Plans

(a) *Description of the Plans*

The Estate contributes to the following single-employer defined benefit pension plans:

1. Board of Directors of City Trusts Contributory Retirement Plan (Contributory 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 Estate's noncontributory plans.
2. Board of Directors of City Trusts Non-Contributory Retirement Plan (Non-Contributory Plan) – covers certain employees of the Board of Directors of City Trusts and 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.

Both the Contributory and Non-Contributory Plans (the Plans) report on a calendar year-end (December 31) and issue separately available audited financial statements. Additional information for each plan is available at www.citytrusts.com.

Participants in the Plans 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.

The Estate's net pension asset for each plan was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset for each plan were determined by actuarial valuations as of January 1, 2021 rolled forward to June 30, 2022 (the measurement date).

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

(b) Benefits

The following is a summary of the benefits specific to each plan:

Contributory Plan

Benefits are based on cumulative employee contributions required by each 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 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.

Non-Contributory Plan

Benefits are based on salary and years of service. Early retirement benefits are calculated by discounting the normal retirement benefit by an early termination factor.

(1) Normal Retirement Benefit, with an effective date of May 1, 1975, 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.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

- (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.

(c) Plan Members Covered by Benefit Terms

The following members were covered by the respective benefit terms of each plan:

Contributory Plan:

Inactive members or beneficiaries currently receiving benefits	33
Inactive members entitled to, but not yet receiving, benefits	16
Active members	8
Total	<u>57</u>

Non-Contributory Plan:

Inactive members or beneficiaries currently receiving benefits	135
Inactive members entitled to, but not yet receiving, benefits	137
Active members	58
Total	<u>330</u>

(d) Expected Rate of Return

The long-term expected rate of return on the Plans' investments were 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 are summarized in the following table:

	<u>Target asset allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	50 %	6.5 %
International equity	10	6.5
Fixed income	30	3.5
Real estate/alternative	10	6.0
Total	<u>100 %</u>	

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

(e) *Actuarial Assumptions*

The total pension liability was determined by actuarial valuations for the Plans as of January 1, 2021 and rolled forward to the measurement date using the following actuarial assumptions applied to the period 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

(f) *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.

(g) *Sensitivity of Net Pension Asset to Change in the Discount Rate*

The following presents the net pension asset for each plan as of June 30, 2022, calculated using the discount rate of 7.5%, as well as what the net pension asset would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

	<u>1% Decrease</u> <u>(6.5%)</u>	<u>Discount rate</u> <u>(7.5%)</u>	<u>1% Increase</u> <u>(8.5%)</u>
Contributory Plan – net pension asset	\$ (3,765,583)	(4,413,100)	(4,980,920)
Non-Contributory Plan – net pension asset	(21,525,782)	(25,192,859)	(28,218,901)

Pension expense (benefit) for the year ended June 30, 2022 amounted to approximately (\$476,000) and (\$2.6 million) for the Contributory and Non-Contributory Plans, respectively.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

(h) *Deferred Outflows/Inflows of Resources*

Contributory Plan

At June 30, 2022, the Estate reported deferred outflows and inflows of resources related to the Contributory Plan from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ —	80,251
Changes in assumptions	46,522	7,705
Net difference between projected and actual earnings on pension plan investments	—	900,987
Subtotal before post-measurement date contributions	46,522	988,943
Contributions subsequent to the measurement date	210,763	—
Total	\$ <u>257,285</u>	<u>988,943</u>

Non-Contributory Plan

At June 30, 2022, the Estate reported deferred outflows and inflows of resources related to the Non-Contributory Plan from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 49,692	298
Changes in assumptions	140,321	—
Net difference between projected and actual earnings on pension plan investments	—	5,423,022
Subtotal before post-measurement date contributions	190,013	5,423,320
Contributions subsequent to the measurement date	570,000	—
Total	\$ <u>760,013</u>	<u>5,423,320</u>

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

Deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as an increase to the net pension asset for the year ended June 30, 2023, but are not included in the table below. Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense (benefit) as follows:

	Contributory Plan	Non-Contributory Plan
Year ended June 30:		
2023	\$ (237,929)	(1,013,833)
2024	(363,536)	(2,164,917)
2025	(205,929)	(1,239,247)
2026	(135,027)	(815,310)
	<u>\$ (942,421)</u>	<u>(5,233,307)</u>

(i) *Changes in Net Pension Asset*

Changes in the net pension asset for the year ended June 30, 2022 are as follows:

Contributory Plan

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability/(asset) (a)-(b)
Balances as of June 30, 2021	\$ 4,662,223	7,841,427	(3,179,204)
Changes for the year:			
Service cost	69,764	—	69,764
Interest	341,443	—	341,443
Differences between expected and actual experience	(71,805)	—	(71,805)
Changes of assumptions	85,290	—	85,290
Contributions – employer	—	421,527	(421,527)
Contributions – member	—	24,857	(24,857)
Net investment income	—	1,263,337	(1,263,337)
Benefit payments, including refunds of member contributions	(392,897)	(392,897)	—
Plan administrative expense	—	(51,133)	51,133
Net changes	<u>31,795</u>	<u>1,265,691</u>	<u>(1,233,896)</u>
Balances as of June 30, 2022	<u>\$ 4,694,018</u>	<u>9,107,118</u>	<u>(4,413,100)</u>

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

Non-Contributory Plan

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability/(asset) (a)-(b)
Balances as of June 30, 2021	\$ 27,572,516	46,540,320	(18,967,804)
Changes for the year:			
Service cost	167,962	—	167,962
Interest	2,022,900	—	2,022,900
Differences between expected and actual experience	87,917	—	87,917
Changes of assumptions	114,890	—	114,890
Contributions – employer	—	1,140,000	(1,140,000)
Net investment income	—	7,542,470	(7,542,470)
Benefit payments, including refunds of member contributions	(1,744,323)	(1,744,323)	—
Plan administrative expense	—	(63,746)	63,746
Net changes	649,346	6,874,401	(6,225,055)
Balances as of June 30, 2022	\$ 28,221,862	53,414,721	(25,192,859)

(9) 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 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 year 2022 were set at 3% of eligible compensation and in the aggregate were approximately \$63,000.

(10) 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 \$2,575,000 at June 30, 2022.

THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Basic Financial Statements

June 30, 2022

(11) 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.

Schedule 1

THE ESTATE OF STEPHEN GIRARD, DECEASED
CONTRIBUTORY RETIREMENT PLAN

Schedule of Changes in the Employer's Net Pension Asset and Related Ratios (Unaudited)

June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:								
Service cost	\$ 69,764	89,282	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>(392,897)</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>
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>4,762,128</u>	<u>4,640,971</u>	<u>4,527,547</u>	<u>4,209,183</u>	<u>3,919,518</u>	<u>3,869,918</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	(392,897)	(391,849)	(382,870)	(370,987)	(375,873)	(344,077)	(319,551)	(378,309)
Administrative expense	<u>(51,133)</u>	<u>(51,720)</u>	<u>(69,887)</u>	<u>(47,874)</u>	<u>(46,363)</u>	<u>(48,851)</u>	<u>(45,867)</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>5,664,394</u>	<u>5,438,370</u>	<u>5,441,861</u>	<u>5,100,904</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>6,493,438</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>(2,337,246)</u>	<u>(1,259,958)</u>	<u>(1,852,467)</u>	<u>(1,136,847)</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	\$ 643,969	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.

**THE ESTATE OF STEPHEN GIRARD, DECEASED
CONTRIBUTORY RETIREMENT PLAN**

Schedule of Employer Contributions (Unaudited)

June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
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	<u>421,527</u>	<u>263,855</u>	<u>232,320</u>	<u>256,356</u>	<u>385,160</u>	<u>237,720</u>	<u>354,051</u>	<u>412,068</u>
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.

**THE ESTATE OF STEPHEN GIRARD, DECEASED
CONTRIBUTORY RETIREMENT PLAN**

Notes to Required Supplementary Information

June 30, 2022

(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:

	2022	2021	2020	2019	2018	2017	2016	2015
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 (discount rate)	7.50 %	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-2000	RP-2000
Cost-of-living adjustments	3.00 %	3.00 %	2.75 %	2.50 %	2.50 %	2.50 %	2.50 %	2.50 %
Discount rate – actuarially accrued liability	2.79	2.79	3.49	4.14	3.79	3.48	4.20	4.06

See accompanying independent auditors' report.

**THE ESTATE OF STEPHEN GIRARD, DECEASED
NON-CONTRIBUTORY RETIREMENT PLAN**

Schedule of Changes in the Employer's Net Pension Asset and Related Ratios (Unaudited)

June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
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	1,989,149	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	78,633	—
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	<u>(1,744,323)</u>	<u>(1,741,520)</u>	<u>(1,703,893)</u>	<u>(1,667,431)</u>	<u>(1,506,874)</u>	<u>(1,372,869)</u>	<u>(1,306,149)</u>	<u>(1,201,062)</u>
Net change in total pension liability	649,346	817,087	306,609	(439,276)	316,802	2,066,671	875,967	1,207,459
Total pension liability – beginning	<u>27,572,516</u>	<u>26,755,429</u>	<u>26,448,820</u>	<u>26,888,096</u>	<u>26,571,294</u>	<u>24,504,623</u>	<u>23,628,656</u>	<u>22,421,197</u>
Total pension liability – ending	<u>28,221,862</u>	<u>27,572,516</u>	<u>26,755,429</u>	<u>26,448,820</u>	<u>26,888,096</u>	<u>26,571,294</u>	<u>24,504,623</u>	<u>23,628,656</u>
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	<u>(1,744,323)</u>	<u>(1,741,520)</u>	<u>(1,703,893)</u>	<u>(1,667,431)</u>	<u>(1,506,874)</u>	<u>(1,372,869)</u>	<u>(1,306,149)</u>	<u>(1,201,062)</u>
Administrative expense	<u>(63,746)</u>	<u>(64,410)</u>	<u>(60,911)</u>	<u>(59,318)</u>	<u>(57,347)</u>	<u>(54,683)</u>	<u>(55,841)</u>	<u>(60,212)</u>
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	<u>46,540,320</u>	<u>42,204,363</u>	<u>35,949,763</u>	<u>38,312,600</u>	<u>33,361,311</u>	<u>30,843,692</u>	<u>30,445,265</u>	<u>28,056,741</u>
Plan fiduciary net position – ending	<u>53,414,721</u>	<u>46,540,320</u>	<u>42,204,363</u>	<u>35,949,763</u>	<u>38,312,600</u>	<u>33,361,311</u>	<u>30,843,692</u>	<u>30,445,265</u>
Net pension asset	<u>\$ (25,192,859)</u>	<u>(18,967,804)</u>	<u>(15,448,934)</u>	<u>(9,500,943)</u>	<u>(11,424,504)</u>	<u>(6,790,017)</u>	<u>(6,339,069)</u>	<u>(6,816,609)</u>
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	3,667,840	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	-702.53%	-517.14%	-406.62%	-208.12%	-234.81%	-147.38%	-128.31%	-119.18%

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.

**THE ESTATE OF STEPHEN GIRARD, DECEASED
NON-CONTRIBUTORY RETIREMENT PLAN**

Schedule of Employer Contributions (Unaudited)

June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
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	<u>1,140,000</u>	<u>790,000</u>	<u>520,000</u>	<u>1,475,616</u>	<u>1,927,488</u>	<u>1,927,488</u>	<u>1,927,488</u>	<u>1,927,488</u>
Contribution deficiency (excess)	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Covered employee payroll	\$ 3,586,030	3,667,840	3,799,354	4,565,227	4,865,493	4,607,230	4,940,396	5,719,484
Contributions as a percentage of covered employee payroll	31.79%	21.54%	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.

**THE ESTATE OF STEPHEN GIRARD, DECEASED
NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Required Supplementary Information (Unaudited)

June 30, 2022

(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:

	2022	2021	2020	2019	2018	2017	2016	2015
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 %	7.75 %	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	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
Cost-of-living adjustments	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.



WILLS EYE HOSPITAL

Basic Financial Statements

June 30, 2022

(With Independent Auditor's Report Thereon)

WILLS EYE HOSPITAL

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KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

The Board of Directors of City Trusts:

Opinion

We have audited the financial statements of the Wills Eye Hospital (the Hospital), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Hospital, as of June 30, 2022, and the changes in its financial position and its cash flows 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 Hospital 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.

Emphasis of Matter

As discussed in Note 2(d) to the basic financial statements, the Hospital adopted the Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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 Hospital'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 Hospital'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 Hospital'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, schedule of changes in the employer's net pension liability and related ratios, and schedule of employer contributions 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Hospital's basic financial statements. The supplementary information in the schedules of blended component units-ambulatory surgery centers is presented for purposes 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 GAAS. 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
February 5, 2024

WILLS EYE HOSPITAL

Management's Discussion and Analysis (Unaudited)

June 30, 2022

The following discussion and analysis of the Wills Eye Hospital ("Hospital") provides an overview of the financial activities of the Hospital for the year ended June 30, 2022.

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 are provided in addition to this Management's Discussion and Analysis. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

The Hospital was established in 1832 through a bequest of James Wills, a Quaker merchant, to the City of Philadelphia, and 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.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction into the Hospital's basic financial statements. The Hospital is considered a proprietary fund in accordance with governmental accounting standards. Proprietary funds report on business-type activities and the financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. The Hospital's basic financial statements comprise the statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows and notes to the financial statements.

Despite being legally separate from the Hospital, the following component units are considered blended component units and reported as if they were part of the Hospital because the governing body of the component units are essentially the same as the Hospital:

Wills Eye Foundation, Inc., ("the Foundation") a domestic nonprofit corporation, owned 100% by the Hospital, 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.

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 Ambulatory Surgery Centers (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. and Wills Community Surgical Services of Cottman – Buxmont, Inc., (Services of Cottman-Buxmont) wholly-owned subsidiaries of the Hospital, established to be the majority owners of the 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.

WILLS EYE HOSPITAL

Management's Discussion and Analysis (Unaudited)

June 30, 2022

Abbot, Inc., ("Abbott") a wholly owned subsidiary of the Hospital, established to own and operate real estate for leasing purposes.

The Hospital also has a majority ownership in several Centers which are deemed to be blended component units since the Hospital is deemed to be financially accountable and the governing body of the component units are essentially the same as the Hospital. The Centers were established to provide high-quality, cost-effective, outpatient surgical services at five locations more accessible to the Hospital's patients. 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 following Centers have been included as part of the Hospital's financial statements:

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 Hospital and its blended component units are collectively referred to as the Organization.

Statement of Net Position

This statement provides information about the nature and amount of the Hospital's investments in resources (assets), obligations to the Organization's creditors (liabilities) as well as the deferred outflows and inflows of resources, with the difference between these amounts reported as the Organization's net position.

Statement of Revenues, Expenses and Changes in Net Position

This statement reports how the Organization's net position changed during the year presented by accounting for all revenues and expenses and measuring the financial results of operations. The information may be used to determine how the Organization has funded its costs.

Statement of Cash Flows

This statement provides information regarding the Organization's cash receipts and payments as well as net changes in cash resulting from operating, noncapital financing, capital and related financing, and investing activities.

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 Organization's net position decreased (\$20,050) (17%) during the year ended June 30, 2022 compared to an increase of \$17,569 during the year ended June 30, 2021. The change year over year is primarily due to changes in investment performance as a result of market conditions. The Organization reported a net investment loss of \$11,125 during the year ended June 30, 2022 compared to net investment income of \$26,514 during the year ended June 30, 2021.

WILLS EYE HOSPITAL
Management's Discussion and Analysis (Unaudited)
June 30, 2022

Effective July 1, 2021, the Organization adopted GASB Statement No. 87, *Leases* (GASB 87) which establishes a uniform approach for lease accounting based on the principle that leases are financings of the right-to use an underlying asset. In accordance with GASB 87, the lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and deferred inflow of resources. GASB 87 also requires enhanced disclosure which includes a general description of the leasing arrangement, the aggregate amount of resource inflows and outflows recognized from lease contracts, including those not included in the measurement of the lease liability and receivable.

Due to the implementation of GASB 87, at July 1, 2021, the Organization recognized right-of-use assets of \$12,539, lease liabilities of \$12,714, based upon the present value of the remaining rental payments. The applicable discount rates ranged from 1.1% to 4.4% which were based on the Organization's incremental borrowing rates. Additionally, for the lease in which the Organization is a lessor, the Organization also recorded a lease receivable of \$4,139 based upon the present value of the remaining rental receipts, deferred inflows of resources of \$3,985. The applicable discount rate of 3.2% was based on the Organization's incremental borrowing rate. GASB 87 requires retrospective application, and as a result, the Organization has presented the July 1, 2021 amounts in the June 30, 2021 summary of net position for comparative purposes.

Condensed Financial Information

The following schedule is a summary of the Organization's June 30, 2022 Statement of Net Position with comparative information as of June 30, 2021.

Summary of Net Position

	<u>2022</u>	<u>2021</u>
Assets and Deferred Outflows of Resources		
Current assets:		
Cash and cash equivalents	\$ 2,457	5,121
Patient accounts receivable	8,487	13,542
Lease receivable, current	528	499
Investments	39,349	49,855
Other current assets	4,988	5,397
	<u>55,809</u>	<u>74,414</u>
Noncurrent assets:		
Investments	56,267	68,500
Lease receivable, net of current portion	3,112	3,640
Net pension asset	8,227	2,909
Capital assets, net	38,984	42,996
Other assets	3,820	580
	<u>110,410</u>	<u>118,625</u>
Total assets	<u>166,219</u>	<u>193,039</u>

WILLS EYE HOSPITAL
Management's Discussion and Analysis (Unaudited)
June 30, 2022

	<u>2022</u>	<u>2021</u>
Deferred outflows of resources – pension	750	750
Deferred outflows of resources – interest rate swap	4,078	6,553
	<u>4,828</u>	<u>7,303</u>
Total assets and deferred outflows of resources	\$ <u>171,047</u>	<u>200,342</u>
Liabilities, Deferred Inflows of Resources and Net Position		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 23,859	24,372
Current portion of long-term debt	1,066	1,215
Line of credit	985	—
Current portion of lease liabilities	2,290	2,256
Other current liabilities	2,538	6,369
	<u>30,738</u>	<u>34,212</u>
Noncurrent liabilities:		
Long-term debt, net of current portion	19,841	20,848
Lease liabilities, net of current portion	8,243	10,457
Interest rate swap liability	4,078	6,553
Other noncurrent liabilities	3,346	4,991
	<u>35,508</u>	<u>42,849</u>
Total noncurrent liabilities	<u>35,508</u>	<u>42,849</u>
Total liabilities	<u>66,246</u>	<u>77,061</u>
Deferred Inflows of resources – pension	4,692	2,553
Deferred Inflows of resources – lease	3,416	3,985
	<u>8,108</u>	<u>6,538</u>
Total deferred inflows of resources	<u>8,108</u>	<u>6,538</u>
Net position:		
Net investment in capital assets	12,465	13,356
Restricted	67,390	77,558
Unrestricted	16,838	25,829
	<u>96,693</u>	<u>116,743</u>
Total net position	<u>96,693</u>	<u>116,743</u>
Total liabilities, deferred inflows of resources and net position	\$ <u>171,047</u>	<u>200,342</u>

WILLS EYE HOSPITAL
Management's Discussion and Analysis (Unaudited)
June 30, 2022

The decrease in patients accounts receivable is due to an accrual of \$5,200 for a 2021 Medicaid Supplemental payment at June 30, 2021 that was received during the fiscal year ended June 30, 2022. There was no accrual at June 30, 2022 for the Organization's 2022 Medicaid Supplemental payment since it was also received during the fiscal year ended June 30, 2022. This decrease was also offset by an increase of \$320 in WEOC due to normal timing of collections.

The Organization's investments primarily consist of amounts invested in the Collective Legal Investment Fund (CLIF) (approximately 90% of the balance), as well as investments in other cash and cash equivalents and a minority interest in an ambulatory surgical center.

The CLIF is a pooled investment fund created for the collective investments managed by the Board. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments, and alternative investments held in private equity investments. The Organization has no authority to operate or govern the assets of these investments, it is not the guarantor of any debt obligations, and does not have an ongoing financial responsibility. The Organization is entitled to preferred cumulative dividends and/or operations cash flow from net operating income. The CLIF is reported at net asset value (NAV) which is a practical expedient to fair value.

The Organization is also holds a minority interest as a limited partner in an ambulatory surgical center. The Organization reports this investment on the equity method of accounting.

During the year ended June 30, 2022, the \$19,517 decrease in current and noncurrent investments is primarily due to the net of realized and unrealized gains and losses of \$12,315 offset by net investment income of \$2,034 and decreased by \$9,658 for the use of restricted funds for their intended purpose.

Capital assets also includes right-to-use assets due to the adoption of GASB 87 and decreased by \$4,012 due to depreciation of \$3,783, amortization of right-of-use assets of \$2,483, offset by \$1,445 and \$735 of additions through routine purchases and donations, respectively.

The net pension asset as of June 30, 2022 increased by \$5,318 compared to June 30, 2021 primarily driven by increases in investments of \$6,524 and contributions to the pension plan totaling \$1,500. These increases were offset by \$2,778 of benefit payments and other costs.

The Organization's deferred outflows of resources for the interest rate swap decreased by \$2,475 due to a decrease in the interest rate swap liability due to favorable market conditions.

The Organization's debt decreased by \$1,270 based on the Organization's principal payments on long-term debt offset by \$114 of additional borrowing. The fair value of the interest rate swap liability decreased by \$2,474 due to the changes in interest rates and market conditions.

The change in the lease liability primarily relates to payments made on the Organization's leases during the year. The change in the lease receivable is based on the payments received during the year and the change in the right-of-use asset relates to the annual amortization. The Organization did not enter into any new leases or subleases during the year.

Other current liabilities decreased by \$3,831 which relates to recoupments by Medicare of advanced funding provided under the CARES Act.

WILLS EYE HOSPITAL
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June 30, 2022

Deferred inflows of resources for the pension increased by \$2,139 due to the change in the calculation of the net pension asset. Deferred inflows of resources for leases decreased by \$569 due to the amortization of lease income.

The following schedule is a summary of the Organization's Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2022 with comparative information for the year ended June 30, 2021.

Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>2022</u>	<u>2021</u>
Operating revenue:		
Patient service revenue	\$ 90,740	85,770
Contributions	3,007	6,330
Other revenues	<u>6,151</u>	<u>7,404</u>
Total operating revenue	<u>99,898</u>	<u>99,504</u>
Operating expenses:		
Salaries and benefits	52,117	55,512
Other expenses	51,818	50,101
Depreciation and amortization	<u>6,266</u>	<u>3,938</u>
Total operating expenses	<u>110,201</u>	<u>109,551</u>
Operating loss	(10,303)	(10,047)
Nonoperating (expense) revenue	(11,976)	24,989
Contributions to permanent endowment fund	<u>2,229</u>	<u>2,627</u>
(Decrease) Increase in net position	<u>\$ (20,050)</u>	<u>17,569</u>

Patient service revenue increased overall by 5.8%, of which there was an 11.0% increase at the Centers, a 7.5% increase at WEOC and a 3.0% increase at the Organization attributed to annual insurance reimbursement rate increases and case volume increases.

Contribution revenue decreased by \$3,323 primarily due to a reduction in government grant contributions in the Centers during the year ended June 30, 2022 as compared to June 30, 2021.

Other revenues decreased during the year ended June 30, 2022, as the Organization realized a one-time Paycheck Protection Program loan forgiveness of \$929 during the year ended June 30, 2021, plus \$400 in various other income items.

Salaries and benefits decreased by \$3,395 or 6% primarily due to a decrease in pension costs of \$5,978, offset by an overall increase in salaries of \$2,583 or 5.0%.

Other expenses increased by \$1,717 during the year ended June 30, 2022, as compared to the year ended June 30, 2021 due to increases of \$476 in insurance, \$1,046 in professional fees, and \$195 in supplies and other expenses.

WILLS EYE HOSPITAL
Management's Discussion and Analysis (Unaudited)
June 30, 2022

Nonoperating expenses and revenues primarily consist of net investment income (loss) and interest expense. Overall nonoperating (expenses) revenues decreased by \$37,363, during the year ended June 30, 2022 as compared to the year ended June 30, 2021, for the following reasons:

During the year ended June 30, 2022, net investment income which represents interest and dividends less investment fees totaled \$1,143, as compared to \$912 during the year ended June 30, 2021. Last year, the various stock market indices all experienced significant increases but this year, the Organization experienced reversals of those gains. As a result, the value of the Organization's investments decreased by \$12,315 during the year ended June 30, 2022, as compared to an increase in the value of investments of \$24,853 during the year ended June 30, 2021.

Interest expense increased by \$334 during the year ended June 30, 2022 as compared to the year ended June 30, 2021 primarily due to the adoption of GASB 87 and the allocation of interest expense on leases.

Debt

The Hospital has a \$5,000 line of credit facility in which the Hospital drew down \$985 on the line of credit during the year ended June 30, 2022 and the balance remains outstanding as of June 30, 2022.

The Organization entered into \$100 of new debt obligations during the year ended June 30, 2022 which related to finance agreements for equipment. The following is a summary of the Organization's existing debt obligations.

Series 2012 Bonds

On March 1, 2012, the Hospitals and Higher Education Facilities Authority of Philadelphia issued Variable Rate Revenue Bonds, Series 2012, in the aggregate principal amount of \$15,000 (Series 2012 Bonds), with a final maturity date of November 1, 2030. There are no principal payments due until 2030.

On March 1, 2012, to hedge against the risk of changes in interest rates associated with its variable rate Series 2012 Bonds, the Hospital entered into an interest rate swap agreement which expires in November 2030. The fair value of the interest rate swap was estimated by a third party and amounted to a liability of \$4,078 at June 30, 2022. Changes in the fair value are reported as deferred outflows or inflows in the statement of net position. For the year ended June 30, 2022, the change in the fair value of the interest rate swap represented a gain of \$2,475.

Other Long-term Debt

The Organization has several long-term debt arrangements. During the year ended June 30, 2022, the Organization made principal payments of \$748 on all of its other long-term debt obligations.

Finance Agreements

The Organization has several finance agreements for equipment with various interest rates and expiration dates. During the year ended June 30, 2022, principal payments on these finance agreements totaled \$522.

WILLS EYE HOSPITAL

Management's Discussion and Analysis (Unaudited)

June 30, 2022

Contacting the Hospital

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

Finance Department
Wills Eye Hospital
c/o Board of City Trusts
1101 Market Street
Suite 2600
Philadelphia, PA 19107
215-568-0440

WILLS EYE HOSPITAL

Statement of Net Position

June 30, 2022

(In thousands)

Assets and Deferred Outflows of Resources

Current assets:	
Cash and cash equivalents	\$ 2,457
Patient accounts receivable	8,487
Other receivables	430
Lease receivable, current	528
Inventory	2,149
Investments	39,349
Other current assets	2,409
Total current assets	55,809
Noncurrent assets:	
Investments	56,267
Investment in surgery center	3,340
Lease receivable, net of current portion	3,112
Net pension asset	8,227
Capital assets, net	38,984
Other assets	480
Total noncurrent assets	110,410
Total assets	166,219
Deferred outflows of resources:	
Pension	750
Interest rate swap	4,078
Total deferred outflows of resources	4,828
Total assets and deferred outflows of resources	\$ 171,047

Liabilities, Deferred Inflows of Resources and Net Position

Current liabilities:	
Accounts payable	\$ 15,738
Accrued liabilities	8,121
Current portion of long-term debt	1,066
Line of credit	985
Current portion of lease liabilities	2,290
Other current liabilities	2,538
Total current liabilities	30,738
Noncurrent liabilities:	
Long-term debt, net of current portion	19,841
Lease liabilities, net of current portion	8,243
Interest rate swap liability	4,078
Other noncurrent liabilities	3,346
Total noncurrent liabilities	35,508
Total liabilities	66,246
Deferred inflows of resources:	
Pension	4,692
Lease	3,416
Total deferred inflows of resources	8,108
Net position:	
Net investment in capital assets	12,465
Restricted:	
Expendable:	
Collateral for debt	20,157
Other	18,484
Nonexpendable permanent endowment	28,749
Unrestricted	16,838
Total net position	96,693
Total liabilities, deferred inflows of resources and net position	\$ 171,047

See accompanying notes to basic financial statements.

WILLS EYE HOSPITAL**Statement of Revenues, Expenses and Changes in Net Position****Year Ended June 30, 2022**

(In thousands)

Operating revenues:	
Patient service revenue	\$ 90,740
Contributions	3,007
Lease	1,733
Other revenue	<u>4,418</u>
Total operating revenues	<u>99,898</u>
Operating expenses:	
Salaries and benefits other than pension costs	53,261
Pension costs (benefit)	(1,144)
Supplies and other expenses	44,620
Insurance	2,680
Professional – legal and consulting	1,999
Professional – medical	2,519
Depreciation and amortization	<u>6,266</u>
Total operating expenses	<u>110,201</u>
Operating loss	<u>(10,303)</u>
Nonoperating revenues (expenses):	
Investment loss, net	(11,125)
Equity in net earnings of investee	987
Interest expense	<u>(1,838)</u>
Total nonoperating revenues (expenses)	<u>(11,976)</u>
Loss before contributions	<u>(22,279)</u>
Contributions to permanent endowment fund	<u>2,229</u>
Decrease in net position	<u>(20,050)</u>
Net position – beginning of year	<u>116,743</u>
Net position – end of year	<u>\$ 96,693</u>

See accompanying notes to basic financial statements.

WILLS EYE HOSPITAL

Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

Cash flows from operating activities:	
Cash receipts from customers	\$ 95,725
Other operating cash receipts	8,827
Cash payments to employees for services	(53,261)
Cash payments to vendors for goods and services	<u>(51,440)</u>
Net cash used in operating activities	(149)
Cash flows from noncapital financing activities:	
Proceeds from line of credit	985
Contributions to permanent endowment	<u>2,229</u>
Net cash provided by noncapital financing activities	3,214
Cash flows from capital and related financing activities:	
Additions to capital assets	(1,430)
Proceeds from disposition of assets	15
Repayments of lease liabilities	(2,266)
Payments on long-term liability	(878)
Proceeds from lease receivable	499
Principal payments on long-term debt	(1,270)
Proceeds from long-term debt	114
Interest paid	<u>(1,734)</u>
Net cash used in capital and related financing activities	(6,950)
Cash flows from investing activities:	
Investment earnings	<u>1,221</u>
Net cash provided by investing activities	<u>1,221</u>
Net decrease in cash and cash equivalents	(2,664)
Cash and cash equivalents – beginning	<u>5,121</u>
Cash and cash equivalents – ending	\$ <u><u>2,457</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (10,303)
Adjustments for noncash charges to operations	
Depreciation and amortization	6,266
Gain on disposition of assets	(4)
Change in fair value of swap contract	2,474
Change in net pension asset	(5,318)
Noncash contributions	(751)
Net realized and unrealized losses on investments	5,512
Changes in assets and liabilities:	
Patient accounts receivable	5,056
Other receivables	1,103
Inventory	(314)
Other current assets	(384)
Other assets	100
Accounts payable	1,120
Accrued liabilities	(1,634)
Other current liabilities	(3,843)
Other noncurrent liabilities	(798)
Deferred inflows	<u>1,569</u>
Net cash used in operating activities	\$ <u><u>(149)</u></u>

See accompanying notes to basic financial statements.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2022

(In thousands)

(1) Reporting Entity

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, through various component units, which provide medical services to area residents.

Blended Component Units

Component units that provide service exclusively to the Hospital whose governing bodies are substantially the same as that of the Hospital, whose total debt outstanding are expected to be repaid with resources of the Hospital, or who are organized as not-for-profits and the Hospital is the sole corporate member (business-type activities), are reported as if they were part of the Hospital, or blended into the Hospital's financial statements. They include the following:

- 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. The Hospital is the sole member of the Foundation.
- 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 Ambulatory Surgery Centers (the Centers, see below). 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), wholly-owned subsidiaries of the Hospital, established to be the majority owners of the 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

Ambulatory Surgery Centers

The Centers were established to provide high-quality, cost-effective, outpatient surgical services at five locations more accessible to the Hospital's patients. The Hospital has developed its network of 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

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2022

(In thousands)

physicians, of which the Hospital owns a majority of the respective outstanding shares. Additionally, the Hospital appoints the governing body of the Centers and management of the Centers is performed by employees of Services Corp. Therefore, the Centers meet the definition of a blended component unit.

The Hospital and its blended component units are collectively referred to as the Organization.

(2) Summary of Significant Accounting Policies

(a) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accompanying financial statements were prepared in accordance with U.S. generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The Organization's activities are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The Organization is reported as a special-purpose government engaged in business-type activities. Business-type activities are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

All significant transactions between the Hospital and its blended component units have been eliminated.

(b) Use of Estimates

The preparation of financial statements in conformity with GAAP 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 financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates made by the Organization include those related to the valuation of its implicit price concessions, investments valued at net asset value, interest rate swap, pension benefit obligation and lease liabilities.

(c) Operating and Non-Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services in connection with the Organization's principal ongoing operations. Operating revenues primarily include patient service revenue, contributions, and other government grants and funding, whereas nonoperating revenues include restricted contributions and investment income. Operating expenses include the cost of services provided, administrative expenses, and depreciation on capital assets whereas nonoperating expense includes interest on debt.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2022

(In thousands)

(d) Adoption of New Accounting Pronouncement

Effective July 1, 2021, the Organization adopted GASB Statement No. 87, *Leases* (GASB 87), which establishes a uniform approach for lease accounting based on the principle that leases are financings of the right-to use an underlying asset. In accordance with GASB 87, the lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and deferred inflow of resources. GASB 87 also requires enhanced disclosure, which includes a general description of the leasing arrangement, the aggregate amount of resource inflows and outflows recognized from lease contracts, including those not included in the measurement of the lease liability and receivable.

At July 1, 2021, the Organization recognized right-to-use assets of \$12,539 and lease liabilities of \$12,714, based upon the present value of the remaining rental payments. The applicable discount rates ranged from 1.1% to 4.4% which were based on the Organization's incremental borrowing rates. Additionally, for the lease in which the Organization is a lessor, the Organization also recorded a lease receivable of \$4,139 and deferred inflows of \$3,985, based upon the present value of the remaining rental receipts. The applicable discount rate of 3.2% was based on the Organization's incremental borrowing rate. See Note 8 for further information.

(e) Cash and Cash Equivalents

Cash consists of on-hand petty cash and amounts in the Organization's operating bank accounts. 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. The Organization's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") (subject to the FDIC limit or \$250). Periodically during the year, cash and cash equivalents may have exceeded the FDIC limitation. As of June 30, 2022, held \$3,221 in its bank accounts, of which, \$1,512 was uninsured.

(f) 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.

(g) Inventory

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

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2022

(In thousands)

(h) Capital Assets

Capital assets consists of buildings, improvements and equipment and are recorded at cost. The Organization capitalizes assets that exceed \$5 and have a useful life greater than one year. Depreciation is provided over the following useful lives on a straight-line basis:

Buildings and improvements	5 – 40 years
Equipment	3 – 20 years

(i) Investments and Restricted Assets

Collective Legal Investment Fund (CLIF)

The CLIF is a pooled investment fund created for the collective investments managed by the Board. The Organization has no restrictions on withdrawals from the CLIF. The CLIF is a balanced portfolio primarily comprising equity securities, fixed income funds, short-term investments and alternative investments held in private equity investments. The Hospital has no authority to operate or govern the assets of these investments, it is not the guarantor of any debt obligations and does not have an ongoing financial responsibility. The Organization's investment in the CLIF is measured using net asset value (NAV) per share as a practical expedient to fair value. The CLIF issues stand-alone audited financial statements, which are available at www.citytrusts.com.

Money Market Accounts

The Organization holds money market accounts. As of June 30, 2022, the organization held \$8,354 in its money market accounts, of which \$7,747 exceed the FDIC and was uninsured.

(j) Investment in Surgery Center

The Organization holds a 38% interest in an ambulatory surgical center for which the Organization does not have an ongoing financial interest nor is it the guarantor of any debt obligations. The Organization accounts for this investment under the equity method.

(k) Interest Rate Swap

The Organization records its interest rate swap at fair value. The interest swap is deemed to be effective, and the change in fair value is recognized as a deferred outflow or inflow of resources in the statement of net position. The fair value of the interest rate swap 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. As such, the interest rate swap is classified as a Level 2 investment in the fair value hierarchy.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2022

(In thousands)

(l) 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.

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.

At June 30, 2022, the Organization's investments held in the CLIF are valued at NAV.

(m) Deferred Outflows or Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets, and deferred inflows of resources decrease net position, similar to liabilities.

(n) Net Position

Net position represents the difference between the Organization's assets and deferred outflows of resources and liabilities and deferred inflows of resources.

Net investment in capital assets represents capital assets, reduced by accumulated depreciation and by any outstanding debt related to the acquisition, construction or improvement of those assets, including lease liabilities.

Restricted net position represents net position with restrictions imposed by external creditors, grantors, contributions, laws or regulations, or by law through constitutional provisions or enabling legislation.

Nonexpendable permanent endowment represents funds used to report resources that are legally restricted to the extent that only earnings may be used for purposes that support the Organization's programs. See Note 11 for more information on the Organization's permanent endowment.

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2022

(In thousands)

Unrestricted net position consists of net assets that do not meet the definition of "restricted" or "net investments in capital assets". When both restricted and unrestricted resources are available for specified expenditures, restricted resources are considered spent before unrestricted resources.

(o) Revenue

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 in the period earned. These amounts are due from patients, third-party payers, and others and include an estimate of variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations.

The majority of the Organization's services are rendered to patients with third-party coverage. Reimbursement under these programs for all payers 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 payers typically provide for payments at amounts less than established charges.

Generally, patients who are covered by third-party payers 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.

Consistent with the Organization's mission, care is provided to patients regardless of their ability to pay. 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. The amount of costs foregone for services, supplies, and wages furnished under its charity care policy totaled \$976 during the year ended June 30, 2022. Charity care is reported as a reduction to patient service revenue.

Contributions

Contributions and grant reimbursements are recognized when all applicable eligibility requirements are met. Funds received before the eligibility requirements are met are reported as unearned revenue.

(p) Pension

For purposes of measuring the net pension asset, deferred outflows of resources, deferred inflows of resources related to pension, and pension expense, information about the net position of the Board of Directors of City Trusts Wills Eye Health System Non-Contributory Retirement Plan (the Plan) and

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2022

(In thousands)

additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 9 for further information.

(q) Leases

The Organization is a lessee or a lessor in various noncancellable leases of property for all of its clinical and office space, most of which are subject to triple-net leases. The Organization's real estate leases generally have initial terms of 5 to 15 years, and typically include one or more options to renew, with renewal terms that generally extend the lease term for an additional five years or more. Exercise of the renewal options is generally subject to the satisfaction of certain conditions, which vary by contract, and follow payment terms that are consistent with those in place during the initial term. The lease term is the non-cancelable period of the lease, inclusive of the option periods that the Organization is reasonably certain to exercise. The payment structure of the Organization's leases generally contains annual escalation clauses that are fixed in nature or variable based upon the consumer price index.

At lease commencement, lease liabilities and receivables are measured as the present value of the future lease payments expected to be made during the lease term using the Organization's incremental borrowing rate for collateralized borrowings. For all leases in which the Organization is the lessee, the lease asset is initially measured as the initial measurement of the lease liability plus initial direct costs ancillary to placing the asset into service. For all leases in which the Organization is the lessor, the deferred inflow is initially measured as the initial measurement of the lease receivable plus any payments received at or before commencement less lease incentives paid at or before commencement.

Subsequent to lease commencement date, the lease liability or receivable is reduced by the principal portion of lease payments remitted or received, respectively. The lease asset (lessee) is amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying asset, while the deferred inflow of resources (lessor) is amortized on a straight-line basis over the lease term.

The Organization monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable, it is remeasured and a corresponding adjustment is made to the lease asset or deferred inflow of resources, respectively.

Variable Lease Payments

Variable lease payments that are based on an index or a rate (such as the Consumer Price Index or a market interest rate) are included in the initial measurement of the lease liability or lease receivable using the index or rate as of the commencement date of the lease term (or the implementation date of July 1, 2021).

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Short-term Leases

For lease arrangements with a term of a maximum of twelve months or less at commencement, the Organization recognizes lease expense or income based on the provisions of the lease.

(3) Significant Risks and Uncertainties

Revenue Sources

The Organization receives revenues from Medicare, Medicaid, managed care, self-pay patients and other third-party payors. The sources and amounts of the Organization's revenues are determined by a number of factors, including the mix of payors and varying contract reimbursement rates. Changes in the mix of payors can significantly affect the Organization's financial position. The following table depicts the Organization's net patient services revenue, by source, for the year ended June 30, 2022:

Medicare	52 %
Medicaid	10
Managed care	28
Other third-party payors	8
Self-pay	2
	<hr/>
	100 %
	<hr/>

During the year ended June 30, 2022, the Organization recorded revenue of \$5,300 related to the 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 2022 supplemental payment was received, in full, on May 4, 2022 and, as a result, is not included in the Organization's accounts receivable from Medicaid on June 30, 2022.

Concentration of Credit Risk

The Organization also experiences credit risk related to the concentration of its accounts receivable. However, management does not believe there are any other significant concentrations of credit risk as of June 30, 2022. The mix of net receivables from patients and third-party payors at June 30, 2022 was as follows:

Medicare	35 %
Medicaid	7
Managed care	40
Other third-party payors	12
Self-pay	6
	<hr/>
	100 %
	<hr/>

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Notes to Financial Statements

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(In thousands)

(4) Investments

The following summarizes the Organization's investments as of June 30, 2022:

Investment in CLIF	\$	87,262
Money market accounts		<u>8,354</u>
		95,616
Less restricted investments (see below)		<u>56,267</u>
Unrestricted investments	\$	<u>39,349</u>
Undesignated	\$	23,467
Donor designated		10,786
Board designated		<u>5,096</u>
Total unrestricted investments	\$	<u>39,349</u>

The following summarizes the Organization's noncurrent restricted investments as of June 30, 2022 which are invested in the CLIF and money market accounts:

Endowments (See Note 11)	\$	36,110
Investments held as collateral for debt agreements		<u>20,157</u>
Total restricted investments	\$	<u>56,267</u>

(5) Capital Assets, Net

Capital assets and related accumulated depreciation activity for the year ended June 30, 2022 is as follows:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Nondepreciable capital assets:				
Land	\$ 2,923	53	—	2,976
Construction in progress	<u>43</u>	<u>682</u>	<u>—</u>	<u>725</u>
	<u>2,966</u>	<u>735</u>	<u>—</u>	<u>3,701</u>
Depreciable capital assets:				
Buildings and improvements	54,109	298	—	54,407
Equipment	<u>36,482</u>	<u>1,147</u>	<u>(330)</u>	<u>37,299</u>
	<u>90,591</u>	<u>1,445</u>	<u>(330)</u>	<u>91,706</u>

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	Beginning	Increases	Decreases	Ending
Leased assets:				
Buildings	\$ 11,770	—	—	11,770
Equipment	769	85	—	854
	12,539	85	—	12,624
Total depreciable capital assets	103,130	1,530	(330)	104,330
Accumulated depreciation:				
Buildings and improvements	(36,739)	(1,746)	—	(38,485)
Equipment	(26,361)	(2,037)	319	(28,079)
Leased buildings	—	(2,242)	—	(2,242)
Leased equipment	—	(241)	—	(241)
Total accumulated depreciation	(63,100)	(6,266)	319	(69,047)
Depreciable capital assets, net	40,030	(4,736)	(11)	35,283
Total capital assets, net	\$ 42,996	(4,001)	(11)	38,984

Depreciation expense on depreciable capital assets and leased assets was \$3,783 and \$2,483, respectively, for the year ended June 30, 2022.

(6) Debt

(a) Line of Credit

The Organization has a revolving line of credit agreement with a bank, which provides that the Hospital may borrow up to \$5,000. Amounts outstanding under this line bear interest at the London Interbank Offered Rate (LIBOR) plus 1.25% (2.39% at June 30, 2022). The Hospital 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 restricted collateral for debt in the statement of net position. At June 30, 2022, the Hospital had outstanding borrowings of \$985 under this line. Subsequent to June 30, 2022, the line of credit was amended to bear interest at the Daily 1-month Secured Financing Overnight Rate (SOFR), plus an applicable margin ranging from 2.0% to 2.5%. The line of credit matures in March 2024.

(b) Series 2012 Bonds

On March 1, 2012, the Hospitals and Higher Education Facilities Authority of Philadelphia (the Authority) issued Variable Rate Revenue Bonds, Series 2012, in the aggregate principal amount of \$15,000 (Series 2012 Bonds), with a final maturity date of November 1, 2030. The Series 2012 Bonds were concurrently purchased by a bank. 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 (1.63% at June 30, 2022). There are no principal payments due until 2030. In December 2022, the interest rate was amended to change from LIBOR to SOFR.

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The bank has an option during each of the periods commencing 90 days prior to (i) March 1, 2024 and (ii) March 1, 2029, and ending 180 days after each date, to tender the Series 2012 Bonds for mandatory purchase by the Hospital within 120 days from the date on which the notice is provided. The loan is collateralized by securities held in the CLIF and presented as restricted collateral for debt in the statement of net position.

(c) Committed Loan

In January 2014, the Organization converted an existing line of credit to a term loan requiring monthly principal and interest payments at a variable annual interest rate of the Daily LIBOR rate plus 1.7% (2.67% at June 30, 2022). In February 2019, the Hospital amended the loan to extend its maturity date by 5 years and revised the interest rate by establishing a floor of 0% in the Daily LIBOR rate. The amended loan matures in March 2024. As of June 30, 2022, the balance of the loan amounted to \$3,426. The loan is collateralized by securities held in the CLIF and presented as restricted collateral for debt in the statement of net position.

(d) Commercial Bank Loans

The Organization has a term loan with a bank requiring monthly payments of principal and interest at a fixed annual interest rate of 2.27%, expiring April 2028. The loan is collateralized by money market funds held and presented as restricted collateral for debt in the statement of net position. As of June 30, 2022, the balance of the loan amounted to \$1,049.

The Organization has a thirty-year Small Business Association (SBA) loan in the amount of \$150, requiring interest only payments until December 2022, and then 330 monthly principal and interest payments at annual rate of 2.75%. As of June 30, 2022, the balance of the loan amounted to \$150.

The Organization has a term loan with a bank requiring monthly payments of principal and interest at a variable interest rate (3.21% at June 30, 2022), expiring April 2024. The loan is collateralized by certain building and land presented as net investment in capital assets in the statement of net position. As of June 30, 2022, the balance of the loan amounted to \$101. On April 19, 2023, the loan was amended to change from LIBOR to SOFR.

The Organization has a term loan with a bank requiring monthly payments of principal and interest at an annual fixed interest rate of 3.95%, maturing July 2025. The loan is collateralized by a restricted cash deposit. As of June 30, 2022, the balance of the loan amounted to \$315.

(e) Note Payable

On January 1, 2020, the Organization entered in a loan for the purchase of various assets for \$300, requiring monthly payments of principal and interest at an annual fixed rate of 1.2%, and matures on April 1, 2024. As of June 30, 2022, the balance of the loan amounted to \$116.

(f) Finance Agreements

The Organization has several finance agreements for equipment with balances ranging from \$0 to \$109, interest rates ranging from 2.1% to 6.25%, and maturity dates ranging from September 2022 to June 2027. As of June 30, 2022, the balance of the finance agreements amounted to \$750.

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(g) Summary of Changes in Debt Obligations

A summary of debt activity for the year ended June 30, 2022 follows:

Entity	Description	June 30, 2021	Additions	Reductions	June 30, 2022	Amounts due within 1 year
Wills Eye	Line of Credit	\$ —	985	—	985	985
Wills Eye	Series 2012 Bonds	\$ 15,000	—	—	15,000	—
Wills Eye	Committed Loan	3,753	—	(327)	3,426	327
Wills Eye	Term Loan	1,215	—	(166)	1,049	170
Wills Eye	SBA Loan	150	—	—	150	2
Abbott	Commercial Bank Loan	156	—	(55)	101	55
Warminster	Commercial Bank Loan	420	—	(105)	315	105
Wills Eye	Note Payable	211	—	(95)	116	77
Various	Finance agreements	1,158	114	(522)	750	330
	Total	\$ 22,063	114	(1,270)	20,907	1,066

(h) Future Principal and Interest Payments

Future principal and interest maturities of the long-term debt outstanding are as follows:

	Principal	Interest	Total
Year ending June 30:			
2023	\$ 1,066	399	1,465
2024	3,668	348	4,016
2025	427	272	699
2026	248	262	510
2027	211	256	467
2028 – 2032	15,182	859	16,041
2033 – 2037	27	14	41
2038 – 2042	31	11	42
2043 – 2047	36	6	42
2048 – 2050	11	1	12
Total	\$ 20,907	2,428	23,335

Future interest requirements for the Organization's variable-rate debt were determined using the interest rate in effect at June 30, 2022.

(i) Debt Covenants

The Series 2012 Bonds, Committed Loan, Term Loan and line of credit contain financial, affirmative, and negative covenants, and events of default that are customary for debt securities of this type. The

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Organization was in compliance with all of its loan covenants as of June 30, 2022, except the requirement to deliver the June 30, 2022 audited financial statements within 150 days of year-end. The Organization obtained a waiver for this covenant violation.

The commercial bank loans held by Abbot and Warminster are subject to financial loan covenants which include the maintenance of minimum historical debt service coverage ratios and minimum days cash on hand amounts, as defined in the respective agreements. Both Abbot and Warminster were in compliance with their respective loan covenants at June 30, 2022.

(7) Interest Rate Swap

On March 1, 2012, 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. The terms of the swap contract have a notional value of \$15,000 and the Hospital pays a fixed rate of 5.81% and will receive a rate of 75% of the 30-day LIBOR. The swap expires in November 2030. In December 2022, the interest rate on the swap contract was amended to change from receiving 75% of the 30-day LIBOR to receiving 75% of the 30-day SOFR.

The fair value of the interest rate swap was \$4,078 at June 30, 2022. Changes in the fair value are reported as deferred outflows or inflows of resources in the statement of net position.

Under the interest rate swap agreement, the Hospital incurred net interest expense of \$840 for the year ended June 30, 2022. Net swap payments through the term of the swap are as follows: FY 2023 through FY 2027: \$708 per year, FY2028-2030: \$2,124 in total. Future net payments related to the interest rate swap were determined based upon the terms in effect at June 30, 2022. However, as future rates vary, the variable interest rate payments on the net swap payments will also vary.

(a) Counterparty Risk

Interest rate swaps are also subject to counterparty risk which is the risk of loss of an amount expected to be delivered under an agreement in the event of the default or bankruptcy of the counterparty. Counterparty risk with swaps is limited by execution under the standardized International Swap and Derivatives Association Agreements. These contracts allow for the mutual exchange of collateral should an overall unsecured market value exceed a certain threshold.

(b) Credit Risk

As of June 30, 2022, the Hospital was not exposed to credit risk on its interest rate swap contract since the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the Hospital would be exposed to credit risk in the amount of the swap's fair value.

(c) Interest Rate Risk

The Hospital will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated.

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(8) Leases

Lessee:

A summary of changes in the related lease liabilities during the year ended June 30, 2022 is as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Remeasure- ments</u>	<u>Deductions</u>	<u>Ending</u>
Lease liabilities:					
Buildings	\$ 11,945	—	—	2,032	9,913
Equipment	769	85	—	234	620
Total lease liabilities	<u>\$ 12,714</u>	<u>85</u>	<u>—</u>	<u>2,266</u>	<u>10,533</u>

During the year ended June 30, 2022, the Organization did not incur any expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment.

The components of lease cost for the year ended June 30, 2022 recognized in statement of revenues, expenses and changes in net position are as follows:

Amortization of right-to-use asset	\$ 2,483
Interest on lease liabilities	360
Short-term lease expense	165
Variable lease expense	<u>240</u>
Total lease cost	<u>\$ 3,248</u>

A summary of principal and interest for future payments that are included in the measurement of the lease liability for the next five years and in subsequent five-year increments thereafter is as follows:

	<u>Total payment</u>	<u>Interest</u>	<u>Principal</u>
2023	\$ 2,600	310	2,290
2024	2,249	261	1,988
2025	1,519	219	1,300
2026	807	193	614
2027	750	172	578
2028 – 2032	2,432	609	1,823
2033 – 2037	<u>2,149</u>	<u>209</u>	<u>1,940</u>
Total	<u>\$ 12,506</u>	<u>1,973</u>	<u>10,533</u>

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(In thousands)

Lessor:

The components of lease income for the year ended June 30, 2022 recognized in statement of revenues, expenses and changes in net position are as follows:

Amortization of deferred inflows of resources	\$	569
Short-term lease income		1,035
Variable lease income		129
Total lease income	\$	<u>1,733</u>

(9) Retirement Plans

(a) Non-Contributory 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 10, 2010.

The Plan reports on a calendar year-end (December 31) and issues stand-alone audited financial statements. Additional information is available at www.citytrusts.com.

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.

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.

Benefits

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 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.

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For non-union employees, 2.0% 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 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.

Plan Members Covered by Benefit Terms

The following members were covered by the respective benefit terms:

Inactive members or beneficiaries currently receiving benefits	267
Inactive members entitled to, but not yet receiving benefits	147
Active members	16
Total	430

Expected Rate of Return on Investments

The long-term rate of return for the Plan's investments were determined using a building block method in which the best estimate ranges or 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 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 are summarized in the following table:

Asset class	Target asset allocation	Long-term expected real rate of return
Domestic equity	50 %	6.4 %
International equity	10	6.5
Fixed income	30	3.3
Real estate/alternative	10	5.5
Total	100 %	

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Actuarial Assumptions

The total pension asset for the Plan was determined by an actuarial valuation as of January 1, 2021 rolled forward to June 30, 2022 using the following actuarial assumptions applied to the period 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 to December 31, 2020.

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.

Sensitivity of Net Pension Asset to Change in the Discount Rate

The following presents the net pension asset for the Plan as of December 31, 2021, calculated using the discount rate of 7.5%, as well as what the net pension asset would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

	<u>1% Decrease</u> <u>(6.5%)</u>	<u>Discount rate</u> <u>(7.5%)</u>	<u>1% Increase</u> <u>(8.5%)</u>
Net pension asset	\$ (4,420)	(8,227)	(11,918)

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Changes in Net Pension Asset

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability/(asset) (a)-(b)
Balances as of June 30, 2021	\$ 37,748	40,657	(2,909)
Changes for the Year:			
Service cost	52	—	52
Interest	2,713	—	2,713
Differences between expected and actual experience	(291)	—	(291)
Changes of assumptions	158	—	158
Contributions – employer	—	1,500	(1,500)
Net investment income	—	6,524	(6,524)
Benefit payments, including refunds of member contributions	(2,704)	(2,704)	—
Plan administrative expense	—	(74)	74
Net changes	(72)	5,246	(5,318)
Balances as of June 30, 2022	\$ 37,676	45,903	(8,227)

Deferred Outflows/Inflows of Resources

At June 30, 2022, the Hospital reported deferred outflows and inflows of resources related to the Plan from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual earnings on pension plan investments	\$ —	4,692
Contributions subsequent to the measurement date	750	—
Total	\$ 750	4,692

Deferred outflows of resources related contributions subsequent to the measurement date will be recognized as an increase to the net pension asset in the year ended June 30, 2023 but are not

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included in the table below. Net deferred outflows (inflows) of resources will be recognized in pension expense as follows for the fiscal year ended June 30:

2023	\$	(1,004)
2024		(1,911)
2025		(1,073)
2026		(704)
	\$	<u>(4,692)</u>

(b) 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 Organization has established a 403(b) plan with the same criteria as above which became effective as of July 1, 2002 for all new hires. For the year ended June 30, 2022 the employer match for all eligible employees is 2.25% of an employee's compensation with a maximum compensation of \$270.

The employer's contributions for the year ended June 30, 2022 relating to the 401(k) and 403(b) plans were \$535 and \$281, respectively.

(10) Other Long-Term Liability

In June 2001, the Hospital transferred its leasehold interest in certain property and equipment to a third party through the form of a 35-year lease agreement. In July 2002, the Hospital entered into a sublease for the leasehold interest, which included a 25-year initial term and two optional 5-year term extensions, as well as an option to purchase the assets at any time during the sublease term. Given the substance of the transaction was such that control of the assets was retained by the Hospital, the transaction was deemed to represent a financing, rather than a sale of the property and equipment. As such, the assets and accumulated depreciation remained on the Hospital's balance sheet and continue to be depreciated over their remaining useful lives; and the proceeds received from the transaction were recorded as an other long-term liability. The other long-term liability bears an imputed interest rate of 7.1% and is payable over the term of the sublease. The current and noncurrent portions of the liability are recorded in other current and noncurrent liabilities in the statement of net position.

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Future minimum payments for the next five years under the agreement at June 30, 2022 are as follows:

Year ending June 30		
2023	\$	878
2024		879
2025		879
2026		879
2027		879
2028		73
		<hr/>
Total future minimum payments		4,467
Less interest		<hr/> (715)
Total liability		3,752
Less current portion		<hr/> (634)
Long-term liability	\$	<hr/> <hr/> 3,118

(11) Endowments

The Organization'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

Pennsylvania law permits the Board to make an election to annually appropriate for expenditure a selected percentage between 2% and 10% of the fair value of the assets related to permanent 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) Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization 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 Organization considered the long-term expected return on its funds. This is consistent with the Organization'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 the year ended June 30, 2022 was 5% for endowment funds.

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(In thousands)

(12) Blended Component Units

The following presents condensed combining information of the blended component units:

Condensed Combining Statement of Net Position:

	<u>Hospital</u>	<u>Foundation</u>	<u>WEOC</u>	<u>Centers</u>	<u>Other components</u>	<u>Eliminations</u>	<u>Total</u>
Assets and deferred outflow s of resources:							
Current assets:							
Due from affiliates	\$ 5,149	—	1,501	2	58	(6,710)	—
Other current assets	46,950	349	3,598	4,576	336	—	55,809
Total current assets	52,099	349	5,099	4,578	394	(6,710)	55,809
Capital assets, net	22,887	9	6,998	4,436	4,654	—	38,984
Other noncurrent assets	69,685	8,378	—	—	3,452	(10,089)	71,426
Total noncurrent assets	92,572	8,387	6,998	4,436	8,106	(10,089)	110,410
Total assets	144,671	8,736	12,097	9,014	8,500	(16,799)	166,219
Deferred outflow s of resources	4,828	—	—	—	—	—	4,828
Total assets and deferred outflow s of resources	\$ 149,499	8,736	12,097	9,014	8,500	(16,799)	171,047
	<u>Hospital</u>	<u>Foundation</u>	<u>WEOC</u>	<u>Centers</u>	<u>Other components</u>	<u>Eliminations</u>	<u>Total</u>
Liabilities, deferred inflow s of resources and net position:							
Current liabilities:							
Due to affiliates	\$ —	734	5,144	96	736	(6,710)	—
Other current liabilities	17,678	311	7,938	4,402	409	—	30,738
Total current liabilities	17,678	1,045	13,082	4,498	1,145	(6,710)	30,738
Total noncurrent liabilities	27,020	4	5,943	2,151	390	—	35,508
Total liabilities	44,698	1,049	19,025	6,649	1,535	(6,710)	66,246
Deferred inflow s of resources	8,108	—	—	—	—	—	8,108
Net position	96,693	7,687	(6,928)	2,365	6,965	(10,089)	96,693
Total liabilities, deferred inflow s of resources and net position	\$ 149,499	8,736	12,097	9,014	8,500	(16,799)	171,047

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2022

(In thousands)

Condensed Combining Statement of Revenues, Expenses and Changes in Net Position:

	Hospital	Foundation	WEOC	Centers	Other components	Eliminations	Total
Operating revenues:							
Patient service revenue	\$ 38,868	—	24,637	26,833	402	—	90,740
Other	4,565	522	3,266	608	1,256	(1,059)	9,158
Operating revenues	43,433	522	27,903	27,441	1,658	(1,059)	99,898
Operating expenses:							
Depreciation and amortization	3,277	4	1,109	1,967	190	(281)	6,266
Other operating expenses	40,947	2,560	34,612	24,861	1,794	(839)	103,935
Operating expenses	44,224	2,564	35,721	26,828	1,984	(1,120)	110,201
Operating (loss) income	(791)	(2,042)	(7,818)	613	(326)	61	(10,303)
Nonoperating revenues (expenses)	(21,095)	(443)	6,375	(1,038)	424	3,801	(11,976)
Contributions to permanent endowment fund	1,255	974	—	—	—	—	2,229
Decrease in net position	(20,631)	(1,511)	(1,443)	(425)	98	3,862	(20,050)
Net position – beginning	117,324	9,198	(5,485)	2,790	6,867	(13,951)	116,743
Net position – ending	\$ 96,693	7,687	(6,928)	2,365	6,965	(10,089)	96,693

Condensed Combining Statement of Cash Flows:

	Hospital	Foundation	WEOC	Centers	Other components	Eliminations	Total
Net cash provided by (used in) operating activities	\$ 8,911	(1,882)	(7,511)	542	(195)	(14)	(149)
Net cash (used in) provided by noncapital financing activities	(435)	1,673	8,328	(959)	237	(5,630)	3,214
Net cash used in capital and related financing activities	(4,225)	(5)	(836)	(1,698)	(190)	4	(6,950)
Net cash (used in) provided by investing activities	(4,558)	133	—	—	4	5,642	1,221
Net increase (decrease) in cash and cash equivalents	(307)	(81)	(19)	(2,115)	(144)	2	(2,664)
Cash and cash equivalents – beginning of year	1,364	90	257	3,180	232	(2)	5,121
Cash and cash equivalents – end of year	\$ 1,057	9	238	1,065	88	—	2,457

WILLS EYE HOSPITAL

Notes to Financial Statements

June 30, 2022

(In thousands)

(13) 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.

Malpractice Insurance

The Organization carries 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 \$408 at June 30, 2022. 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 statement of net position.

(14) Subsequent Events

The Organization has evaluated subsequent events through February 5, 2024, which is the date that the accompanying financial statements were available to be issued. Other than the transactions previously disclosed herein or below, no subsequent events have occurred that would require recognition or disclosure in these financial statements.

On July 22, 2022, the Organization extended the lease of its corporate office building by 5 years, resulting in a new expiration date of December 31, 2028. The Organization also expanded the space subject to the lease. The extended term includes total undiscounted future rental payments of approximately \$1,600.

On September 28, 2022, the Organization entered into a \$5,200 loan, which matures on September 28, 2032, bears interest at an annual rate of one-month SOFR plus 1.8% and requires monthly repayments of principal in amounts that amortize the loan over a 15-year period. The Organization used these funds to exercise its option to acquire the assets subject to the other long-term liability and settle the associated liability.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios (Unaudited)

June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
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)	(480,889)	826,767	(59,937)	88,779	—
Changes of assumptions	157,822	522,419	(132,000)	(139,000)	(130,000)	1,676,000	—	512,400
Benefit payments, including refunds of member contributions	(2,703,821)	(2,686,540)	(2,673,431)	(2,590,646)	(2,549,687)	(2,485,082)	(2,478,685)	(2,364,835)
Net change in total pension liability	(72,002)	879,283	(37,507)	(331,406)	1,065,601	1,975,217	394,703	907,983
Total pension liability – beginning	37,748,115	36,868,832	36,906,339	37,237,745	36,172,144	34,196,927	33,802,224	32,894,241
Total pension liability – ending	37,676,113	37,748,115	36,868,832	36,906,339	37,237,745	36,172,144	34,196,927	33,802,224
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	6,613,092	(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)	(2,590,646)	(2,549,687)	(2,485,082)	(2,478,685)	(2,364,835)
Administrative expense	(74,814)	(74,926)	(71,305)	(66,786)	(62,989)	(69,933)	(54,508)	(59,844)
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	40,657,162	37,239,307	31,869,551	35,069,150	32,148,648	31,548,713	33,017,459	32,500,326
Plan fiduciary net position – ending	45,902,732	40,657,162	37,239,307	31,869,551	35,069,150	32,148,648	31,548,713	33,017,459
Net pension liability (asset)	\$ (8,226,619)	(2,909,047)	(370,475)	5,036,788	2,168,595	4,023,496	2,648,214	784,765
Plan fiduciary net position as a percentage of the total pension liability	121.84 %	107.71 %	101.00 %	86.35 %	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 liability (asset) as a percentage of covered employee payroll	(366.86)%	(130.05)%	(16.78)%	225.30 %	87.28 %	148.01 %	100.48 %	28.91 %

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
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Schedule of Employer Contributions (Unaudited)

June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
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	1,500,000	1,500,000	1,501,400	1,325,000	1,200,000	1,200,000	1,200,000	1,020,000
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.

BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN
Notes to Required Supplementary Information (Unaudited)
June 30, 2022

(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:

	2022	2021	2020	2019	2018	2017	2016	2015
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
Cost-of-living adjustments	3.00 %	3.00 %	2.75 %	2.50 %	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 auditors' report.

WILLS EYE HEALTH SYSTEM
SCHEDULE OF BLENDED COMPONENT UNITS – AMBULATORY SURGERY CENTERS
SCHEDULE OF NET POSITION

June 30, 2022

(In thousands)

	Warminster	Cherry Hill	Plymouth Meeting	Cottman	Stadium	Total
Current assets:						
Cash and cash equivalents	\$ 282	350	184	54	194	1,064
Patient accounts receivable	321	692	218	248	295	1,774
Due from affiliates	—	—	1	—	1	2
Other current assets	307	513	252	254	412	1,738
Total current assets	910	1,555	655	556	902	4,578
Noncurrent assets:						
Capital assets, net	1,119	867	374	1,277	799	4,436
Total assets	\$ 2,029	2,422	1,029	1,833	1,701	9,014
Pension costs (benefit):						
Accounts payable	\$ 376	865	230	517	347	2,335
Accrued liabilities	130	330	107	116	144	827
Current portion of long-term debt	113	60	—	48	7	228
Current portion of lease liabilities	162	12	200	326	312	1,012
Other current liabilities	18	29	23	11	15	96
Total current liabilities	799	1,296	560	1,018	825	4,498
Noncurrent liabilities:						
Long-term debt, net of current portion	217	119	—	79	—	415
Lease liability, net of current portion	782	6	—	529	419	1,736
Total liabilities	1,798	1,421	560	1,626	1,244	6,649
Net position:						
Net investment in capital assets	160	670	174	295	61	1,360
Unrestricted	71	331	295	(88)	396	1,005
Total net position	231	1,001	469	207	457	2,365
Total liabilities and net position	\$ 2,029	2,422	1,029	1,833	1,701	9,014

See accompanying independent auditors' report.

WILLS EYE HEALTH SYSTEM
SCHEDULE OF BLENDED COMPONENT UNITS - AMBULATORY SURGERY CENTERS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2022

(In thousands)

	Warminster	Cherry Hill	Plymouth Meeting	Cottman	Stadium	Total
Operating revenues:						
Patient service revenue	\$ 4,723	9,905	4,420	3,339	4,446	26,833
Contributions	75	323	23	109	74	604
Other revenue	—	(9)	(2)	1	14	4
Total operating revenues	<u>4,798</u>	<u>10,219</u>	<u>4,441</u>	<u>3,449</u>	<u>4,534</u>	<u>27,441</u>
Operating expenses:						
Salaries and benefits other than pension costs	1,100	2,881	1,306	1,131	1,517	7,935
Pension costs (benefit)	10	35	11	16	15	87
Supplies and other expenses	3,054	6,229	2,615	1,895	2,251	16,044
Insurance	87	198	79	60	86	510
Professional – legal and consulting	17	21	17	22	31	108
Professional – medical	36	35	36	35	35	177
Depreciation and amortization	231	470	348	487	431	1,967
Total operating expenses	<u>4,535</u>	<u>9,869</u>	<u>4,412</u>	<u>3,646</u>	<u>4,366</u>	<u>26,828</u>
Operating income (loss)	<u>263</u>	<u>350</u>	<u>29</u>	<u>(197)</u>	<u>168</u>	<u>613</u>
Nonoperating revenues (expenses):						
Other expense	(230)	(500)	(75)	(50)	(150)	(1,005)
Interest	(14)	(8)	(1)	(9)	(1)	(33)
Total nonoperating revenues (expenses)	<u>(244)</u>	<u>(508)</u>	<u>(76)</u>	<u>(59)</u>	<u>(151)</u>	<u>(1,038)</u>
Increase (decrease) in net position	<u>19</u>	<u>(158)</u>	<u>(47)</u>	<u>(256)</u>	<u>17</u>	<u>(425)</u>
Net position – beginning of year	<u>212</u>	<u>1,159</u>	<u>516</u>	<u>463</u>	<u>440</u>	<u>2,790</u>
Net position – end of year	<u>\$ 231</u>	<u>1,001</u>	<u>469</u>	<u>207</u>	<u>457</u>	<u>2,365</u>

See accompanying independent auditors' report.



COLLECTIVE LEGAL INVESTMENT FUND

Basic Financial Statements

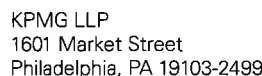
December 31, 2022 and 2021

(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 years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the CLIF's basic financial statements for the years 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 CLIF as of December 31, 2022 and 2021, and the changes in its fiduciary net position for the years then ended in accordance with U.S. generally accepted accounting principles.

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

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 audits 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
October 31, 2023

COLLECTIVE LEGAL INVESTMENT FUND
Management's Discussion and Analysis (Unaudited)
December 31, 2022 and 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 years ended December 31, 2022 and 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 are 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 Board Statement No. 34. 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 statements of fiduciary position, statements of changes in fiduciary net position, and notes to the financial statements.

Statements of Fiduciary Net Position

These statements are 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. These statements present 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.

Statements of Changes in Fiduciary Net Position

These statements present 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 years.

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

For the year ended December 31, 2022, the CLIF's fiduciary net position decreased by \$158 million (21%) compared to an increase of \$117 million (19%) in 2021. The decrease was primarily due to unfavorable market conditions combined with withdrawals from the fund totaling \$83 million, of which, one withdrawal was a significant withdrawal of approximately \$55.8 million.

For the year ended December 31, 2021, 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, 2022 and 2021

Financial Information

The following table is a summary of the December 31, 2022 and 2021 Statements of Fiduciary Net Position, with comparative information as of December 31, 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets:			
Cash	\$ 2,010,482	1,285,100	1,185,929
Investments	579,320,865	738,090,077	621,528,369
Investment income receivable	1,945,477	1,609,198	1,684,403
Other receivable	77,572	102,823	392,458
Collateral received for securities on loan	125,659,422	46,599,255	86,252,206
Total assets	<u>709,013,818</u>	<u>787,686,453</u>	<u>711,043,365</u>
Liabilities:			
Accrued expenses	711,989	1,117,104	1,516,114
Due to participating trusts	2,266,934	1,272,638	1,193,066
Payable for securities on loan	125,659,422	46,599,255	86,252,206
Total liabilities	<u>128,638,345</u>	<u>48,988,997</u>	<u>88,961,386</u>
Net position held in trust	<u>\$ 580,375,473</u>	<u>738,697,456</u>	<u>622,081,979</u>

During the year ended December 31, 2022, the various stock market indices all experienced decreases which had a direct impact on the CLIF's investments, which decreased by approximately \$159 million (21%) due to unrealized depreciation of approximately \$128 million, combined with significant withdrawals from the fund of approximately \$83 million. This was offset by realized gains of approximately \$11 million for investment sales, deposits into the CLIF of approximately \$31 million, and net investment income of approximately \$10 million.

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.

During the year ended December 31, 2022, collateral for securities on loans increased by approximately \$79 million due to an increase in the securities on loan. There is a corresponding offset to the payable for securities on loan as well. During the year ended December 31, 2021, 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.

COLLECTIVE LEGAL INVESTMENT FUND
Management's Discussion and Analysis (Unaudited)
December 31, 2022 and 2021

The following table is a summary of the Statements of Changes in Fiduciary Net Position for the year ended December 31, 2022 with comparative information for the years ended December 31, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Additions:			
Investment income:			
Investment income net of investment management fees	\$ 10,275,010	8,134,367	7,284,496
Net (depreciation) appreciation of investments	<u>(116,599,678)</u>	<u>94,930,538</u>	<u>65,115,003</u>
Total investment (loss) income	(106,324,668)	103,064,905	72,399,499
Deposits to investment fund	<u>31,057,259</u>	<u>30,861,632</u>	<u>2,078,926</u>
Total additions	(75,267,409)	133,926,537	74,478,425
Deductions:			
Withdrawals from investment fund	<u>(83,054,574)</u>	<u>(17,311,060)</u>	<u>(19,472,928)</u>
Total deductions	<u>(83,054,574)</u>	<u>(17,311,060)</u>	<u>(19,472,928)</u>
Net (decrease) increase	<u>\$ (158,321,983)</u>	<u>116,615,477</u>	<u>55,005,497</u>

During the year ended December 31, 2022, net investment income increased by approximately \$2 million due to increases in interest rates on fixed income securities. Fair value of investments decreased by approximately \$211 million due to unfavorable market conditions.

During the year ended December 31, 2021, net investment income increased by approximately \$1 million and net appreciation of investments increased by approximately \$30 million due to favorable market conditions.

There were deposits into the CLIF of approximately \$31.0 and \$30.8 million during 2022 and 2021, respectively, from the Estate of Stephen Girard, Deceased (Girard Estate) due to proceeds from sales of real estate investments which were then invested in the CLIF.

Withdrawals from the investment fund fluctuate from year to year, and there was an increase of approximately \$66 million in 2022 compared to 2021 due to withdrawals of approximately \$55.8 million by Girard Estate during 2022 for the purchase of new real estate investments.

During the year ended December 31, 2021 there was a decrease of approximately \$2 million in withdrawals compared to 2020.

COLLECTIVE LEGAL INVESTMENT FUND
Management's Discussion and Analysis (Unaudited)
December 31, 2022 and 2021

The following is a summary of the investments at fair value as of December 31, 2022, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Short-term investments	\$ 52,586,177	21,832,596	10,744,250
Equity securities:			
Domestic	285,929,564	430,293,993	381,205,029
International	<u>34,990,852</u>	<u>42,494,621</u>	<u>40,525,106</u>
Total equity securities	<u>320,920,416</u>	<u>472,788,614</u>	<u>421,730,135</u>
Fixed income:			
U.S. Government and agencies	51,464,578	53,524,537	58,303,064
Corporate and other	52,290,946	53,089,209	62,734,129
Asset-backed securities	4,383,193	4,201,261	5,508,943
Mortgage-backed securities	2,532,703	6,017,537	6,202,278
Mutual funds	<u>51,907,443</u>	<u>92,018,144</u>	<u>40,374,715</u>
Total fixed income	162,578,863	208,850,688	173,123,129
Private equity funds	<u>43,235,409</u>	<u>34,618,179</u>	<u>15,930,855</u>
Total	<u>\$ 579,320,865</u>	<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

Statements of Fiduciary Net Position

December 31, 2022 and 2021

	2022	2021
Assets:		
Cash	\$ 2,010,482	1,285,100
Investment income receivable	1,945,477	1,609,198
Other receivables	77,572	102,823
Collateral received for securities on loan	125,659,422	46,599,255
Investments	<u>579,320,865</u>	<u>738,090,077</u>
Total assets	<u>709,013,818</u>	<u>787,686,453</u>
Liabilities:		
Accrued expenses	711,989	1,117,104
Due to participating trusts	2,266,934	1,272,638
Payable for securities on loan	<u>125,659,422</u>	<u>46,599,255</u>
Total liabilities	<u>128,638,345</u>	<u>48,988,997</u>
Net position held in trust	<u>\$ 580,375,473</u>	<u>738,697,456</u>

See accompanying notes to financial statements.

COLLECTIVE LEGAL INVESTMENT FUND
Statements of Changes in Fiduciary Net Position
Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Additions:		
Investment income:		
Interest	\$ 8,943,081	6,920,481
Dividends	6,279,862	6,542,659
Other	470,803	222,832
Net (depreciation) appreciation of investments	<u>(116,599,678)</u>	<u>94,930,538</u>
Subtotal investment (loss) income	(100,905,932)	108,616,510
Investment management fees	<u>(5,418,736)</u>	<u>(5,551,605)</u>
Total investment (loss) income	(106,324,668)	103,064,905
Deposits to investment fund	<u>31,057,259</u>	<u>30,861,632</u>
Total additions	(75,267,409)	133,926,537
Deductions:		
Withdrawals from investment fund	<u>(83,054,574)</u>	<u>(17,311,060)</u>
Total deductions	<u>(83,054,574)</u>	<u>(17,311,060)</u>
Net (decrease) increase	(158,321,983)	116,615,477
Net position held in trust:		
Beginning of year	<u>738,697,456</u>	<u>622,081,979</u>
End of year	<u><u>\$ 580,375,473</u></u>	<u><u>738,697,456</u></u>

See accompanying notes to financial statements.

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2022 and 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 Estate of Stephen Girard, Deceased (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 a 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.

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, 2022 and 2021, cash in the bank amounted to approximately \$2.3 and \$3.5 million, respectively, of which, approximately \$2.02 and \$3.27 million, respectively, 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, 2022 and 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 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 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 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, 2022 or 2021.

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2022 and 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 reconciliation of the fair value hierarchy table to the investment amounts presented in the financial statements.

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2022 and 2021

As of December 31, 2022 and 2021, private equity investments consisted of the following:

2022			
Investment type	NAV	Unfunded commitments	Redemption frequency
Energy	\$ 17,906,582	3,358,975	Not applicable
Small Company Buyouts	9,171,882	3,260,104	Not applicable
Distressed securities	3,313,502	7,910,545	Not applicable
Secondary markets	6,619,266	6,245,777	Not applicable
Private debt	6,224,177	2,402,433	Not applicable
	<u>\$ 43,235,409</u>	<u>23,177,834</u>	
2021			
Investment type	NAV	Unfunded commitments	Redemption frequency
Energy	\$ 18,679,170	3,868,975	Not applicable
Small Company Buyouts	6,409,947	4,972,128	Not applicable
Distressed securities	2,717,619	8,935,232	Not applicable
Secondary markets	2,787,297	8,368,419	Not applicable
Private debt	4,024,146	6,254,209	Not applicable
	<u>\$ 34,618,179</u>	<u>32,398,963</u>	

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2022 and 2021

The following table presents the investments in securities measured at fair value on a recurring basis as of December 31, 2022 (in thousands):

	Fair value measurements at December 31, 2022 using		
	Fair value	Level 1	Level 2
Short-term investments	\$ 52,586	52,586	—
Equity securities:			
U.S. common stocks:			
Industrials	35,306	35,306	—
Consumer discretionary	25,835	25,835	—
Consumer staples	11,688	11,688	—
Energy	14,058	14,058	—
Financial	31,617	31,617	—
Materials	9,031	9,031	—
Information technology	52,608	52,608	—
Utilities	5,955	5,955	—
Healthcare	35,888	35,888	—
Telecommunications and other	24,706	24,706	—
Total U.S. common stocks	246,692	246,692	—
Exchange-traded funds	39,238	39,238	—
International equity mutual funds	34,991	34,991	—
Total equity securities	320,921	320,921	—
Fixed income:			
U.S. Treasury bonds and notes	39,125	39,125	—
Other:			
Municipal bonds	12,340	—	12,340
Debt securities issued by foreign governments	55	—	55
U.S. corporate and other bonds	52,236	—	52,236
Asset-backed securities	4,383	—	4,383
Mortgage-backed securities	2,533	—	2,533
Mutual funds	51,907	51,907	—
Total fixed income	162,579	91,032	71,547
Subtotal	536,086	464,539	71,547
Private equity funds	43,235		
Total	\$ 579,321		

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2022 and 2021

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	—
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	128,724	80,127
Subtotal	703,472	\$ 623,345	80,127
Private equity funds	34,618		
Total	\$ 738,090		

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2022 and 2021

(3) Investment Risks

The CLIF employs an independent investment consultant as an investment advisor. 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 risk, excluding fixed mutual funds as they are not rated, by the least favorable credit rating at December 31, 2022 and 2021 by debt category.

		2022					
		Aaa	Aa	A	Baa	Ba-B3	Unrated
Municipal bonds	\$	2,252	7,671	2,391	26	—	—
Debt securities issued by foreign governments		55	—	—	—	—	55
U.S. Corporate and other bonds		1,527	2,421	14,730	5,058	27,831	669
Asset-backed securities		2,206	1,948	106	123	—	—
Mortgage-backed securities		1,050	1,058	—	—	—	425
Total	\$	7,090	13,098	17,227	5,207	27,831	1,094
Percent of portfolio		1.2 %	2.3 %	3.0 %	0.9 %	4.8 %	0.2 %

		2021					
		Aaa	Aa	A	Baa	Ba-B3	Unrated
Municipal bonds	\$	2,800	7,954	5,884	29	—	—
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
Asset-backed securities		1,081	2,036	836	248	—	—
Mortgage-backed securities		2,707	3,230	—	81	—	—
Total	\$	8,385	14,360	19,846	6,360	30,880	296
Percent of portfolio		1.1 %	1.9 %	2.7 %	0.9 %	4.2 %	— %

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2022 and 2021

(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, 2022 and 2021 follow (in thousands):

Investment type	2022				
	Investment maturities (in years)				
	Fair value	Less than 1 Year	1 – 5 years	6 – 10 years	More than 10 years
U.S. Treasury and agency bonds	\$ 39,125	2,219	16,160	9,682	11,064
Municipal bonds	12,340	—	353	3,618	8,369
Debt securities issued by foreign governments	55	—	—	55	—
U.S. corporate and other bonds	52,236	—	25,981	22,128	4,127
Asset backed securities	4,383	—	2,663	840	880
Mortgage-backed securities	2,533	—	—	—	2,533
Mutual funds	51,907	51,907	—	—	—
Total	\$ 162,579	54,126	45,157	36,323	26,973
Percent of portfolio	28.1 %	9.3 %	7.8 %	6.3 %	4.7 %

Investment type	2021				
	Investment maturities (in years)				
	Fair value	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	—	—	—
Total	\$ 208,851	96,958	43,123	39,813	28,957
Percent of portfolio	28.3 %	13.2 %	5.8 %	5.4 %	3.9 %

COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements

December 31, 2022 and 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, 2022 and 2021 follow (in thousands):

Trade currency		2022	2021
Philippines PHP	\$	55	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, 2022 and 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, 2022 and 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, 2022 and 2021, the CLIF had loaned out certain securities, returnable on demand, with a fair value of approximately \$122,980,00 and \$45,520,000 respectively to several financial institutions that have deposited collateral with respect to such securities with a fair value of approximately \$125,659,000 and \$46,599,000, respectively. As of December 31, 2022 and 2021 this collateral was held in cash and cash equivalents. All income for securities on loan is included with investment income in the statements of changes in fiduciary net position.



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

Sundry Trusts Supplementary Information

December 31, 2022

(With Independent Auditors' Report Thereon)

**BOARD OF DIRECTORS OF CITY TRUSTS
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, 2022, 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 October 31, 2023, which contained an unmodified opinion on those basic financial statements. Our audit was performed for the purpose of forming an opinion on the basic 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
October 31, 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, 2022

Net Position Held in Trust, January 1, 2022	\$ 2,291,958
Additions:	
Investment income (loss):	
Income from invested funds	28,523
Net realized gain on sale of units	64,336
Unrealized depreciation in fair value of units	(423,986)
Total investment income (loss)	(331,127)
Total additions	(331,127)
Deductions:	
Administrative expenses	1,452
Withdrawals on behalf of Girard College	94,800
Total deductions	96,252
Change in net assets	(427,379)
Net Position Held in Trust, December 31, 2022	\$ 1,864,579

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 8,039
Investment income receivable	6,827
14,664 units of Collective Legal Investment Fund	1,850,692
Accrued expenses	(979)
Net Position Held in Trust, December 31, 2022	\$ 1,864,579

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, 2022

Net Position Held in Trust, January 1, 2022	\$	20,544
Additions:		
Investment income (loss):		
Income from invested funds		254
Net realized gain on sale of units		529
Unrealized depreciation in fair value of units		(3,724)
Total investment income (loss)		(2,941)
Total additions		(2,941)
Deductions:		
Administrative expenses		13
Awards		800
Total deductions		813
Change in net assets		(3,754)
Net Position Held in Trust, December 31, 2022	\$	16,790

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	205
Investment income receivable		61
131 units of Collective Legal Investment Fund		16,533
Accrued expenses		(9)
Net Position Held in Trust, December 31, 2022	\$	16,790

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, 2022

Net Position Held in Trust, January 1, 2022	\$	7,703
Additions:		
Investment income (loss):		
Income from invested funds		91
Net realized gain on sale of units		185
Unrealized depreciation in fair value of units		(1,311)
Total investment income (loss)		(1,035)
Total additions		(1,035)
Deductions:		
Administrative expenses		5
Fuel office expenses		8
Cost of fuel distributed to those in need		300
Total deductions		313
Change in net assets		(1,348)
Net Position Held in Trust, December 31, 2022	\$	6,355

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	151
Investment income receivable		23
49 units of Collective Legal Investment Fund		6,184
Accrued expenses		(3)
Net Position Held in Trust, December 31, 2022	\$	6,355

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, 2022

Net Position Held in Trust, January 1, 2022	\$	336,912
Additions:		
Investment income (loss):		
Income from invested funds		4,210
Net realized gain on sale of units		4,396
Unrealized depreciation in fair value of units		(56,721)
Total investment income (loss)		(48,115)
Total additions		(48,115)
Deductions:		
Administrative expenses		213
Support and maintenance of indigent widows and single women		13,860
Total deductions		14,073
Change in net assets		(62,188)
Net Position Held in Trust, December 31, 2022	\$	274,724

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	138
Investment income receivable		1,028
2,208 units of Collective Legal Investment Fund		278,664
Accrued expenses		(5,106)
Net Position Held in Trust, December 31, 2022	\$	274,724

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, 2022

Net Position Held in Trust, January 1, 2022	\$	104,626
Additions:		
Investment income (loss):		
Income from invested funds		1,283
Net realized gain on sale of units		3,038
Unrealized depreciation in fair value of units		(19,061)
Total investment income (loss)		(14,740)
Total additions		(14,740)
Deductions:		
Administrative expenses		67
Scholarship awards		4,300
Total deductions		4,367
Change in net assets		(19,107)
Net Position Held in Trust, December 31, 2022	\$	85,519

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	440
Investment income receivable		313
672 units of Collective Legal Investment Fund		84,811
Accrued expenses		(45)
Net Position Held in Trust, December 31, 2022	\$	85,519

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, 2022

Net Position Held in Trust, January 1, 2022	\$	8,536
Additions:		
Investment income (loss):		
Income from invested funds		107
Unrealized depreciation in fair value of units		<u>(1,301)</u>
Total investment income (loss)		<u>(1,194)</u>
Total additions		<u>(1,194)</u>
Deductions:		
Administrative expenses		5
Withdrawal for Firemen's Pension Fund		<u>300</u>
Total deductions		<u>305</u>
Change in net assets		<u>(1,499)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>7,037</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	81
Investment income receivable		27
57 units of Collective Legal Investment Fund		7,194
Accrued expenses		<u>(265)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>7,037</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, 2022

Net Position Held in Trust, January 1, 2022	\$	80,864
Additions:		
Investment income (loss):		
Income from invested funds		980
Net realized gain on sale of units		2,895
Unrealized depreciation in fair value of units		(15,034)
Total investment income (loss)		(11,159)
Total additions		(11,159)
Deductions:		
Administrative expenses		50
Fuel office expenses		81
Cost of fuel distributed to those in need		3,241
Total deductions		3,372
Change in net assets		(14,531)
Net Position Held in Trust, December 31, 2022	\$	66,333

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	244
Investment income receivable		243
522 units of Collective Legal Investment Fund		65,880
Accrued expenses		(34)
Net Position Held in Trust, December 31, 2022	\$	66,333

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, 2022

Net Position Held in Trust, January 1, 2022	\$	21,041
Additions:		
Investment income (loss):		
Income from invested funds		265
Real estate income		250
Unrealized depreciation in fair value of units		(3,218)
Total investment income (loss)		(2,703)
Total additions		(2,703)
Deductions:		
Administrative expenses		13
Withdrawal for St. Francis Inn		800
Withdrawal for Sunday Breakfast Mission		100
Total deductions		913
Change in net assets		(3,616)
Net Position Held in Trust, December 31, 2022	\$	17,425

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	103
Investment income receivable		66
143 units of Collective Legal Investment Fund		18,048
Accrued expenses		(792)
Net Position Held in Trust, December 31, 2022	\$	17,425

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, 2022

Net Position Held in Trust, January 1, 2022	\$	106,593
Additions:		
Investment income (loss):		
Income from invested funds		1,347
Unrealized depreciation in fair value of units		(16,505)
Total investment income (loss)		(15,158)
Total additions		(15,158)
Deductions:		
Administrative expenses		67
Withdrawal for:		
Firemen's Pension Fund		1,466
Police Pension Fund		1,466
Simon Gratz Teachers' Fund		1,468
Total deductions		4,467
Change in net assets		(19,625)
Net Position Held in Trust, December 31, 2022	\$	86,968

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	143
Investment income receivable		334
718 units of Collective Legal Investment Fund		90,616
Accrued expenses		(4,125)
Net Position Held in Trust, December 31, 2022	\$	86,968

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, 2022

Net Position Held in Trust, January 1, 2022	\$	2,636,486
Additions:		
Investment income (loss):		
Income from invested funds		31,999
Net realized gain on sale of units		94,560
Unrealized depreciation in fair value of units		<u>(491,386)</u>
Total investment income (loss)		<u>(364,827)</u>
Total additions		<u>(364,827)</u>
Deductions:		
Administrative expenses		1,639
Fuel office expenses		2,640
Cost of fuel distributed to those in need		<u>105,000</u>
Total deductions		<u>109,279</u>
Change in net assets		<u>(474,106)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>2,162,380</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	5,049
Investment income receivable		9,395
17,028 units of Collective Legal Investment Fund		2,149,044
Accrued expenses		<u>(1,108)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>2,162,380</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, 2022

Net Position Held in Trust, January 1, 2022	\$	315,791
Additions:		
Investment income (loss):		
Income from invested funds		6,070
Net realized gain on sale of units		1,693
Unrealized depreciation in fair value of units		(50,866)
Total investment income (loss)		(43,103)
Total additions		(43,103)
Deductions:		
Administrative expenses		199
Scholarship awards		12,800
Total deductions		12,999
Change in net assets		(56,102)
Net Position Held in Trust, December 31, 2022	\$	<u>259,689</u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	165
Investment income receivable		972
2,088 units of Collective Legal Investment Fund		263,519
Accrued expenses		(4,967)
Net Position Held in Trust, December 31, 2022	\$	<u>259,689</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, 2022

Net Position Held in Trust, January 1, 2022	\$	585,811
Additions:		
Investment income (loss):		
Income from invested funds		11,417
Net realized gain on sale of units		3,108
Unrealized depreciation in fair value of units		(94,362)
Total investment income (loss)		(79,837)
Total additions		(79,837)
Deductions:		
Administrative expenses		370
Scholarship awards		23,600
Total deductions		23,970
Change in net assets		(103,807)
Net Position Held in Trust, December 31, 2022	\$	482,004

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	1,047
Investment income receivable		1,803
3,873 units of Collective Legal Investment Fund		488,798
Accrued expenses		(9,644)
Net Position Held in Trust, December 31, 2022	\$	482,004

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 44,698
Additions:	
Investment income (loss):	
Income from invested funds	540
Net realized gain on sale of units	1,622
Unrealized depreciation in fair value of units	(8,310)
Total investment income (loss)	(6,148)
Total additions	(6,148)
Deductions:	
Administrative expenses	28
Fuel office expenses	45
Cost of fuel distributed to those in need	1,800
Total deductions	1,873
Change in net assets	(8,021)
Net Position Held in Trust, December 31, 2022	\$ 36,677

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 172
Investment income receivable	134
288 units of Collective Legal Investment Fund	36,390
Accrued expenses	(19)
Net Position Held in Trust, December 31, 2022	\$ 36,677

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, 2022

Net Position Held in Trust, January 1, 2022	\$	13,416
Additions:		
Investment income (loss):		
Income from invested funds		162
Net realized gain on sale of units		466
Unrealized depreciation in fair value of units		(2,413)
Total investment income (loss)		(1,785)
Total additions		(1,785)
Deductions:		
Administrative expenses		9
Fuel office expenses		13
Cost of fuel distributed to those in need		500
Total deductions		522
Change in net assets		(2,307)
Net Position Held in Trust, December 31, 2022	\$	11,109

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	94
Investment income receivable		41
87 units of Collective Legal Investment Fund		10,980
Accrued expenses		(6)
Net Position Held in Trust, December 31, 2022	\$	11,109

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, 2022

Net Position Held in Trust, January 1, 2022	\$	18,348
Additions:		
Investment income (loss):		
Income from invested funds		226
Net realized gain on sale of units		441
Unrealized depreciation in fair value of units		(3,282)
Total investment income (loss)		(2,615)
Total additions		(2,615)
Deductions:		
Administrative expenses		12
Withdrawal for Philadelphia Nursing Home		800
Total deductions		812
Change in net assets		(3,427)
Net Position Held in Trust, December 31, 2022	\$	14,921

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	109
Investment income receivable		54
117 units of Collective Legal Investment Fund		14,766
Accrued expenses		(8)
Net Position Held in Trust, December 31, 2022	\$	14,921

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, 2022

Net Position Held in Trust, January 1, 2022	\$	59,859
Additions:		
Investment income (loss):		
Income from invested funds		743
Net realized gain on sale of units		1,161
Unrealized depreciation in fair value of units		(10,519)
Total investment income (loss)		(8,615)
Total additions		(8,615)
Deductions:		
Administrative expenses		37
Girard College Distinguished Service Award		2,500
Total deductions		2,537
Change in net assets		(11,152)
Net Position Held in Trust, December 31, 2022	\$	48,707

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	343
Investment income receivable		178
382 units of Collective Legal Investment Fund		48,211
Accrued expenses		(25)
Net Position Held in Trust, December 31, 2022	\$	48,707

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, 2022

Net Position Held in Trust, January 1, 2022	\$	17,100
Additions:		
Investment income (loss):		
Income from invested funds		215
Unrealized depreciation in fair value of units		(2,623)
Total investment income (loss)		(2,408)
Total additions		(2,408)
Deductions:		
Administrative expenses		10
Withdrawal for St. Francis Inn		700
Total deductions		710
Change in net assets		(3,118)
Net Position Held in Trust, December 31, 2022	\$	13,982

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	74
Investment income receivable		54
115 units of Collective Legal Investment Fund		14,514
Accrued expenses		(660)
Net Position Held in Trust, December 31, 2022	\$	13,982

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 59,895
Additions:	
Investment income (loss):	
Income from invested funds	725
Net realized gain on sale of units	2,113
Unrealized depreciation in fair value of units	(11,099)
Total investment income (loss)	(8,261)
Total additions	(8,261)
Deductions:	
Administrative expenses	37
Fuel office expenses	60
Cost of fuel distributed to those in need	2,400
Total deductions	2,497
Change in net assets	(10,758)
Net Position Held in Trust, December 31, 2022	\$ 49,137

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 266
Investment income receivable	180
386 units of Collective Legal Investment Fund	48,716
Accrued expenses	(25)
Net Position Held in Trust, December 31, 2022	\$ 49,137

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, 2022

Net Position Held in Trust, January 1, 2022	\$	10,087
Additions:		
Investment income (loss):		
Income from invested funds		120
Net realized gain on sale of units		394
Unrealized depreciation in fair value of units		<u>(1,872)</u>
Total investment income (loss)		<u>(1,358)</u>
Total additions		<u>(1,358)</u>
Deductions:		
Administrative expenses		6
Fuel office expenses		10
Cost of fuel distributed to those in need		<u>400</u>
Total deductions		<u>416</u>
Change in net assets		<u>(1,774)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>8,313</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	84
Investment income receivable		30
65 units of Collective Legal Investment Fund		8,203
Accrued expenses		<u>(4)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>8,313</u></u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$	15,572
Additions:		
Investment income (loss):		
Income from invested funds		192
Net realized gain on sale of units		20
Unrealized depreciation in fair value of units		<u>(2,442)</u>
Total investment income (loss)		<u>(2,230)</u>
Total additions		<u>(2,230)</u>
Deductions:		
Administrative expenses		9
Awards		<u>600</u>
Total deductions		<u>609</u>
Change in net assets		<u>(2,839)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>12,733</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	199
Investment income receivable		46
99 units of Collective Legal Investment Fund		12,494
Accrued expenses		<u>(6)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>12,733</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, 2022

Net Position Held in Trust, January 1, 2022	\$	161,341
Additions:		
Investment income (loss):		
Income from invested funds		2,027
Unrealized depreciation in fair value of units		<u>(24,391)</u>
Total investment income (loss)		<u>(22,364)</u>
Total additions		<u>(22,364)</u>
Deductions:		
Administrative expenses		<u>99</u>
Total deductions		<u>99</u>
Change in net assets		<u>(22,463)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>138,878</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	724
Investment income receivable		514
1,103 units of Collective Legal Investment Fund		139,206
Accrued expenses		<u>(1,566)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>138,878</u></u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$	511,756
Additions:		
Investment income (loss):		
Income from invested funds		9,506
Net realized loss on sale of units		(840)
Unrealized depreciation in fair value of units		(79,812)
Total investment income (loss)		(71,146)
Total additions		(71,146)
Deductions:		
Administrative expenses		329
Scholarship awards		20,450
Total deductions		20,779
Change in net assets		(91,925)
Net Position Held in Trust, December 31, 2022	\$	419,831

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	105
Investment income receivable		1,591
3,418 units of Collective Legal Investment Fund		431,374
Accrued expenses		(13,239)
Net Position Held in Trust, December 31, 2022	\$	419,831

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, 2022

Net Position Held in Trust, January 1, 2022	\$	11,667
Additions:		
Investment income (loss):		
Income from invested funds		142
Net realized gain on sale of units		348
Unrealized depreciation in fair value of units		(2,136)
Total investment income (loss)		(1,646)
Total additions		(1,646)
Deductions:		
Administrative expenses		7
Awards		500
Total deductions		507
Change in net assets		(2,153)
Net Position Held in Trust, December 31, 2022	\$	<u>9,514</u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	146
Investment income receivable		34
74 units of Collective Legal Investment Fund		9,339
Accrued expenses		(5)
Net Position Held in Trust, December 31, 2022	\$	<u>9,514</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, 2022

Net Position Held in Trust, January 1, 2022	\$ 12,411,721
Additions:	
Investment income (loss):	
Income from invested funds	156,004
Net realized gain on sale of units	91,592
Unrealized depreciation in fair value of units	(2,026,413)
Total investment income (loss)	(1,778,817)
Total additions	(1,778,817)
Deductions:	
Administrative expenses	7,943
Withdrawal for:	
Historic Philadelphia, Inc.	87,500
The Independence Historical Trust	125,000
Total deductions	220,443
Change in net assets	(1,999,260)
Net Position Held in Trust, December 31, 2022	\$ 10,412,461

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 87,516
Investment income receivable	206,838
81,897 units of Collective Legal Investment Fund	10,335,934
Accrued expenses	(217,827)
Net Position Held in Trust, December 31, 2022	\$ 10,412,461

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, 2022

Net Position Held in Trust, January 1, 2022	\$	4,477
Additions:		
Investment income (loss):		
Income from invested funds		54
Net realized loss on sale of units		(22)
Unrealized depreciation in fair value of units		(645)
Total investment income (loss)		(613)
Total additions		(613)
Deductions:		
Administrative expenses		3
Prize		200
Total deductions		203
Change in net assets		(816)
Net Position Held in Trust, December 31, 2022	\$	3,661

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	116
Investment income receivable		13
28 units of Collective Legal Investment Fund		3,534
Accrued expenses		(2)
Net Position Held in Trust, December 31, 2022	\$	3,661

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 9,261,198
Additions:	
Investment income (loss):	
Income from invested funds	114,231
Net realized gain on sale of units	343,709
Unrealized depreciation in fair value of units	(1,788,930)
Total investment income (loss)	(1,330,990)
Total additions	(1,330,990)
Deductions:	
Administrative expenses	5,770
Insurance premiums	431,936
Total deductions	437,706
Change in net assets	(1,768,696)
Net Position Held in Trust, December 31, 2022	\$ 7,492,502

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 30,370
Investment income receivable	66,470
58,631 units of Collective Legal Investment Fund	7,399,613
Accrued expenses	(3,951)
Net Position Held in Trust, December 31, 2022	\$ 7,492,502

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, 2022

Net Position Held in Trust, January 1, 2022	\$	23,382
Additions:		
Investment income (loss):		
Income from invested funds		291
Net realized loss on sale of units		(66)
Unrealized depreciation in fair value of units		(3,542)
Total investment income (loss)		(3,317)
Total additions		(3,317)
Deductions:		
Administrative expenses		15
Cost of medals		627
Total deductions		642
Change in net assets		(3,959)
Net Position Held in Trust, December 31, 2022	\$	19,423

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	112
Investment income receivable		3,011
152 units of Collective Legal Investment Fund		19,183
Accrued expenses		(2,883)
Net Position Held in Trust, December 31, 2022	\$	19,423

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 41,751
Additions:	
Investment income (loss):	
Income from invested funds	526
Net realized gain on sale of units	107
Unrealized depreciation in fair value of units	(6,620)
Total investment income (loss)	(5,987)
Total additions	(5,987)
Deductions:	
Administrative expenses	27
Withdrawal for Penn Treaty Park	1,700
Total deductions	1,727
Change in net assets	(7,714)
Net Position Held in Trust, December 31, 2022	\$ 34,037

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 154
Investment income receivable	130
280 units of Collective Legal Investment Fund	35,338
Accrued expenses	(1,585)
Net Position Held in Trust, December 31, 2022	\$ 34,037

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, 2022

Net Position Held in Trust, January 1, 2022	\$	53,373
Additions:		
Investment income (loss):		
Income from invested funds		646
Net realized gain on sale of units		1,993
Unrealized depreciation in fair value of units		<u>(9,995)</u>
Total investment income (loss)		<u>(7,356)</u>
Total additions		<u>(7,356)</u>
Deductions:		
Administrative expenses		33
Fuel office expenses		53
Cost of fuel distributed to those in need		<u>2,100</u>
Total deductions		<u>2,186</u>
Change in net assets		<u>(9,542)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>43,831</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	278
Investment income receivable		160
344 units of Collective Legal Investment Fund		43,415
Accrued expenses		<u>(22)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>43,831</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, 2022

Net Position Held in Trust, January 1, 2022	\$	104,063
Additions:		
Investment income (loss):		
Income from invested funds		1,293
Net realized gain on sale of units		3,046
Unrealized depreciation in fair value of units		(19,343)
Total investment income (loss)		(15,004)
Total additions		(15,004)
Deductions:		
Administrative expenses		65
Prizes		4,300
Total deductions		4,365
Change in net assets		(19,369)
Net Position Held in Trust, December 31, 2022	\$	84,694

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	501
Investment income receivable		310
665 units of Collective Legal Investment Fund		83,927
Accrued expenses		(44)
Net Position Held in Trust, December 31, 2022	\$	84,694

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 77,993
Additions:	
Investment income (loss):	
Income from invested funds	985
Unrealized depreciation in fair value of units	(12,063)
Total investment income (loss)	(11,078)
Total additions	(11,078)
Deductions:	
Administrative expenses	48
Awards	3,200
Total deductions	3,248
Change in net assets	(14,326)
Net Position Held in Trust, December 31, 2022	\$ 63,667

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 70
Investment income receivable	244
525 units of Collective Legal Investment Fund	66,258
Accrued expenses	(2,905)
Net Position Held in Trust, December 31, 2022	\$ 63,667

See accompanying independent auditors' report.

GEORGE EMLEN 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, 2022

Net Position Held in Trust, January 1, 2022	\$	68,060
Additions:		
Investment income (loss):		
Income from invested funds		824
Net realized gain on sale of units		2,500
Unrealized depreciation in fair value of units		(12,713)
Total investment income (loss)		(9,389)
Total additions		(9,389)
Deductions:		
Administrative expenses		42
Fuel office expenses		68
Cost of fuel distributed to those in need		2,700
Total deductions		2,810
Change in net assets		(12,199)
Net Position Held in Trust, December 31, 2022	\$	55,861

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	281
Investment income receivable		204
439 units of Collective Legal Investment Fund		55,405
Accrued expenses		(29)
Net Position Held in Trust, December 31, 2022	\$	55,861

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, 2022

Net Position Held in Trust, January 1, 2022	\$	8,257
Additions:		
Investment income (loss):		
Income from invested funds		103
Unrealized depreciation in fair value of units		(1,241)
Total investment income (loss)		(1,138)
Total additions		(1,138)
Deductions:		
Administrative expenses		5
Total deductions		5
Change in net assets		(1,143)
Net Position Held in Trust, December 31, 2022	\$	7,114

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	150
Investment income receivable		26
55 units of Collective Legal Investment Fund		6,941
Accrued expenses		(3)
Net Position Held in Trust, December 31, 2022	\$	7,114

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, 2022

Net Position Held in Trust, January 1, 2022	\$	466,886
Additions:		
Investment income (loss):		
Income from invested funds		5,863
Net realized loss on sale of units		(254)
Unrealized depreciation in fair value of units		<u>(72,413)</u>
Total investment income (loss)		<u>(66,804)</u>
Total additions		<u>(66,804)</u>
Deductions:		
Administrative expenses		293
Scholarship awards		<u>10,500</u>
Total deductions		<u>10,793</u>
Change in net assets		<u>(77,597)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>389,289</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	116
Investment income receivable		1,441
3,096 units of Collective Legal Investment Fund		390,735
Accrued expenses		<u>(3,003)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>389,289</u></u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$	179,543
Additions:		
Investment income (loss):		
Income from invested funds		4,319
Unrealized depreciation in fair value of units		<u>(28,203)</u>
Total investment income (loss)		<u>(23,884)</u>
Total additions		<u>(23,884)</u>
Deductions:		
Administrative expenses		115
Scholarship awards		<u>3,150</u>
Total deductions		<u>3,265</u>
Change in net assets		<u>(27,149)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>152,394</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	155
Investment income receivable		580
1,246 units of Collective Legal Investment Fund		157,253
Accrued expenses		<u>(5,594)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>152,394</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, 2022

Net Position Held in Trust, January 1, 2022	\$	14,918
Additions:		
Investment income (loss):		
Income from invested funds		183
Net realized loss on sale of units		(11)
Unrealized depreciation in fair value of units		(2,288)
Total investment income (loss)		(2,116)
Total additions		(2,116)
Deductions:		
Administrative expenses		9
Prizes		600
Total deductions		609
Change in net assets		(2,725)
Net Position Held in Trust, December 31, 2022	\$	12,193

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	165
Investment income receivable		44
95 units of Collective Legal Investment Fund		11,990
Accrued expenses		(6)
Net Position Held in Trust, December 31, 2022	\$	12,193

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 \$10,000 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, 2022

Net Position Held in Trust, January 1, 2022	\$	89,277
Additions:		
Investment income (loss):		
Income from invested funds		1,988
Net realized loss on sale of units		(144)
Unrealized depreciation in fair value of units		(13,963)
Total investment income (loss)		(12,119)
Total additions		(12,119)
Deductions:		
Administrative expenses		57
Scholarship awards		4,150
Total deductions		4,207
Change in net assets		(16,326)
Net Position Held in Trust, December 31, 2022	\$	72,951

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	45
Investment income receivable		279
598 units of Collective Legal Investment Fund		75,471
Accrued expenses		(2,844)
Net Position Held in Trust, December 31, 2022	\$	72,951

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 5,622,153
Additions:	
Investment income (loss):	
Income from invested funds	71,155
Unrealized depreciation in fair value of units	<u>(872,225)</u>
Total investment income (loss)	<u>(801,070)</u>
Total additions	<u>(801,070)</u>
Deductions:	
Administrative expenses	<u>3,569</u>
Total deductions	<u>3,569</u>
Change in net assets	<u>(804,639)</u>
Net Position Held in Trust, December 31, 2022	<u>\$ 4,817,514</u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 8,131
Investment income receivable	29,523
37,892 units of Collective Legal Investment Fund	4,782,217
Accounts payable and accrued expenses	<u>(2,357)</u>
Net Position Held in Trust, December 31, 2022	<u>\$ 4,817,514</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, 2022

Net Position Held in Trust, January 1, 2022	\$	37,530
Additions:		
Investment income (loss):		
Income from invested funds		455
Net realized gain on sale of units		1,303
Unrealized depreciation in fair value of units		<u>(6,919)</u>
Total investment income (loss)		<u>(5,161)</u>
Total additions		<u>(5,161)</u>
Deductions:		
Administrative expenses		24
Fuel office expenses		37
Cost of fuel distributed to those in need		<u>1,400</u>
Total deductions		<u>1,461</u>
Change in net assets		<u>(6,622)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>30,908</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	143
Investment income receivable		113
243 units of Collective Legal Investment Fund		30,668
Accrued expenses		<u>(16)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>30,908</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, 2022

Net Position Held in Trust, January 1, 2022	\$ 1,200,258
Additions:	
Investment income (loss):	
Income from invested funds	24,868
Net realized gain on sale of units	3,451
Unrealized depreciation in fair value of units	(190,500)
Total investment income (loss)	(162,181)
Total additions	(162,181)
Deductions:	
Administrative expenses	757
Scholarship awards	51,400
Total deductions	52,157
Change in net assets	(214,338)
Net Position Held in Trust, December 31, 2022	\$ 985,920

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 63
Investment income receivable	3,706
7,960 units of Collective Legal Investment Fund	1,004,604
Accrued expenses	(22,453)
Net Position Held in Trust, December 31, 2022	\$ 985,920

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, 2022

Net Position Held in Trust, January 1, 2022	\$	23,922
Additions:		
Investment income (loss):		
Income from invested funds		301
Unrealized depreciation in fair value of units		<u>(3,668)</u>
Total investment income (loss)		<u>(3,367)</u>
Total additions		<u>(3,367)</u>
Deductions:		
Administrative expenses		<u>15</u>
Total deductions		<u>15</u>
Change in net assets		<u>(3,382)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>20,540</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	156
Investment income receivable		75
161 units of Collective Legal Investment Fund		20,319
Accrued expenses		<u>(10)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>20,540</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, 2022

Net Position Held in Trust, January 1, 2022	\$	11,328
Additions:		
Investment income (loss):		
Income from invested funds		141
Unrealized depreciation in fair value of units		(1,714)
Total investment income (loss)		(1,573)
Total additions		(1,573)
Deductions:		
Administrative expenses		7
Total deductions		7
Change in net assets		(1,580)
Net Position Held in Trust, December 31, 2022	\$	9,748

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	126
Investment income receivable		35
76 units of Collective Legal Investment Fund		9,592
Accrued expenses		(5)
Net Position Held in Trust, December 31, 2022	\$	9,748

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, 2022

Net Position Held in Trust, January 1, 2022	\$	74,666
Additions:		
Investment income (loss):		
Income from invested funds		904
Net realized gain on sale of units		2,730
Unrealized depreciation in fair value of units		(13,931)
Total investment income (loss)		(10,297)
Total additions		(10,297)
Deductions:		
Administrative expenses		46
Fuel office expenses		75
Cost of fuel distributed to those in need		3,000
Total deductions		3,121
Change in net assets		(13,418)
Net Position Held in Trust, December 31, 2022	\$	61,248

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	223
Investment income receivable		224
482 units of Collective Legal Investment Fund		60,832
Accrued expenses		(31)
Net Position Held in Trust, December 31, 2022	\$	61,248

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, 2022

Net Position Held in Trust, January 1, 2022	\$	99,201
Additions:		
Investment income (loss):		
Income from invested funds		1,254
Unrealized depreciation in fair value of units		<u>(15,368)</u>
Total investment income (loss)		<u>(14,114)</u>
Total additions		<u>(14,114)</u>
Deductions:		
Administrative expenses		<u>62</u>
Total deductions		<u>62</u>
Change in net assets		<u>(14,176)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>85,025</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	450
Investment income receivable		311
668 units of Collective Legal Investment Fund		84,306
Accrued expenses		<u>(42)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>85,025</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, 2022

Net Position Held in Trust, January 1, 2022	\$	8,079
Additions:		
Investment income (loss):		
Income from invested funds		99
Net realized gain on sale of units		218
Unrealized depreciation in fair value of units		<u>(1,463)</u>
Total investment income (loss)		<u>(1,146)</u>
Total additions		<u>(1,146)</u>
Deductions:		
Administrative expenses		5
Prizes		<u>300</u>
Total deductions		<u>305</u>
Change in nets assets		<u>(1,451)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>6,628</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	170
Investment income receivable		24
51 units of Collective Legal Investment Fund		6,437
Accrued expenses		<u>(3)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>6,628</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, 2022

Net Position Held in Trust, January 1, 2022	\$	25,563
Additions:		
Investment income (loss):		
Income from invested funds		321
Unrealized depreciation in fair value of units		<u>(3,923)</u>
Total investment income (loss)		<u>(3,602)</u>
Total additions		<u>(3,602)</u>
Deductions:		
Administrative expenses		16
Withdrawal for Riverview Correctional Facility Female Inmate Welfare Fund		<u>1,100</u>
Total deductions		<u>1,116</u>
Change in net assets		<u>(4,718)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>20,845</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	113
Investment income receivable		80
172 units of Collective Legal Investment Fund		21,708
Accrued expenses		<u>(1,056)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>20,845</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, 2022

Net Position Held in Trust, January 1, 2022	\$	34,442
Additions:		
Investment income (loss):		
Income from invested funds		430
Net realized gain on sale of units		77
Unrealized depreciation in fair value of units		(5,427)
Total investment income (loss)		(4,920)
Total additions		(4,920)
Deductions:		
Administrative expenses		22
Scholarship awards		1,000
Total deductions		1,022
Change in net assets		(5,942)
Net Position Held in Trust, December 31, 2022	\$	28,500

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	148
Investment income receivable		105
226 units of Collective Legal Investment Fund		28,523
Accrued expenses		(276)
Net Position Held in Trust, December 31, 2022	\$	28,500

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, 2022

Net Position Held in Trust, January 1, 2022	\$	49,977
Additions:		
Investment income (loss):		
Income from invested funds		620
Net realized gain on sale of units		1,281
Unrealized depreciation in fair value of units		(9,082)
Total investment income (loss)		(7,181)
Total additions		(7,181)
Deductions:		
Administrative expenses		31
Scholarship awards		2,000
Total deductions		2,031
Change in net assets		(9,212)
Net Position Held in Trust, December 31, 2022	\$	40,765

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	251
Investment income receivable		149
320 units of Collective Legal Investment Fund		40,386
Accrued expenses		(21)
Net Position Held in Trust, December 31, 2022	\$	40,765

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, 2022

Net Position Held in Trust, January 1, 2022	\$	44,059
Additions:		
Investment income (loss):		
Income from invested funds		562
Unrealized depreciation in fair value of units		<u>(6,805)</u>
Total investment income (loss)		<u>(6,243)</u>
Total additions		<u>(6,243)</u>
Deductions:		
Administrative expenses		<u>27</u>
Total deductions		<u>27</u>
Change in net assets		<u>(6,270)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>37,789</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	205
Investment income receivable		140
300 units of Collective Legal Investment Fund		37,862
Accrued expenses		<u>(418)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>37,789</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, 2022

Net Position Held in Trust, January 1, 2022	\$ 2,766,028
Additions:	
Investment income (loss):	
Income from invested funds	34,927
Net realized gain on sale of units	1,468
Unrealized depreciation in fair value of units	(429,770)
Total investment income (loss)	(393,375)
Total additions	(393,375)
Deductions:	
Administrative expenses	1,759
Relief of teachers and clerical assistants	21,493
Total deductions	23,252
Change in net assets	(416,627)
Net Position Held in Trust, December 31, 2022	\$ 2,349,401

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 5,364
Investment income receivable	8,619
18,514 units of Collective Legal Investment Fund	2,336,587
Accrued expenses	(1,169)
Net Position Held in Trust, December 31, 2022	\$ 2,349,401

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, 2022

Net Position Held in Trust, January 1, 2022	\$	118,405
Additions:		
Investment income (loss):		
Income from invested funds		1,522
Unrealized depreciation in fair value of units		<u>(18,644)</u>
Total investment income (loss)		<u>(17,122)</u>
Total additions		<u>(17,122)</u>
Deductions:		
Administrative expenses		75
Scholarship awards		<u>900</u>
Total deductions		<u>975</u>
Change in net assets		<u>(18,097)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>100,308</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	151
Investment income receivable		378
811 units of Collective Legal Investment Fund		102,353
Accrued expenses		<u>(2,574)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>100,308</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, 2022

Net Position Held in Trust, January 1, 2022	\$ 1,976,253
Additions:	
Investment income (loss):	
Income from invested funds	24,071
Net realized gain on sale of units	64,813
Unrealized depreciation in fair value of units	(363,001)
Total investment income (loss)	(274,117)
Total additions	(274,117)
Deductions:	
Administrative expenses	1,227
Fuel office expenses	1,979
Cost of fuel distributed to those in need	72,000
Total deductions	75,206
Change in net assets	(349,323)
Net Position Held in Trust, December 31, 2022	\$ 1,626,930

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 61,018
Investment income receivable	5,964
12,811 units of Collective Legal Investment Fund	1,616,831
Accrued expenses	(56,883)
Net Position Held in Trust, December 31, 2022	\$ 1,626,930

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, 2022

Net Position Held in Trust, January 1, 2022	\$	400,185
Additions:		
Investment income (loss):		
Income from invested funds		4,979
Net realized gain on sale of units		11,295
Unrealized depreciation in fair value of units		(74,063)
Total investment income (loss)		(57,789)
Total additions		(57,789)
Deductions:		
Administrative expenses		255
Withdrawal for Philadelphia Department of Welfare		16,500
Total deductions		16,755
Change in net assets		(74,544)
Net Position Held in Trust, December 31, 2022	\$	325,641

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	1,532
Investment income receivable		1,192
2,560 units of Collective Legal Investment Fund		323,089
Accrued expenses		(172)
Net Position Held in Trust, December 31, 2022	\$	325,641

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, 2022

Net Position Held in Trust, January 1, 2022	\$	60,360
Additions:		
Investment income (loss):		
Income from invested funds		1,912
Unrealized depreciation in fair value of units		(9,313)
Total investment income (loss)		(7,401)
Total additions		(7,401)
Deductions:		
Administrative expenses		38
Scholarship awards		2,150
Total deductions		2,188
Change in net assets		(9,589)
Net Position Held in Trust, December 31, 2022	\$	50,771

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	155
Investment income receivable		189
407 units of Collective Legal Investment Fund		51,366
Accrued expenses		(939)
Net Position Held in Trust, December 31, 2022	\$	50,771

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 703,549
Additions:	
Investment income (loss):	
Income from invested funds	8,754
Net realized gain on sale of units	18,900
Unrealized depreciation in fair value of units	<u>(129,272)</u>
Total investment income (loss)	<u>(101,618)</u>
Total additions	<u>(101,618)</u>
Deductions:	
Administrative expenses	445
Withdrawal for Girard College	<u>29,100</u>
Total deductions	<u>29,545</u>
Change in net assets	<u>(131,163)</u>
Net Position Held in Trust, December 31, 2022	<u><u>\$ 572,386</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 2,536
Investment income receivable	2,095
4,501 units of Collective Legal Investment Fund	568,055
Accrued expenses	<u>(300)</u>
Net Position Held in Trust, December 31, 2022	<u><u>\$ 572,386</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, 2022

Net Position Held in Trust, January 1, 2022	\$	132,492
Additions:		
Investment income (loss):		
Income from invested funds		1,606
Net realized gain on sale of units		4,888
Unrealized depreciation in fair value of units		(24,801)
Total investment income (loss)		(18,307)
Total additions		(18,307)
Deductions:		
Administrative expenses		83
Fuel office expenses		133
Cost of fuel distributed to those in need		5,300
Total deductions		5,516
Change in net assets		(23,823)
Net Position Held in Trust, December 31, 2022	\$	108,669

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	420
Investment income receivable		398
855 units of Collective Legal Investment Fund		107,907
Accrued expenses		(56)
Net Position Held in Trust, December 31, 2022	\$	108,669

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, 2022

Net Position Held in Trust, January 1, 2022	\$	224,210
Additions:		
Investment income (loss):		
Income from invested funds		2,836
Unrealized depreciation in fair value of units		<u>(34,755)</u>
Total investment income (loss)		<u>(31,919)</u>
Total additions		<u>(31,919)</u>
Deductions:		
Administrative expenses		141
Withdrawal for Free Library of Philadelphia		<u>9,400</u>
Total deductions		<u>9,541</u>
Change in net assets		<u>(41,460)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>182,750</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	63
Investment income receivable		703
1,511 units of Collective Legal Investment Fund		190,698
Accrued expenses		<u>(8,714)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>182,750</u></u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$	1,817
Additions:		
Investment income (loss):		
Income from invested funds		21
Unrealized depreciation in fair value of units		(252)
Total investment income (loss)		(231)
Total additions		(231)
Deductions:		
Administrative expenses		1
Total deductions		1
Change in net assets		(232)
Net Position Held in Trust, December 31, 2022	\$	1,585

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	66
Investment income receivable		6
12 units of Collective Legal Investment Fund		1,514
Accrued expenses		(1)
Net Position Held in Trust, December 31, 2022	\$	1,585

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 1,699,671
Additions:	
Investment income (loss):	
Income from invested funds	21,147
Net realized gain on sale of units	15,436
Unrealized depreciation in fair value of units	<u>(282,177)</u>
Total investment income (loss)	<u>(245,594)</u>
Total additions	<u>(245,594)</u>
Deductions:	
Administrative expenses	1,077
Withdrawal for Girard College	<u>71,200</u>
Total deductions	<u>72,277</u>
Change in net assets	<u>(317,871)</u>
Net Position Held in Trust, December 31, 2022	<u><u>\$ 1,381,800</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 5,981
Investment income receivable	5,059
10,867 units of Collective Legal Investment Fund	1,371,486
Accrued expenses	<u>(726)</u>
Net Position Held in Trust, December 31, 2022	<u><u>\$ 1,381,800</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, 2022

Net Position Held in Trust, January 1, 2022	\$	211,513
Additions:		
Investment income (loss):		
Income from invested funds		2,675
Unrealized depreciation in fair value of units		(32,781)
Total investment income (loss)		(30,106)
Total additions		(30,106)
Deductions:		
Administrative expenses		133
Scholarship awards		2,900
Total deductions		3,033
Change in net assets		(33,139)
Net Position Held in Trust, December 31, 2022	\$	178,374

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	47
Investment income receivable		663
1,425 units of Collective Legal Investment Fund		179,844
Accrued expenses		(2,180)
Net Position Held in Trust, December 31, 2022	\$	178,374

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, 2022

Net Position Held in Trust, January 1, 2022	\$	33,875
Additions:		
Investment income (loss):		
Income from invested funds		427
Unrealized depreciation in fair value of units		<u>(5,227)</u>
Total investment income (loss)		<u>(4,800)</u>
Total additions		<u>(4,800)</u>
Deductions:		
Administrative expenses		21
Withdrawal for:		
Free Library of Philadelphia		700
Wills Eye Health System		<u>700</u>
Total deductions		<u>1,421</u>
Change in net assets		<u>(6,221)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>27,654</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	93
Investment income receivable		106
228 units of Collective Legal Investment Fund		28,775
Accrued expenses		<u>(1,320)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>27,654</u></u>

See accompanying independent auditors' report.

ELLEN KINNIE 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, 2022

Net Position Held in Trust, January 1, 2022	\$ 6,111
Additions:	
Investment income (loss):	
Income from invested funds	73
Net realized gain on sale of units	131
Unrealized depreciation in fair value of units	(1,019)
Total investment income (loss)	(815)
Total additions	(815)
Deductions:	
Administrative expenses	3
Fuel office expenses	6
Cost of fuel distributed to those in need	200
Total deductions	209
Change in net assets	(1,024)
Net Position Held in Trust, December 31, 2022	\$ 5,087

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 149
Investment income receivable	18
39 units of Collective Legal Investment Fund	4,922
Accrued expenses	(2)
Net Position Held in Trust, December 31, 2022	\$ 5,087

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, 2022

Net Position Held in Trust, January 1, 2022	\$	63,941
Additions:		
Investment income (loss):		
Income from invested funds		793
Net realized gain on sale of units		1,849
Unrealized depreciation in fair value of units		(11,843)
Total investment income (loss)		(9,201)
Total additions		(9,201)
Deductions:		
Administrative expenses		40
Withdrawal for Girard College		2,600
Total deductions		2,640
Change in net assets		(11,841)
Net Position Held in Trust, December 31, 2022	\$	52,100

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	445
Investment income receivable		190
408 units of Collective Legal Investment Fund		51,492
Accrued expenses		(27)
Net Position Held in Trust, December 31, 2022	\$	52,100

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, 2022

Net Position Held in Trust, January 1, 2022	\$	26,700
Additions:		
Investment income (loss):		
Income from invested funds		331
Net realized gain on sale of units		653
Unrealized depreciation in fair value of units		(4,809)
Total investment income (loss)		(3,825)
Total additions		(3,825)
Deductions:		
Administrative expenses		16
Withdrawal for Girard College students		1,000
Total deductions		1,016
Change in net assets		(4,841)
Net Position Held in Trust, December 31, 2022	\$	21,859

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	209
Investment income receivable		80
171 units of Collective Legal Investment Fund		21,581
Accrued expenses		(11)
Net Position Held in Trust, December 31, 2022	\$	21,859

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 2,352,349
Additions:	
Investment income (loss):	
Income from invested funds	30,918
Unrealized depreciation in fair value of units	<u>(378,994)</u>
Total investment income (loss)	<u>(348,076)</u>
Total additions	<u>(348,076)</u>
Deductions:	
Administrative expenses	1,536
Withdrawal for The School District of Philadelphia for medical and dental care of children	<u>97,700</u>
Total deductions	<u>99,236</u>
Change in net assets	<u>(447,312)</u>
Net Position Held in Trust, December 31, 2022	\$ <u><u>1,905,037</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 8,813
Investment income receivable	7,665
16,465 units of Collective Legal Investment Fund	2,077,990
Accrued expenses	<u>(189,431)</u>
Net Position Held in Trust, December 31, 2022	\$ <u><u>1,905,037</u></u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$	8,763
Additions:		
Investment income (loss):		
Income from invested funds		109
Unrealized depreciation in fair value of units		(1,318)
Total investment income (loss)		(1,209)
Total additions		(1,209)
Deductions:		
Administrative expenses		6
Total deductions		6
Change in net assets		(1,215)
Net Position Held in Trust, December 31, 2022	\$	<u>7,548</u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	79
Investment income receivable		27
59 units of Collective Legal Investment Fund		7,446
Accrued expenses		(4)
Net Position Held in Trust, December 31, 2022	\$	<u>7,548</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, 2022

Net Position Held in Trust, January 1, 2022	\$ 696,015
Additions:	
Investment income (loss):	
Income from invested funds	8,866
Net realized loss on sale of units	(1,368)
Unrealized depreciation in fair value of units	<u>(108,648)</u>
Total investment income (loss)	<u>(101,150)</u>
Total additions	<u>(101,150)</u>
Deductions:	
Administrative expenses	443
Scholarship awards	<u>27,200</u>
Total deductions	<u>27,643</u>
Change in net assets	<u>(128,793)</u>
Net Position Held in Trust, December 31, 2022	<u><u>\$ 567,222</u></u>

Statement of Fiduciary Net Position December 31, 2022

Cash and cash equivalents	\$ 156
Investment income receivable	2,165
4,651 units of Collective Legal Investment Fund	586,986
Accrued expenses	<u>(22,085)</u>
Net Position Held in Trust, December 31, 2022	<u><u>\$ 567,222</u></u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$	13,126
Additions:		
Investment income (loss):		
Income from invested funds		164
Unrealized depreciation in fair value of units		<u>(1,994)</u>
Total investment income (loss)		<u>(1,830)</u>
Total additions		<u>(1,830)</u>
Deductions:		
Administrative expenses		<u>8</u>
Total deductions		<u>8</u>
Change in net assets		<u>(1,838)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>11,288</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	146
Investment income receivable		41
88 units of Collective Legal Investment Fund		11,106
Accrued expenses		<u>(5)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>11,288</u></u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$	26,125
Additions:		
Investment income (loss):		
Income from invested funds		329
Unrealized depreciation in fair value of units		(4,015)
Total investment income (loss)		(3,686)
Total additions		(3,686)
Deductions:		
Administrative expenses		17
Total deductions		17
Change in net assets		(3,703)
Net Position Held in Trust, December 31, 2022	\$	22,422

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	139
Investment income receivable		82
176 units of Collective Legal Investment Fund		22,212
Accrued expenses		(11)
Net Position Held in Trust, December 31, 2022	\$	22,422

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 1,980,784
Additions:	
Investment income (loss):	
Income from invested funds	24,040
Net realized gain on sale of units	71,524
Unrealized depreciation in fair value of units	<u>(369,640)</u>
Total investment income (loss)	<u>(274,076)</u>
Total additions	<u>(274,076)</u>
Deductions:	
Administrative expenses	1,229
Fuel office expenses	1,983
Cost of fuel distributed to those in need	<u>78,900</u>
Total deductions	<u>82,112</u>
Change in net assets	<u>(356,188)</u>
Net Position Held in Trust, December 31, 2022	\$ <u><u>1,624,596</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 24,613
Investment income receivable	5,956
12,793 units of Collective Legal Investment Fund	1,614,560
Accrued expenses	<u>(20,533)</u>
Net Position Held in Trust, December 31, 2022	\$ <u><u>1,624,596</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, 2022

Net Position Held in Trust, January 1, 2022	\$	14,122
Additions:		
Investment income (loss):		
Income from invested funds		170
Net realized loss on sale of units		(3)
Unrealized depreciation in fair value of units		<u>(2,088)</u>
Total investment income (loss)		<u>(1,921)</u>
Total additions		<u>(1,921)</u>
Deductions:		
Administrative expenses		9
Withdrawal for Philadelphia Nursing Home		<u>500</u>
Total deductions		<u>509</u>
Change in nets assets		<u>(2,430)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>11,692</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	171
Investment income receivable		42
91 units of Collective Legal Investment Fund		11,485
Accrued expenses		<u>(6)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>11,692</u></u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$	11,092
Additions:		
Investment income (loss):		
Income from invested funds		133
Net realized gain on sale of units		83
Unrealized depreciation in fair value of units		<u>(1,728)</u>
Total investment income (loss)		<u>(1,512)</u>
Total additions		<u>(1,512)</u>
Deductions:		
Administrative expenses		7
Fuel office expenses		11
Cost of fuel distributed to those in need		<u>401</u>
Total deductions		<u>419</u>
Change in net assets		<u>(1,931)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>9,161</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	172
Investment income receivable		33
71 units of Collective Legal Investment Fund		8,961
Accrued expenses		<u>(5)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>9,161</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, 2022

Net Position Held in Trust, January 1, 2022	\$ 7,494,072
Additions:	
Investment income (loss):	
Income from invested funds	87,773
Real estate income	35,727
Unrealized depreciation in fair value of units	(1,078,092)
Total investment income (loss)	(954,592)
Total additions	(954,592)
Deductions:	
Administrative expenses	4,416
Real estate expenses	57,802
Total deductions	62,218
Change in net assets	(1,016,810)
Net Position Held in Trust, December 31, 2022	\$ 6,477,262

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 29,026
Investment income receivable	27,072
46,628 units of Collective Legal Investment Fund	5,884,757
Joint venture investment	430,000
Real estate, at cost	109,386
Accrued expenses	(2,979)
Net Position Held in Trust, December 31, 2022	\$ 6,477,262

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, 2022

Net Position Held in Trust, January 1, 2022	\$	55,620
Additions:		
Investment income (loss):		
Income from invested funds		1,806
Unrealized depreciation in fair value of units		(8,643)
Total investment income (loss)		(6,837)
Total additions		(6,837)
Deductions:		
Administrative expenses		35
Scholarship awards		2,000
Total deductions		2,035
Change in net assets		(8,872)
Net Position Held in Trust, December 31, 2022	\$	46,748

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	100
Investment income receivable		176
377 units of Collective Legal Investment Fund		47,580
Accrued expenses		(1,108)
Net Position Held in Trust, December 31, 2022	\$	46,748

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, 2022

Net Position Held in Trust, January 1, 2022	\$	1,932
Additions:		
Investment income (loss):		
Income from invested funds		21
Net realized gain on sale of units		131
Unrealized depreciation in fair value of units		(388)
Total investment income (loss)		(236)
Total additions		(236)
Deductions:		
Administrative expenses		1
Fuel office expenses		2
Cost of fuel distributed to those in need		100
Total deductions		103
Change in net assets		(339)
Net Position Held in Trust, December 31, 2022	\$	1,593

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	74
Investment income receivable		6
12 units of Collective Legal Investment Fund		1,514
Accrued expenses		(1)
Net Position Held in Trust, December 31, 2022	\$	1,593

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, 2022

Net Position Held in Trust, January 1, 2022	\$	599,593
Additions:		
Investment income (loss):		
Income from invested funds		9,801
Net realized gain on sale of units		1,987
Unrealized depreciation in fair value of units		<u>(95,297)</u>
Total investment income (loss)		<u>(83,509)</u>
Total additions		<u>(83,509)</u>
Deductions:		
Administrative expenses		379
Scholarship awards		<u>22,400</u>
Total deductions		<u>22,779</u>
Change in net assets		<u>(106,288)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>493,305</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	136
Investment income receivable		1,854
3,982 units of Collective Legal Investment Fund		502,554
Accrued expenses		<u>(11,239)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>493,305</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, 2022

Net Position Held in Trust, January 1, 2022	\$	9,470
Additions:		
Investment income (loss):		
Income from invested funds		113
Net realized gain on sale of units		440
Unrealized depreciation in fair value of units		<u>(1,881)</u>
Total investment income (loss)		<u>(1,328)</u>
Total additions		<u>(1,328)</u>
Deductions:		
Administrative expenses		6
Fuel office expenses		10
Cost of fuel distributed to those in need		<u>400</u>
Total deductions		<u>416</u>
Change in net assets		<u>(1,744)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>7,726</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	509
Investment income receivable		27
57 units of Collective Legal Investment Fund		7,194
Accrued expenses		<u>(4)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>7,726</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, 2022

Net Position Held in Trust, January 1, 2022	\$ 1,378,172
Additions:	
Investment income (loss):	
Income from invested funds	17,266
Net realized loss on sale of units	(1,723)
Unrealized depreciation in fair value of units	(212,245)
Total investment income (loss)	(196,702)
Total additions	(196,702)
Deductions:	
Administrative expenses	869
Scholarship awards	35,775
Total deductions	36,644
Change in net assets	(233,346)
Net Position Held in Trust, December 31, 2022	\$ 1,144,826

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 468
Investment Income receivable	4,230
9,086 units of Collective Legal Investment Fund	1,146,712
Accrued expenses	(6,584)
Net Position Held in Trust, December 31, 2022	\$ 1,144,826

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 1,421,471
Additions:	
Investment income (loss):	
Income from invested funds	17,903
Net realized gain on sale of units	7,145
Unrealized depreciation in fair value of units	(229,590)
Total investment income (loss)	(204,542)
Total additions	(204,542)
Deductions:	
Administrative expenses	901
Scholarship awards	56,350
Total deductions	57,251
Change in net assets	(261,793)
Net Position Held in Trust, December 31, 2022	\$ 1,159,678

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 113
Investment Income receivable	4,373
9,393 units of Collective Legal Investment Fund	1,185,458
Accrued expenses	(30,266)
Net Position Held in Trust, December 31, 2022	\$ 1,159,678

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, 2022

Net Position Held in Trust, January 1, 2022	\$	706,462
Additions:		
Investment income (loss):		
Income from invested funds		8,774
Net realized gain on sale of units		10,726
Unrealized depreciation in fair value of units		(119,707)
Total investment income (loss)		(100,207)
Total additions		(100,207)
Deductions:		
Administrative expenses		447
Scholarship awards		23,400
Total deductions		23,847
Change in net assets		(124,054)
Net Position Held in Trust, December 31, 2022	\$	582,408

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	818
Investment income receivable		2,149
4,615 units of Collective Legal Investment Fund		582,443
Accrued expenses		(3,002)
Net Position Held in Trust, December 31, 2022	\$	582,408

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 2,341,677
Additions:	
Investment income (loss):	
Income from invested funds	29,636
Unrealized depreciation in fair value of units	(363,279)
Total investment income (loss)	(333,643)
Total additions	(333,643)
Deductions:	
Administrative expenses	1,487
Total deductions	1,487
Change in net assets	(335,130)
Net Position Held in Trust, December 31, 2022	\$ 2,006,547

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 8,391
Investment income receivable	7,347
15,782 units of Collective Legal Investment Fund	1,991,791
Accrued expenses	(982)
Net Position Held in Trust, December 31, 2022	\$ 2,006,547

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, 2022

Net Position Held in Trust, January 1, 2022	\$	102,611
Additions:		
Investment income (loss):		
Income from invested funds		1,270
Net realized gain on sale of units		1,852
Unrealized depreciation in fair value of units		(17,492)
Total investment income (loss)		(14,370)
Total additions		(14,370)
Deductions:		
Administrative expenses		64
Fuel office expenses		104
Cost of fuel distributed to those in need		2,050
Withdrawal for Wills Eye Health System for eyeglasses for those in need		2,050
Total deductions		4,268
Change in net assets		(18,638)
Net Position Held in Trust, December 31, 2022	\$	83,973

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	88
Investment income receivable		315
677 units of Collective Legal Investment Fund		85,442
Accrued expenses		(1,872)
Net Position Held in Trust, December 31, 2022	\$	83,973

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 11,774
Additions:	
Investment income (loss):	
Income from invested funds	144
Net realized gain on sale of units	218
Unrealized depreciation in fair value of units	(2,022)
Total investment income (loss)	(1,660)
Total additions	(1,660)
Deductions:	
Administrative expenses	8
Prizes	500
Total deductions	508
Change in net assets	(2,168)
Net Position Held in Trust, December 31, 2022	\$ 9,606

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 111
Investment income receivable	35
75 units of Collective Legal Investment Fund	9,465
Accrued expenses	(5)
Net Position Held in Trust, December 31, 2022	\$ 9,606

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, 2022

Net Position Held in Trust, January 1, 2022	\$	45,637
Additions:		
Investment income (loss):		
Income from invested funds		575
Unrealized depreciation in fair value of units		(7,041)
Total investment income (loss)		(6,466)
Total additions		(6,466)
Deductions:		
Administrative expenses		28
Total deductions		28
Change in net assets		(6,494)
Net Position Held in Trust, December 31, 2022	\$	<u>39,143</u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	274
Investment income receivable		143
307 units of Collective Legal Investment Fund		38,745
Accrued expenses		(19)
Net Position Held in Trust, December 31, 2022	\$	<u>39,143</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, 2022

Net Position Held in Trust, January 1, 2022	\$	9,337
Additions:		
Investment income (loss):		
Income from invested funds		116
Unrealized depreciation in fair value of units		(1,415)
Total investment income (loss)		(1,299)
Total additions		(1,299)
Deductions:		
Administrative expenses		6
Total deductions		6
Change in net assets		(1,305)
Net Position Held in Trust, December 31, 2022	\$	8,032

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	182
Investment income receivable		29
62 units of Collective Legal Investment Fund		7,825
Accrued expenses		(4)
Net Position Held in Trust, December 31, 2022	\$	8,032

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, 2022

Net Position Held in Trust, January 1, 2022	\$	387,666
Additions:		
Investment income (loss):		
Income from invested funds		7,152
Net realized loss on sale of units		(299)
Unrealized depreciation in fair value of units		<u>(60,362)</u>
Total investment income (loss)		<u>(53,509)</u>
Total additions		<u>(53,509)</u>
Deductions:		
Administrative expenses		248
Scholarship awards		<u>15,300</u>
Total deductions		<u>15,548</u>
Change in net assets		<u>(69,057)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>318,609</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	103
Investment income receivable		1,202
2,581 units of Collective Legal Investment Fund		325,739
Accrued expenses		<u>(8,435)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>318,609</u></u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$	99,172
Additions:		
Investment income (loss):		
Income from invested funds		1,248
Net realized loss on sale of units		(109)
Unrealized depreciation in fair value of units		<u>(15,310)</u>
Total investment income (loss)		<u>(14,171)</u>
Total additions		<u>(14,171)</u>
Deductions:		
Administrative expenses		62
Scholarship awards		<u>3,950</u>
Total deductions		<u>4,012</u>
Change in net assets		<u>(18,183)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>80,989</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	52
Investment income receivable		306
657 units of Collective Legal Investment Fund		82,918
Accrued expenses		<u>(2,287)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>80,989</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 \$1,000 per individual per year. The limit for grants to needy students enrolled in music or vocal arts schools in Philadelphia is increased to \$1,000 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, 2022

Net Position Held in Trust, January 1, 2022	\$	161,389
Additions:		
Investment income (loss):		
Income from invested funds		2,034
Net realized gain on sale of units		656
Unrealized depreciation in fair value of units		(25,724)
Total investment income (loss)		(23,034)
Total additions		(23,034)
Deductions:		
Administrative expenses		103
Payments to needy musicians and students		7,000
Total deductions		7,103
Change in net assets		(30,137)
Net Position Held in Trust, December 31, 2022	\$	<u>131,252</u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	109
Investment income receivable		502
1,078 units of Collective Legal Investment Fund		136,051
Accrued expenses		(5,410)
Net Position Held in Trust, December 31, 2022	\$	<u>131,252</u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 144,768
Additions:	
Investment income (loss):	
Income from invested funds	4,078
Unrealized depreciation in fair value of units	(22,456)
Total investment income (loss)	(18,378)
Total additions	(18,378)
Deductions:	
Administrative expenses	92
Scholarship awards	5,500
Total deductions	5,592
Change in net assets	(23,970)
Net Position Held in Trust, December 31, 2022	\$ 120,798

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 81
Investment income receivable	452
971 units of Collective Legal Investment Fund	122,547
Accrued expenses	(2,282)
Net Position Held in Trust, December 31, 2022	\$ 120,798

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, 2022

Net Position Held in Trust, January 1, 2022	\$	636,198
Additions:		
Investment income (loss):		
Income from invested funds		8,049
Net realized loss on sale of units		(46)
Unrealized depreciation in fair value of units		<u>(98,755)</u>
Total investment income (loss)		<u>(90,752)</u>
Total additions		<u>(90,752)</u>
Deductions:		
Administrative expenses		403
Withdrawal for:		
Caring for Friends		3,400
CORA Services, Inc.		3,400
Helping Hand Rescue Mission		3,400
Old Saint Joseph's Outreach – Carewalk Center		3,400
People's Emergency Center		3,400
Project H.O.M.E.		3,400
Raymond and Miriam Klein Jewish Community Centers		3,400
St. Francis Inn		<u>1,700</u>
Total deductions		<u>25,903</u>
Change in net assets		<u>(116,655)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>519,543</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	142
Investment income receivable		1,995
4,286 units of Collective Legal Investment Fund		540,921
Accrued expenses		<u>(23,515)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>519,543</u></u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 1,161,788
Additions:	
Investment income (loss):	
Income from invested funds	14,722
Net realized gain on sale of units	3,952
Unrealized depreciation in fair value of units	(184,120)
Total investment income (loss)	(165,446)
Total additions	(165,446)
Deductions:	
Administrative expenses	727
Awards	30,000
Expenses in connection with awards	11,095
Total deductions	41,822
Change in net assets	(207,268)
Net Position Held in Trust, December 31, 2022	\$ 954,520

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 153
Investment income receivable	3,662
7,866 units of Collective Legal Investment Fund	992,740
Accrued expenses	(42,035)
Net Position Held in Trust, December 31, 2022	\$ 954,520

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 870,952
Additions:	
Investment income (loss):	
Income from invested funds	10,837
Net realized gain on sale of units	24,828
Unrealized depreciation in fair value of units	<u>(161,469)</u>
Total investment income (loss)	<u>(125,804)</u>
Total additions	<u>(125,804)</u>
Deductions:	
Administrative expenses	552
Withdrawal for Girard College	<u>36,000</u>
Total deductions	<u>36,552</u>
Change in net assets	<u>(162,356)</u>
Net Position Held in Trust, December 31, 2022	<u><u>\$ 708,596</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 3,151
Investment income receivable	2,594
5,572 units of Collective Legal Investment Fund	703,223
Accrued expenses	<u>(372)</u>
Net Position Held in Trust, December 31, 2022	<u><u>\$ 708,596</u></u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$	4,428
Additions:		
Investment income (loss):		
Income from invested funds		54
Unrealized depreciation in fair value of units		(647)
Total investment income (loss)		(593)
Total additions		(593)
Deductions:		
Administrative expenses		3
Withdrawal for Whosoever Gospel Mission		100
Total deductions		103
Change in net assets		(696)
Net Position Held in Trust, December 31, 2022	\$	<u>3,732</u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	60
Investment income receivable		14
29 units of Collective Legal Investment Fund		3,660
Accrued expenses		(2)
Net Position Held in Trust, December 31, 2022	\$	<u>3,732</u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 85,819
Additions:	
Investment income (loss):	
Income from invested funds	1,039
Net realized gain on sale of units	3,167
Unrealized depreciation in fair value of units	(16,043)
Total investment income (loss)	(11,837)
Total additions	(11,837)
Deductions:	
Administrative expenses	53
Fuel office expenses	86
Cost of fuel distributed to those in need	3,500
Total deductions	3,639
Change in net assets	(15,476)
Net Position Held in Trust, December 31, 2022	\$ 70,343

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 330
Investment income receivable	257
553 units of Collective Legal Investment Fund	69,792
Accrued expenses	(36)
Net Position Held in Trust, December 31, 2022	\$ 70,343

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, 2022

Net Position Held in Trust, January 1, 2022	\$	23,748
Additions:		
Investment income (loss):		
Income from invested funds		287
Net realized gain on sale of units		792
Unrealized depreciation in fair value of units		<u>(4,339)</u>
Total investment income (loss)		<u>(3,260)</u>
Total additions		<u>(3,260)</u>
Deductions:		
Administrative expenses		15
Fuel office expenses		24
Cost of fuel distributed to those in need		<u>900</u>
Total deductions		<u>939</u>
Change in net assets		<u>(4,199)</u>
Net Position Held in Trust, December 31, 2022	\$	<u>19,549</u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	178
Investment income receivable		71
153 units of Collective Legal Investment Fund		19,310
Accrued expenses		<u>(10)</u>
Net Position Held in Trust, December 31, 2022	\$	<u>19,549</u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$	35,179
Additions:		
Investment income (loss):		
Income from invested funds		433
Net realized gain on sale of units		565
Unrealized depreciation in fair value of units		(5,901)
Total investment income (loss)		(4,903)
Total additions		(4,903)
Deductions:		
Administrative expenses		22
Fuel office expenses		35
Cost of fuel distributed to those in need		800
Total deductions		857
Change in net assets		(5,760)
Net Position Held in Trust, December 31, 2022	\$	29,419

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	172
Investment income receivable		108
231 units of Collective Legal Investment Fund		29,154
Accrued expenses		(15)
Net Position Held in Trust, December 31, 2022	\$	29,419

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 1,030,896
Additions:	
Investment income (loss):	
Income from invested funds	12,825
Net realized gain on sale of units	31,202
Unrealized depreciation in fair value of units	(192,954)
Total investment income (loss)	(148,927)
Total additions	(148,927)
Deductions:	
Administrative expenses	656
Withdrawal for Philadelphia Nursing Home	43,100
Total deductions	43,756
Change in net assets	(192,683)
Net Position Held in Trust, December 31, 2022	\$ 838,213

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 3,634
Investment income receivable	3,069
6,592 units of Collective Legal Investment Fund	831,953
Accrued expenses	(443)
Net Position Held in Trust, December 31, 2022	\$ 838,213

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, 2022

Net Position Held in Trust, January 1, 2022	\$	6,802
Additions:		
Investment income (loss):		
Income from invested funds		83
Unrealized depreciation in fair value of units		(1,025)
Total investment income (loss)		(942)
Total additions		(942)
Deductions:		
Administrative expenses		4
Prizes		200
Total deductions		204
Change in net assets		(1,146)
Net Position Held in Trust, December 31, 2022	\$	<u>5,656</u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	86
Investment income receivable		20
44 units of Collective Legal Investment Fund		5,553
Accrued expenses		(3)
Net Position Held in Trust, December 31, 2022	\$	<u>5,656</u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$	92,386
Additions:		
Investment income (loss):		
Income from invested funds		1,119
Net realized gain on sale of units		3,435
Unrealized depreciation in fair value of units		(17,299)
Total investment income (loss)		(12,745)
Total additions		(12,745)
Deductions:		
Administrative expenses		57
Fuel office expenses		92
Cost of fuel distributed to those in need		3,700
Total deductions		3,849
Change in net assets		(16,594)
Net Position Held in Trust, December 31, 2022	\$	75,792

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	335
Investment income receivable		277
596 units of Collective Legal Investment Fund		75,219
Accrued expenses		(39)
Net Position Held in Trust, December 31, 2022	\$	75,792

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, 2022

Net Position Held in Trust, January 1, 2022	\$	31,107
Additions:		
Investment income (loss):		
Income from invested funds		376
Net realized gain on sale of units		1,058
Unrealized depreciation in fair value of units		(5,708)
Total investment income (loss)		(4,274)
Total additions		(4,274)
Deductions:		
Administrative expenses		19
Fuel office expenses		31
Cost of fuel distributed to those in need		1,200
Total deductions		1,250
Change in net assets		(5,524)
Net Position Held in Trust, December 31, 2022	\$	25,583

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	134
Investment income receivable		94
201 units of Collective Legal Investment Fund		25,368
Accrued expenses		(13)
Net Position Held in Trust, December 31, 2022	\$	25,583

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, 2022

Net Position Held in Trust, January 1, 2022	\$	170,717
Additions:		
Investment income (loss):		
Income from invested funds		2,359
Net realized loss on sale of units		(384)
Unrealized depreciation in fair value of units		(28,901)
Total investment income (loss)		(26,926)
Total additions		(26,926)
Deductions:		
Administrative expenses		123
Scholarship awards		8,500
Total deductions		8,623
Change in net assets		(35,549)
Net Position Held in Trust, December 31, 2022	\$	135,168

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	65
Investment income receivable		576
1,237 units of Collective Legal Investment Fund		156,117
Accrued expenses		(21,590)
Net Position Held in Trust, December 31, 2022	\$	135,168

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, 2022

Net Position Held in Trust, January 1, 2022	\$	102,339
Additions:		
Investment income (loss):		
Income from invested funds		1,294
Unrealized depreciation in fair value of units		(15,857)
Total investment income (loss)		(14,563)
Total additions		(14,563)
Deductions:		
Administrative expenses		64
Withdrawal for:		
St. Francis Inn		300
St. John's Hospice		3,400
Whoesoever Gospel Mission		600
Total deductions		4,364
Change in net assets		(18,927)
Net Position Held in Trust, December 31, 2022	\$	83,412

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	96
Investment income receivable		321
689 units of Collective Legal Investment Fund		86,956
Accrued expenses		(3,961)
Net Position Held in Trust, December 31, 2022	\$	83,412

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, 2022

Net Position Held in Trust, January 1, 2022	\$	78,460
Additions:		
Investment income (loss):		
Income from invested funds		991
Unrealized depreciation in fair value of units		<u>(12,134)</u>
Total investment income (loss)		<u>(11,143)</u>
Total additions		<u>(11,143)</u>
Deductions:		
Administrative expenses		49
Withdrawal for:		
Sunday Breakfast Rescue Mission		<u>3,200</u>
Total deductions		<u>3,249</u>
Change in net assets		<u>(14,392)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>64,068</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	91
Investment income receivable		246
528 units of Collective Legal Investment Fund		66,637
Accrued expenses		<u>(2,906)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>64,068</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, 2022

Net Position Held in Trust, January 1, 2022	\$	32,137
Additions:		
Investment income (loss):		
Income from invested funds		388
Net realized gain on sale of units		246
Unrealized depreciation in fair value of units		(5,044)
Total investment income (loss)		(4,410)
Total additions		(4,410)
Deductions:		
Administrative expenses		20
Prizes		1,300
Total deductions		1,320
Change in net assets		(5,730)
Net Position Held in Trust, December 31, 2022	\$	26,407

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	199
Investment income receivable		96
207 units of Collective Legal Investment Fund		26,125
Accrued expenses		(13)
Net Position Held in Trust, December 31, 2022	\$	26,407

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 1,538,373
Additions:	
Investment income (loss):	
Income from invested funds	19,469
Unrealized depreciation in fair value of units	(238,649)
Total investment income (loss)	(219,180)
Total additions	(219,180)
Deductions:	
Administrative expenses	977
Withdrawal for The Visiting Nurse Society of Philadelphia	63,500
Total deductions	64,477
Change in net assets	(283,657)
Net Position Held in Trust, December 31, 2022	\$ 1,254,716

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 5,540
Investment income receivable	4,827
10,368 units of Collective Legal Investment Fund	1,308,509
Accrued expenses	(64,160)
Net Position Held in Trust, December 31, 2022	\$ 1,254,716

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 118,459
Additions:	
Investment income (loss):	
Income from invested funds	1,518
Unrealized depreciation in fair value of units	<u>(18,595)</u>
Total investment income (loss)	<u>(18,595)</u>
Total additions	<u>(17,077)</u>
Deductions:	
Administrative expenses	<u>77</u>
Total deductions	<u>77</u>
Change in net assets	<u>(17,154)</u>
Net Position Held in Trust, December 31, 2022	<u><u>\$ 101,305</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 578
Investment income receivable	377
809 units of Collective Legal Investment Fund	102,101
Accrued expenses	<u>(1,751)</u>
Net Position Held in Trust, December 31, 2022	<u><u>\$ 101,305</u></u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$ 67,959
Additions:	
Investment income (loss):	
Income from invested funds	858
Unrealized depreciation in fair value of units	<u>(10,503)</u>
Total investment income (loss)	<u>(9,645)</u>
Total additions	<u>(9,645)</u>
Deductions:	
Administrative expenses	43
Withdrawal for Whosoever Gospel Mission and Rescue Home of Germantown	<u>2,800</u>
Total deductions	<u>2,843</u>
Change in net assets	<u>(12,488)</u>
Net Position Held in Trust, December 31, 2022	<u>\$ 55,471</u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$ 96
Investment income receivable	213
458 units of Collective Legal Investment Fund	57,803
Accrued expenses	<u>(2,641)</u>
Net Position Held in Trust, December 31, 2022	<u>\$ 55,471</u>

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, 2022

Net Position Held in Trust, January 1, 2022	\$	636,807
Additions:		
Investment income (loss):		
Income from invested funds		9,198
Net realized gain on sale of units		4,946
Unrealized depreciation in fair value of units		(104,225)
Total investment income (loss)		(90,081)
Total additions		(90,081)
Deductions:		
Administrative expenses		401
Scholarship awards		26,100
Total deductions		26,501
Change in net assets		(116,582)
Net Position Held in Trust, December 31, 2022	\$	<u>520,225</u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	73
Investment income receivable		1,953
4,194 units of Collective Legal Investment Fund		529,310
Accrued expenses		(11,111)
Net Position Held in Trust, December 31, 2022	\$	<u>520,225</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, 2022

Net Position Held in Trust, January 1, 2022	\$	84,488
Additions:		
Investment income (loss):		
Income from invested funds		1,067
Unrealized depreciation in fair value of units		<u>(13,059)</u>
Total investment income (loss)		<u>(11,992)</u>
Total additions		<u>(11,992)</u>
Deductions:		
Administrative expenses		53
Care and maintenance of Independence Hall		<u>3,500</u>
Total deductions		<u>3,553</u>
Change in net assets		<u>(15,545)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>68,943</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	167
Investment income receivable		265
569 units of Collective Legal Investment Fund		71,811
Accrued expenses		<u>(3,300)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>68,943</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, 2022

Net Position Held in Trust, January 1, 2022	\$	10,013
Additions:		
Investment income (loss):		
Income from invested funds		125
Unrealized depreciation in fair value of units		(1,512)
Total investment income (loss)		(1,387)
Total additions		(1,387)
Deductions:		
Administrative expenses		6
Total deductions		6
Change in net assets		(1,393)
Net Position Held in Trust, December 31, 2022	\$	8,620

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	137
Investment income receivable		31
67 units of Collective Legal Investment Fund		8,456
Accrued expenses		(4)
Net Position Held in Trust, December 31, 2022	\$	8,620

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, 2022

Net Position Held in Trust, January 1, 2022	\$	22,594
Additions:		
Investment income (loss):		
Income from invested funds		279
Net realized loss on sale of units		(96)
Unrealized depreciation in fair value of units		<u>(3,396)</u>
Total investment income (loss)		<u>(3,213)</u>
Total additions		<u>(3,213)</u>
Deductions:		
Administrative expenses		<u>14</u>
Total deductions		<u>14</u>
Change in net assets		<u>(3,227)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>19,367</u></u>

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	1,008
Investment income receivable		68
145 units of Collective Legal Investment Fund		18,300
Accrued expenses		<u>(9)</u>
Net Position Held in Trust, December 31, 2022	\$	<u><u>19,367</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 10% 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, 2022

Net Position Held in Trust, January 1, 2022	\$	85,152
Additions:		
Investment income (loss):		
Income from invested funds		1,053
Net realized gain on sale of units		929
Unrealized depreciation in fair value of units		(13,911)
Total investment income (loss)		(11,929)
Total additions		(11,929)
Deductions:		
Administrative expenses		52
Withdrawal for disabled firemen		3,550
Total deductions		3,602
Change in net assets		(15,531)
Net Position Held in Trust, December 31, 2022	\$	69,621

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	394
Investment income receivable		261
561 units of Collective Legal Investment Fund		70,802
Accrued expenses		(1,836)
Net Position Held in Trust, December 31, 2022	\$	69,621

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, 2022

Net Position Held in Trust, January 1, 2022	\$	94,230
Additions:		
Investment income (loss):		
Income from invested funds		1,145
Net realized gain on sale of units		3,431
Unrealized depreciation in fair value of units		(17,541)
Total investment income (loss)		(12,965)
Total additions		(12,965)
Deductions:		
Administrative expenses		58
Fuel office expenses		94
Cost of fuel distributed to those in need		3,800
Total deductions		3,952
Change in net assets		(16,917)
Net Position Held in Trust, December 31, 2022	\$	77,313

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	98
Investment income receivable		286
614 units of Collective Legal Investment Fund		77,491
Accrued expenses		(562)
Net Position Held in Trust, December 31, 2022	\$	77,313

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, 2022

Net Position Held in Trust, January 1, 2022	\$	6,389
Additions:		
Investment income (loss):		
Income from invested funds		79
Unrealized depreciation in fair value of units		(945)
Total investment income (loss)		(866)
Total additions		(866)
Deductions:		
Administrative expenses		4
Total deductions		4
Change in net assets		(870)
Net Position Held in Trust, December 31, 2022	\$	5,519

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	75
Investment income receivable		20
43 units of Collective Legal Investment Fund		5,427
Accrued expenses		(3)
Net Position Held in Trust, December 31, 2022	\$	5,519

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, 2022

Net Position Held in Trust, January 1, 2022	\$	166,978
Additions:		
Investment income (loss):		
Income from invested funds		2,076
Net realized gain on sale of units		4,499
Unrealized depreciation in fair value of units		(30,672)
Total investment income (loss)		(24,097)
Total additions		(24,097)
Deductions:		
Administrative expenses		106
Withdrawal for Philadelphia Nursing Home		6,900
Total deductions		7,006
Change in net assets		(31,103)
Net Position Held in Trust, December 31, 2022	\$	135,875

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	661
Investment income receivable		497
1,068 units of Collective Legal Investment Fund		134,789
Accrued expenses		(72)
Net Position Held in Trust, December 31, 2022	\$	135,875

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, 2022

Net Position Held in Trust, January 1, 2022	\$	53,588
Additions:		
Investment income (loss):		
Income from invested funds		1,737
Unrealized depreciation in fair value of units		(8,331)
Total investment income (loss)		(6,594)
Total additions		(6,594)
Deductions:		
Administrative expenses		34
Scholarship awards		1,350
Total deductions		1,384
Change in net assets		(7,978)
Net Position Held in Trust, December 31, 2022	\$	45,610

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	87
Investment income receivable		173
371 units of Collective Legal Investment Fund		46,823
Accrued expenses		(1,473)
Net Position Held in Trust, December 31, 2022	\$	45,610

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, 2022

Net Position Held in Trust, January 1, 2022	\$	148,674
Additions:		
Investment income (loss):		
Income from invested funds		1,828
Net realized gain on sale of units		3,686
Unrealized depreciation in fair value of units		(26,256)
Total investment income (loss)		(20,742)
Total additions		(20,742)
Deductions:		
Administrative expenses		93
Fuel office expenses		149
Cost of fuel distributed to those in need		3,933
Withdrawal for the Trustees of the Free Library of Philadelphia		1,966
Total deductions		6,141
Change in net assets		(26,883)
Net Position Held in Trust, December 31, 2022	\$	121,791

Statement of Fiduciary Net Position

December 31, 2022

Cash and cash equivalents	\$	42
Investment income receivable		453
974 units of Collective Legal Investment Fund		122,925
Accrued expenses		(1,629)
Net Position Held in Trust, December 31, 2022	\$	121,791

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, 2022 and 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 years ended December 31, 2022 and 2021, and the related notes to the financial statements, which comprise the Plan's basic financial statements for the years 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, 2022 and 2021, and the changes in fiduciary net position for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 audits 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
November 15, 2023

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2022 and 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 years ended December 31, 2022 and 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 (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.

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 statements of fiduciary net position, statements of changes in fiduciary net position, notes to the financial statements, and required supplementary information.

Statements of Fiduciary Net Position

These statements for the years ended December 31, 2022 and 2021, are 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. These statements present 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.

Statements of Changes in Fiduciary Net Position

These statements present the results of activities during the years ended December 31, 2022 and 2021. 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, 2022 and 2021

Financial Highlights

The Plan's net position restricted for pension benefits decreased approximately \$1.3 million (14%) in 2022 compared to an increase of approximately \$1.3 million (16%) in 2021. The decrease in net position in 2022 and the increase in net position in 2021 are a result of unfavorable and favorable market conditions, respectively, on the Plan's investments.

In 2021 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, 2022 and 2021 Statements of Fiduciary Net Position with comparative information as of December 31, 2020:

Fiduciary Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Investments	\$ 7,498,184	8,882,724	7,700,235
Net other assets and liabilities	<u>344,643</u>	<u>224,394</u>	<u>141,192</u>
Net position restricted for pension benefits	\$ <u>7,842,827</u>	<u>9,107,118</u>	<u>7,841,427</u>

During the year ended December 31, 2022 the various stock market indices experienced decreases which had a direct impact on the Plan's investments which decreased by approximately \$1.3 million (14%) compared to 2021. However, for the year ended December 31, 2021, the market indices were favorable which increased the Plan's investments by approximately \$1.2 million (15%) compared to 2020.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**
Management's Discussion and Analysis (Unaudited)
December 31, 2022 and 2021

The following schedule is a summary of the Statements of Changes in Fiduciary Net Position for the years ended December 31, 2022 and 2021 with comparative information for the year ended December 31, 2020:

Changes in Fiduciary Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Additions:			
Contributions	\$ 443,823	446,384	294,623
Net investment income	(1,253,490)	1,263,337	898,459
Total additions	<u>(809,667)</u>	<u>1,709,721</u>	<u>1,193,082</u>
Deductions:			
Benefit payments, including return of employee contributions	376,859	392,897	391,849
Administrative expenses	77,765	51,133	51,720
Total deductions	<u>454,624</u>	<u>444,030</u>	<u>443,569</u>
(Decrease) Increase in net position restricted for pension benefits	\$ <u>(1,264,291)</u>	<u>1,265,691</u>	<u>749,513</u>

Due to unfavorable market conditions, net investment (loss) income decreased approximately \$2.5 million in 2022 compared to 2021. Contributions during 2022 remained relatively flat at approximately \$444,000 from 2021.

Due to favorable market conditions, net investment (loss) income increased approximately \$360,000 in 2021 compared to 2020. 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.

In 2022 benefit payments decreased by approximately \$16,000 due to an decrease of 1 plan member receiving benefits compared to 2021. Administrative expenses increased in 2022 by approximately \$26,000 due to increased audit and consultant fees related to the change in presentation and preparation of the financial statements.

For 2021 benefit payments and administrative expenses were approximately the same each year in comparison to 2020.

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. All of the Plan's investments are held in the CLIF. As of December 31, 2022, 2021 and 2020, the Plan owned 59,412 units (approximately 1% of total CLIF units), 59,412 units (approximately 1.2% of total CLIF units), and 59,412 units (approximately 1.2% of total CLIF units) respectively.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2022 and 2021

The following is a summary of the CLIF's investments at fair value as of December 31, 2022, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Short-term investments	\$ 52,586,177	21,832,596	10,744,250
Equity securities:			
Domestic	285,929,564	430,293,993	381,205,029
International	<u>34,990,852</u>	<u>42,494,621</u>	<u>40,525,106</u>
Total equity securities	<u>320,920,416</u>	<u>472,788,614</u>	<u>421,730,135</u>
Fixed income:			
U.S. Government and agencies	51,464,578	53,524,537	58,303,064
Corporate and other	52,290,946	53,089,209	62,734,129
Asset-backed securities	4,383,193	4,201,261	5,508,943
Mortgage-backed securities	2,532,703	6,017,537	6,202,278
Mutual funds	<u>51,907,443</u>	<u>92,018,144</u>	<u>40,374,715</u>
Total fixed income	162,578,863	208,850,688	173,123,129
Private equity funds	<u>43,235,409</u>	<u>34,618,179</u>	<u>15,930,855</u>
Total	<u>\$ 579,320,865</u>	<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
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**

Statements of Fiduciary Net Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets:		
Cash	\$ 349,847	219,437
Investment income receivable	46,387	24,624
Investment in Collective Legal Investment Fund	<u>7,498,184</u>	<u>8,882,724</u>
Total assets	<u>7,894,418</u>	<u>9,126,785</u>
Liabilities:		
Accrued expenses	<u>51,591</u>	<u>19,667</u>
Total liabilities	<u>51,591</u>	<u>19,667</u>
Net position restricted for pensions	<u>\$ 7,842,827</u>	<u>9,107,118</u>

See accompanying notes to basic financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Statements of Changes in Fiduciary Net Position

Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Additions:		
Contributions:		
Employee contributions	\$ 22,296	24,857
Employer contributions	<u>421,527</u>	<u>421,527</u>
Total contributions	<u>443,823</u>	<u>446,384</u>
Net investment (loss) income:		
Investment income	177,672	134,345
Net (depreciation) appreciation of investments	<u>(1,384,541)</u>	<u>1,182,490</u>
Total investment (loss) income	(1,206,869)	1,316,835
Investment expenses	<u>(46,621)</u>	<u>(53,498)</u>
Net investment (loss) income	<u>(1,253,490)</u>	<u>1,263,337</u>
Total additions	(809,667)	1,709,721
Deductions:		
Benefit payments, including refunds of member contributions	376,859	392,897
Administrative expenses	<u>77,765</u>	<u>51,133</u>
Total deductions	<u>454,624</u>	<u>444,030</u>
Net (decrease) increase in net position restricted for pension benefits	(1,264,291)	1,265,691
Net position restricted for pensions, beginning of year	<u>9,107,118</u>	<u>7,841,427</u>
Net position restricted for pensions, end of year	<u>\$ 7,842,827</u>	<u>9,107,118</u>

See accompanying notes to basic financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 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 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) 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.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 2021

- (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 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, 2022 and 2021, the number of benefit recipients and members in the Plan consisted of the following:

	2022	2021
Inactive Plan members or beneficiaries currently receiving benefits	32	33
Inactive Plan members entitled to but not yet receiving benefits	16	16
Active Plan members	8	8
Total	56	57

(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 Basic Financial Statements

December 31, 2022 and 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 of \$250,000 per plan per member). However, the Plan's cash balances can exceed FDIC insured limits. As of December 31, 2022, cash in the bank amounted to \$349,847 of which \$99,847 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 are 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.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 2021

(4) Net Pension Asset

The components of the net pension asset of the employer at December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 4,742,986	4,694,018
Plan fiduciary net position	<u>7,842,827</u>	<u>9,107,118</u>
Net pension asset	<u>\$ (3,099,841)</u>	<u>(4,413,100)</u>
Plan fiduciary net position as a percentage of the total pension liability	165.36 %	194.02 %

(a) Actuarial Assumptions

The total pension liability for 2022 and 2021 was determined by an actuarial valuation as of January 1, 2022 and 2021, respectively, rolled forward to December 31, 2022 and 2021, respectively, 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, 2022 and 2021 valuations 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.

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 2021

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, 2022 and 2021:

Asset class	2022 and 2021 Target asset allocation	2022 Range of Long-term expected real rate of return	2021 Range of Long-term expected real rate of return
Domestic equity	50 %	5.5% to 6.5%	5.4% to 6.4%
International equity	10	5.6 to 6.6	5.5 to 6.5
Fixed income	30	2.0 to 3.5	1.3 to 3.3
Real estate/alternative	10	4.5 to 5.5	4.5 to 5.5
Total	100 %		

For the years ended December 31, 2022 and 2021, the Plan's money weighted-rate of return, net of investment expenses, was (13.97%) and 16.11%, respectively.

(c) Discount Rate

The discount rate used to measure the total pension liability was 7.5% in 2022 and 2021. 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:

	2022		
	1% Decrease 6.5 %	Discount rate 7.5 %	1% Increase 8.5 %
Net pension asset	\$ (2,436,127)	(3,099,841)	(3,644,207)

	2021		
	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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ 56,800	69,764	89,282	86,038	83,001	71,894	67,782	59,390	54,903
Interest	344,290	341,443	349,689	356,009	356,110	347,575	338,252	323,854	304,616
Differences between expected and actual experience	24,737	(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	(376,859)	(392,897)	(391,849)	(382,870)	(370,987)	(375,873)	(344,077)	(319,551)	(378,309)
Net change in total pension liability	48,968	31,795	(92,445)	(7,460)	121,157	113,424	318,364	289,665	49,600
Total pension liability – beginning	4,694,018	4,662,223	4,754,668	4,762,128	4,640,971	4,527,547	4,209,183	3,919,518	3,869,918
Total pension liability – ending	4,742,986	4,694,018	4,662,223	4,754,668	4,762,128	4,640,971	4,527,547	4,209,183	3,919,518
Plan fiduciary net position:									
Contributions – employer	421,527	421,527	263,855	232,320	256,356	385,160	237,720	354,051	412,068
Contributions – member	22,296	24,857	30,768	36,390	40,026	35,117	36,306	37,527	45,497
Net investment income	(1,253,490)	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	(376,859)	(392,897)	(391,849)	(382,870)	(370,987)	(375,873)	(344,077)	(319,551)	(378,309)
Administrative expense	(77,765)	(51,133)	(51,720)	(69,887)	(47,874)	(46,363)	(48,851)	(45,867)	(48,553)
Net change in plan fiduciary net position	(1,264,291)	1,265,691	749,513	1,069,828	(471,352)	829,044	226,024	(3,491)	340,957
Plan fiduciary net position – beginning	9,107,118	7,841,427	7,091,914	6,022,086	6,493,438	5,664,394	5,438,370	5,441,861	5,100,904
Plan fiduciary net position – ending	7,842,827	9,107,118	7,841,427	7,091,914	6,022,086	6,493,438	5,664,394	5,438,370	5,441,861
Net pension asset	\$ (3,099,841)	(4,413,100)	(3,179,204)	(2,337,246)	(1,259,958)	(1,852,467)	(1,136,847)	(1,229,187)	(1,522,343)
Plan fiduciary net position as a percentage of the total pension liability	165.36 %	194.02 %	168.19 %	149.16 %	126.46 %	139.92 %	125.11 %	129.20 %	138.84 %
Covered employee payroll	\$ 527,808	643,969	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	(587.30)%	(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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 142,971	142,971	263,855	232,320	256,356	385,160	237,720	354,051	412,068
Contributions in relation to the actuarially determined contribution	<u>421,527</u>	<u>421,527</u>	<u>263,855</u>	<u>232,320</u>	<u>256,356</u>	<u>385,160</u>	<u>237,720</u>	<u>354,051</u>	<u>412,068</u>
Contribution deficiency (excess)	\$ <u>(278,556)</u>	<u>(278,556)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Covered employee payroll	\$ 527,808	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	79.86 %	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.

Schedule 3

**BOARD OF DIRECTORS OF CITY TRUSTS
CONTRIBUTORY RETIREMENT PLAN**

Schedule of Investment Returns (Unaudited)

December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money weighted rate of return, net of investment expenses	\$ <u>(13.97)%</u>	<u>16.11 %</u>	<u>12.80 %</u>	<u>21.14 %</u>	<u>(5.42)%</u>	<u>14.67 %</u>	<u>6.41 %</u>	<u>(0.54)%</u>	<u>6.06 %</u>

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, 2022

(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:

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Valuation date	January 1, 2022	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	Entry Age Normal
	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	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	15 years
Actuarial assumptions:									
Investment rate of return	7.50 %	7.50 %	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 %	3.00 %
Postretirement mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	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 %	3.00 %	2.75 %	2.50 %	2.50 %	2.50 %	2.50 %	2.50 %
Discount rate – actuarially accrued liability	2.79 %	2.79 %	2.72 %	3.49 %	4.14 %	3.79 %	3.48 %	4.20 %	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, 2022 and 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 years ended December 31, 2022 and 2021, and the related notes to the financial statements, which comprise the Plan's basic financial statements for the years 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, 2022 and 2021, and the changes in fiduciary net position for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 audits 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
November 15, 2023

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2022 and 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 years ended December 31, 2022 and 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 (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 statements of fiduciary net position, statements of changes in fiduciary net position, notes to the financial statements, and required supplementary information.

Statements of Fiduciary Net Position

These statements for the years ended December 31, 2022 and 2021, are 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. These statements present 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.

Statements of Changes in Fiduciary Net Position

These statements present the results of activities during the years ended December 31, 2022 and 2021. 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, 2022 and 2021

Financial Highlights

The Plan's net position restricted for pension benefits decreased approximately \$8.4 million (16%) in 2022 compared to an increase of approximately \$6.9 million (15%) in 2021. The decrease in net position in 2022 and the increase in net position in 2021 are a result of unfavorable and favorable market conditions, respectively, on the Plan's investments.

In 2021 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, 2022 and 2021 Statements of Fiduciary Net Position with comparative information as of December 31, 2020:

Fiduciary Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Investments	\$ 44,766,221	53,032,307	45,972,518
Net other assets and liabilities	<u>288,416</u>	<u>382,414</u>	<u>567,802</u>
Net position restricted for pension benefits	<u>\$ 45,054,637</u>	<u>53,414,721</u>	<u>46,540,320</u>

During the year ended December 31, 2022 the various stock market indices experienced decreases which had a direct impact on the Plan's investments which decreased by approximately \$8.3 million (16%) compared to 2021. However, for the year ended December 31, 2021, the market indices were favorable which increased the Plan's investments by approximately \$7.1 million (15%) compared to 2020.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2022 and 2021

The following schedule is a summary of the Statements of Changes in Fiduciary Net Position for the years ended December 31, 2022 and 2021 with comparative information for the year ended December 31, 2020:

Changes in Fiduciary Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Additions:			
Contributions	\$ 1,140,000	1,140,000	790,000
Net investment (loss) income	<u>(7,483,680)</u>	<u>7,542,470</u>	<u>5,351,887</u>
Total additions	<u>(6,343,680)</u>	<u>8,682,470</u>	<u>6,141,887</u>
Deductions:			
Benefit payments, including return of employee contributions	1,915,348	1,744,323	1,741,520
Administrative expenses	<u>101,056</u>	<u>63,746</u>	<u>64,410</u>
Total deductions	<u>2,016,404</u>	<u>1,808,069</u>	<u>1,805,930</u>
(Decrease) Increase in net position restricted for pension benefits	<u>\$ (8,360,084)</u>	<u>6,874,401</u>	<u>4,335,957</u>

Due to unfavorable market conditions, net investment (loss) income decreased approximately \$15.0 million in 2022 compared to 2021. Contributions during 2022 remained flat at approximately \$1.1 million from 2021.

Due to favorable market conditions, net investment (loss) income increased approximately \$2.2 million in 2021 compared to 2020. Contributions during 2021 increased \$350,000 from 2020 primarily from an increase in employer contributions.

In 2022 benefit payments increased by approximately \$171,000 due to an increase of 19 plan members receiving benefits compared to 2021. Administrative expenses increased in 2022 by approximately \$37,000 due to increased audit and consultant fees related to the change in presentation and preparation of the financial statements.

For 2021 benefit payments and administrative expenses were approximately the same each year in comparison to 2020.

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. All of the Plan's investments are held in the CLIF. As of December 31, 2022, 2021 and 2020, the Plan owned 354,706 units (approximately 7.7% of total CLIF units), 354,706 units (approximately 7.2% of total CLIF units), and 354,706 units (approximately 7.4% of total CLIF units) respectively.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2022 and 2021

The following is a summary of the CLIF's investments at fair value as of December 31, 2022, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Short-term investments	\$ 52,586,177	21,832,596	10,744,250
Equity securities:			
Domestic	285,929,564	430,293,993	381,205,029
International	<u>34,990,852</u>	<u>42,494,621</u>	<u>40,525,106</u>
Total equity securities	<u>320,920,416</u>	<u>472,788,614</u>	<u>421,730,135</u>
Fixed income:			
U.S. Government and agencies	51,464,578	53,524,537	58,303,064
Corporate and other	52,290,946	53,089,209	62,734,129
Asset-backed securities	4,383,193	4,201,261	5,508,943
Mortgage-backed securities	2,532,703	6,017,537	6,202,278
Mutual funds	<u>51,907,443</u>	<u>92,018,144</u>	<u>40,374,715</u>
Total fixed income	162,578,863	208,850,688	173,123,129
Private equity funds	<u>43,235,409</u>	<u>34,618,179</u>	<u>15,930,855</u>
Total	<u>\$ 579,320,865</u>	<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**

Statements of Fiduciary Net Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets:		
Cash	\$ 65,288	254,114
Investment income receivable	276,946	147,967
Investment in Collective Legal Investment Fund	<u>44,766,221</u>	<u>53,032,307</u>
Total assets	<u>45,108,455</u>	<u>53,434,388</u>
Liabilities:		
Accrued expenses	<u>53,818</u>	<u>19,667</u>
Total liabilities	<u>53,818</u>	<u>19,667</u>
Net position restricted for pensions	<u>\$ 45,054,637</u>	<u>53,414,721</u>

See accompanying notes to basic financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Statements of Changes in Fiduciary Net Position

Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Additions:		
Employer contributions	\$ 1,140,000	1,140,000
Net investment (loss) income:		
Investment income	1,060,748	802,079
Net (depreciation) appreciation of investments	<u>(8,266,087)</u>	<u>7,059,790</u>
Total investment (loss) income	(7,205,339)	7,861,869
Investment expenses	<u>(278,341)</u>	<u>(319,399)</u>
Net investment (loss) income	<u>(7,483,680)</u>	<u>7,542,470</u>
Total additions	<u>(6,343,680)</u>	<u>8,682,470</u>
Deductions:		
Benefit payments, including refunds of member contributions	1,915,348	1,744,323
Administrative expenses	<u>101,056</u>	<u>63,746</u>
Total deductions	<u>2,016,404</u>	<u>1,808,069</u>
Net (decrease) increase in net position restricted for pension benefits	(8,360,084)	6,874,401
Net position restricted for pensions, beginning of year	<u>53,414,721</u>	<u>46,540,320</u>
Net position restricted for pensions, end of year	<u>\$ 45,054,637</u>	<u>53,414,721</u>

See accompanying notes to basic financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 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 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 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.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 2021

- (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, 2022 and 2021, the number of benefit recipients and members in the Plan consisted of the following:

	<u>2022</u>	<u>2021</u>
Inactive Plan members or beneficiaries currently receiving benefits	154	135
Inactive Plan members entitled to but not yet receiving benefits	123	137
Active Plan members	<u>53</u>	<u>58</u>
Total	<u>330</u>	<u>330</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 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
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 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 are 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.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 2021

(4) Net Pension Asset

The components of the net pension asset of the employer at December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 27,956,833	28,221,862
Plan fiduciary net position	<u>45,054,637</u>	<u>53,414,721</u>
Net pension asset	<u>\$ (17,097,804)</u>	<u>(25,192,859)</u>
Plan fiduciary net position as a percentage of the total pension liability	161.16 %	189.27 %

(a) Actuarial Assumptions

The total pension liability for 2022 and 2021 was determined by an actuarial valuation as of January 1, 2022 and 2021, respectively, rolled forward to December 31, 2022 and 2021, respectively, 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, 2022 and 2021 valuations 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.

**BOARD OF DIRECTORS OF CITY TRUSTS
GIRARD NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 2021

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, 2022 and 2021:

Asset class	2022 and 2021 Target asset allocation	2022 Range of long-term expected real rate of return	2021 Range of long-term expected real rate of return
Domestic equity	50 %	5.5% to 6.5%	5.4% to 6.4%
International equity	10	5.6 to 6.6	5.5 to 6.5
Fixed income	30	2.0 to 3.5	1.3 to 3.3
Real estate / alternative	10	4.5 to 5.5	4.5 to 5.5
Total	100 %		

For the years ended December 31, 2022 and 2021, the Plan's money weighted-rate of return, net of investment expenses, was (14.34%) and 16.32%, respectively.

(c) Discount Rate

The discount rate used to measure the total pension liability was 7.5% in 2022 and 2021. 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:

2022			
	1% Decrease 6.5%	Discount rate 7.5%	1% Increase 8.5%
Net pension asset	\$ (13,518,695)	(17,097,804)	(20,262,394)
2021			
	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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 112,607	167,962	163,327	169,689	185,901	219,495	225,789	239,019	245,000
Interest	2,018,499	2,022,900	2,019,863	1,986,825	1,963,436	1,989,149	1,961,454	1,864,464	1,795,610
Differences between expected and actual experience	(480,787)	87,917	(1,494)	(51,111)	(822,615)	(293,763)	27,297	78,633	—
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	(1,915,348)	(1,744,323)	(1,741,520)	(1,703,893)	(1,667,431)	(1,506,874)	(1,372,869)	(1,306,149)	(1,201,062)
Net change in total pension liability	(265,029)	649,346	817,087	306,609	(439,276)	316,802	2,066,671	875,967	1,207,459
Total pension liability – beginning	28,221,862	27,572,516	26,755,429	26,448,820	26,888,096	26,571,294	24,504,623	23,628,656	22,421,197
Total pension liability – ending	27,956,833	28,221,862	27,572,516	26,755,429	26,448,820	26,888,096	26,571,294	24,504,623	23,628,656
Plan fiduciary net position									
Contributions – employer	1,140,000	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	(7,483,680)	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	(1,915,348)	(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	(101,056)	(63,746)	(64,410)	(60,911)	(59,318)	(57,347)	(54,683)	(55,841)	(60,212)
Net change in plan fiduciary net position	(8,360,084)	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	53,414,721	46,540,320	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	45,054,637	53,414,721	46,540,320	42,204,363	35,949,763	38,312,600	33,361,311	30,843,692	30,445,265
Net pension asset	\$ (17,097,804)	(25,192,859)	(18,967,804)	(15,448,934)	(9,500,943)	(11,424,504)	(6,790,017)	(6,339,069)	(6,816,609)
Plan fiduciary net position as a percentage of the total pension liability	161.16 %	189.27 %	168.79 %	157.74 %	135.92 %	142.49 %	125.55 %	125.87 %	128.85 %
Covered employee payroll	\$ 2,824,541	3,586,030	3,667,840	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	(605.33)%	(702.53)%	(517.14)%	(406.62)%	(208.12)%	(234.81)%	(147.38)%	(128.31)%	(119.18)%

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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 185,692	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	<u>1,140,000</u>	<u>1,140,000</u>	<u>790,000</u>	<u>520,000</u>	<u>1,475,616</u>	<u>1,927,488</u>	<u>1,927,488</u>	<u>1,927,488</u>	<u>1,927,488</u>
Contribution deficiency (excess)	<u>\$ (954,308)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Covered employee payroll	\$ 2,824,541	3,586,030	3,799,354	3,799,354	4,565,227	4,865,493	4,607,230	4,940,396	5,719,484
Contributions as a percentage of covered employee payroll	40.36 %	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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money weighted rate of return, net of investment expenses	(14.34)%	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, 2022

(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:

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Valuation date	January 1, 2022	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	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	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	15 years
Actuarial assumptions:									
Investment rate of return	7.50 %	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 %	3.00 %
Postretirement mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	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 %	3.00 %	2.75 %	2.50 %	2.50 %	2.50 %	2.50 %	2.50 %
Discount rate – actuarially accrued liability	2.79 %	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, 2022 and 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 years ended December 31, 2022 and 2021, and the related notes to the financial statements, which comprise the Plan's basic financial statements for the years 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, 2022 and 2021, and the changes in fiduciary net position for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 audits 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
November 15, 2023

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2022 and 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 years ended December 31, 2022 and 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 statements of fiduciary net position, statements of changes in fiduciary net position, notes to the financial statements, and required supplementary information.

Statements of Fiduciary Net Position

These statements for the years ended December 31, 2022 and 2021, are 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. These statements present 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.

Statements of Changes in Fiduciary Net Position

These statements present the results of activities during the years ended December 31, 2022 and 2021. 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, 2022 and 2021

Financial Highlights

The Plan's net position restricted for pension benefits decreased approximately \$7.7 million (17%) in 2022 compared to an increase of approximately \$5.2 million (13%) in 2021. The decrease in net position in 2022 and the increase in net position in 2021 are a result of unfavorable and favorable market conditions, respectively, on the Plan's investments.

In 2021 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, 2022 and 2021 Statements of Fiduciary Net Position with comparative information as of December 31, 2020:

Fiduciary Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Investments	\$ 37,515,149	45,473,350	40,264,872
Net other assets and liabilities	<u>698,023</u>	<u>429,382</u>	<u>392,290</u>
Net position restricted for pension benefits	\$ <u>38,213,172</u>	<u>45,902,732</u>	<u>40,657,162</u>

During the year ended December 31, 2022 the various stock market indices experienced decreases which had a direct impact on the Plan's investments which decreased by approximately \$8.0 million (17%) compared to 2021. However, for the year ended December 31, 2021, the market indices were favorable which increased the Plan's investments by approximately \$5.2 million (13%) compared to 2020.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Management's Discussion and Analysis (Unaudited)

December 31, 2022 and 2021

The following schedule is a summary of the Statements of Changes in Fiduciary Net Position for the years ended December 31, 2022 and 2021 with comparative information for the year ended December 31, 2020:

Changes in Fiduciary Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Additions:			
Contributions	\$ 1,500,000	1,500,000	1,500,000
Net investment (loss) income	<u>(6,397,394)</u>	<u>6,524,205</u>	<u>4,679,321</u>
Total additions	<u>(4,897,394)</u>	<u>8,024,205</u>	<u>6,179,321</u>
Deductions:			
Benefit payments, including return of employee contributions	\$ 2,688,397	2,703,821	2,686,540
Administrative expenses	<u>103,769</u>	<u>74,814</u>	<u>74,926</u>
Total deductions	<u>2,792,166</u>	<u>2,778,635</u>	<u>2,761,466</u>
(Decrease) Increase in net position restricted for pension benefits	<u>\$ (7,689,560)</u>	<u>5,245,570</u>	<u>3,417,855</u>

Due to unfavorable market conditions, net investment (loss) income decreased approximately \$13.0 million in 2022 compared to 2021. Contributions during 2022 remained flat at \$1.5 million from 2021.

Due to favorable market conditions in 2021 net investment (loss) income increased approximately \$1.8 million compared to 2020 while employer contributions remained flat.

In 2022 benefit payments remained flat while administrative expenses increased by approximately \$29,000 due to increased audit and consultant fees related to the change in presentation and preparation of the financial statements.

For 2021 benefit payments and administrative expenses were approximately the same each year in comparison to 2020.

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. All of the Plan's investments are held in the CLIF. As of December 31, 2022, 2021 and 2020, the Plan owned 297,252 units (approximately 6.5% of total CLIF units), 304,148 units (approximately 6.2% of total CLIF units), and 310,668 units (approximately 6.5% of total CLIF units) respectively.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**
Management's Discussion and Analysis (Unaudited)
December 31, 2022 and 2021

The following is a summary of the CLIF's investments at fair value as of December 31, 2022, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Short-term investments	\$ 52,586,177	21,832,596	10,744,250
Equity securities:			
Domestic	285,929,564	430,293,993	381,205,029
International	<u>34,990,852</u>	<u>42,494,621</u>	<u>40,525,106</u>
Total equity securities	<u>320,920,416</u>	<u>472,788,614</u>	<u>421,730,135</u>
Fixed income:			
U.S. Government and agencies	51,464,578	53,524,537	58,303,064
Corporate and other	52,290,946	53,089,209	62,734,129
Asset-backed securities	4,383,193	4,201,261	5,508,943
Mortgage-backed securities	2,532,703	6,017,537	6,202,278
Mutual funds	<u>51,907,443</u>	<u>92,018,144</u>	<u>40,374,715</u>
Total fixed income	162,578,863	208,850,688	173,123,129
Private equity funds	<u>43,235,409</u>	<u>34,618,179</u>	<u>15,930,855</u>
Total	<u>\$ 579,320,865</u>	<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
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**

Statements of Fiduciary Net Position

December 31, 2022 and 2021

Assets:	<u>2022</u>	<u>2021</u>
Cash	\$ 517,565	330,615
Investment income receivable	232,115	126,084
Investment in Collective Legal Investment Fund	<u>37,515,149</u>	<u>45,473,350</u>
Total assets	<u>38,264,829</u>	<u>45,930,049</u>
Liabilities:		
Accrued expenses	<u>51,657</u>	<u>27,317</u>
Total liabilities	<u>51,657</u>	<u>27,317</u>
Net position restricted for pensions	<u>\$ 38,213,172</u>	<u>45,902,732</u>

See accompanying notes to basic financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Statements of Changes in Fiduciary Net Position

Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Additions:		
Employer contributions	\$ 1,500,000	1,500,000
Net investment (loss) income:		
Investment income	895,861	690,748
Net (depreciation) appreciation of investments	<u>(7,057,965)</u>	<u>6,108,659</u>
Total investment (loss) income	(6,162,104)	6,799,407
Investment expenses	<u>(235,290)</u>	<u>(275,202)</u>
Net investment (loss) income	<u>(6,397,394)</u>	<u>6,524,205</u>
Total additions	<u>(4,897,394)</u>	<u>8,024,205</u>
Deductions:		
Benefit payments, including refunds of member contributions	2,688,397	2,703,821
Administrative expenses	<u>103,769</u>	<u>74,814</u>
Total deductions	<u>2,792,166</u>	<u>2,778,635</u>
Net (decrease) increase in net position restricted for pension benefits	(7,689,560)	5,245,570
Net position restricted for pensions, beginning of year	<u>45,902,732</u>	<u>40,657,162</u>
Net position restricted for pensions, end of year	<u>\$ 38,213,172</u>	<u>45,902,732</u>

See accompanying notes to basic financial statements.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 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 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.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 2021

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, 2022 and 2021, the number of benefit recipients and members in the Plan consisted of the following:

	<u>2022</u>	<u>2021</u>
Inactive Plan members or beneficiaries currently receiving benefits	269	267
Inactive Plan members entitled to but not yet receiving benefits	141	147
Active Plan members	<u>15</u>	<u>16</u>
Total	<u>425</u>	<u>430</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

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 2021

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 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 of \$250,000 per plan per member). However, the Plan's cash balances can exceed FDIC insured limits. As of December 31, 2022 and 2021, cash in the bank amounted to \$517,565 and \$330,616, respectively, of which \$267,565 and \$80,615, respectively, 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 are 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.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 2021

(4) Net Pension Asset

The components of the net pension asset of the employer at December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 37,534,283	37,676,113
Plan fiduciary net position	<u>38,213,172</u>	<u>45,902,732</u>
Net pension asset	<u>\$ (678,889)</u>	<u>(8,226,619)</u>
Plan fiduciary net position as a percentage of the total pension liability	101.81 %	121.84 %

(a) Actuarial Assumptions

The total pension liability for 2022 and 2021 was determined by an actuarial valuation as of January 1, 2022 and 2021, respectively, rolled forward to December 31, 2022 and 2021, respectively, 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, 2022 and 2021 valuations 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.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Basic Financial Statements

December 31, 2022 and 2021

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, 2022 and 2021:

Asset class	2022 and 2021 Target asset allocation	2022 Range of Long-term expected real rate of return	2021 Range of Long-term expected real rate of return
Domestic equity	50 %	5.5% to 6.5%	5.4% to 6.4%
International equity	10	5.6 to 6.6	5.5 to 6.5
Fixed income	30	2.0 to 3.5	1.3 to 3.3
Real estate / alternative	10	4.5 to 5.5	4.5 to 5.5
Total	100 %		

For the years ended December 31, 2022 and 2021, the Plan's money weighted-rate of return, net of investment expenses, was (14.34%) and 15.64%, respectively.

(c) Discount Rate

The discount rate used to measure the total pension liability was 7.5% in 2022 and 2021. 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:

	2022		
	1% Decrease 6.5%	Discount rate 7.5%	1% Increase 8.5%
Net pension asset	\$ 3,112,728	(678,889)	(4,122,420)
	2021		
	1% Decrease 6.5%	Discount rate 7.5%	1% Increase 8.5%
Net pension asset	\$ (4,420,489)	(8,226,619)	(11,918,377)

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios (Unaudited)

December 31, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ 51,874	51,874	77,549	131,139	129,707	146,763	151,489	157,934	167,278
Interest	2,714,148	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	(219,455)	(291,457)	189,950	(112,972)	(480,889)	826,767	(59,937)	88,779	—
Changes of assumptions	—	157,822	522,419	(132,000)	(139,000)	(130,000)	1,676,000	—	512,400
Benefit payments, including refunds of member contributions	(2,688,397)	(2,703,821)	(2,686,540)	(2,673,431)	(2,590,646)	(2,549,687)	(2,485,082)	(2,478,685)	(2,364,835)
Net change in total pension liability	(141,830)	(72,002)	879,283	(37,507)	(331,406)	1,065,601	1,975,217	394,703	907,983
Total pension liability – beginning	37,676,113	37,748,115	36,868,832	36,906,339	37,237,745	36,172,144	34,196,927	33,802,224	32,894,241
Total pension liability – ending	37,534,283	37,676,113	37,748,115	36,868,832	36,906,339	37,237,745	36,172,144	34,196,927	33,802,224
Plan fiduciary net position:									
Contributions – employer	1,500,000	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	(6,397,394)	6,524,205	4,679,321	6,613,092	(1,867,167)	4,333,178	1,954,950	(135,553)	1,921,812
Benefit payments, including refunds of member contributions	(2,688,397)	(2,703,821)	(2,686,540)	(2,673,431)	(2,590,646)	(2,549,687)	(2,485,082)	(2,478,685)	(2,364,835)
Administrative expense	(103,769)	(74,814)	(74,926)	(71,305)	(66,786)	(62,989)	(69,933)	(54,508)	(59,844)
Net change in plan fiduciary net position	(7,689,560)	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	45,902,732	40,657,162	37,239,307	31,869,551	35,069,150	32,148,648	31,548,713	33,017,459	32,500,326
Plan fiduciary net position – ending	38,213,172	45,902,732	40,657,162	37,239,307	31,869,551	35,069,150	32,148,648	31,548,713	33,017,459
Net pension liability (asset)	\$ (678,889)	(8,226,619)	(2,909,047)	(370,475)	5,036,788	2,168,595	4,023,496	2,648,214	784,765
Plan fiduciary net position as a percentage of the total pension liability	101.81 %	121.84 %	107.71 %	101.00 %	86.35 %	94.18 %	88.88 %	92.26 %	97.68 %
Covered employee payroll	\$ 2,363,559	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 liability (asset) as a percentage of covered employee payroll	(28.72)%	(366.86)%	(130.05)%	(16.78)%	225.30 %	87.28 %	148.01 %	100.48 %	28.91 %

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
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Schedule of Employer Contributions (Unaudited)

December 31, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,147,000	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	1,500,000	1,500,000	1,500,000	1,501,400	1,325,000	1,200,000	1,200,000	1,200,000	1,020,000
Contribution deficiency (excess)	\$ (353,000)	—	—	—	—	—	—	—	—
Covered employee payroll	\$ 2,363,559	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	63.46 %	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.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Schedule of Investment Returns (Unaudited)

December 31, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money weighted rate of return, net of investment expenses	(14.34)%	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.

**BOARD OF DIRECTORS OF CITY TRUSTS
WILLS EYE HEALTH SYSTEM
NON-CONTRIBUTORY RETIREMENT PLAN**

Notes to Required Supplementary Information (Unaudited)

December 31, 2022

(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:

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Valuation date	January 1, 2022	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	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	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	15 years
Actuarial assumptions:									
Investment rate of return	7.50 %	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 %	3.00 %
Postretirement mortality	PRI-2012 Amount Weighted Mortality Table with 2021 MP generational scale	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 %	3.00 %	2.75 %	2.50 %	2.50 %	2.50 %	2.50 %	2.50 %
Discount rate – actuarially accrued liability	2.79 %	2.56 %	2.45 %	3.34 %	4.08 %	3.65 %	3.35 %	4.11 %	4.01 %

See accompanying independent auditors' report.