

**BOARD OF DIRECTORS OF CITY TRUSTS  
ACTING FOR THE CITY OF PHILADELPHIA  
2020 ANNUAL REPORT**

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## 2020 ANNUAL REPORT

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# **BOARD OF DIRECTORS OF CITY TRUSTS**

## **President**

Bernard W. Smalley, Esq.

## **Vice Presidents**

Michael P. Meehan, Esq.

## **Directors**

Lynette M. Brown-Sow  
Albert S. Dandridge III, Esq.  
Charles M. Gibbs, Esq.  
Hon. Derek S. Green  
Hon. Michael A. Nutter

Hon. Paul P. Panepinto  
Dominic A. Sabatini  
Hon. Mark F. Squilla  
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## **Members of the Board, “Ex Officio”**

Gregory S. Rost (for the Mayor of Philadelphia)

Hon. Donna Bullock (for the President of City Council of Philadelphia)

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Joseph P. Bilson, Executive Director/Secretary

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1101 Market Street – Suite 2600  
Philadelphia, PA 19107

215-568-0440

## **GIRARD ESTATE**

Joseph P. Bilson  
Executive Director

Clinton A. Walters, Jr.  
Chief Financial Officer

Elizabeth M. Olsen  
Director of Finance and Treasury Officer

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## **GIRARD COLLEGE**

Heather D. Wathington, Ph.D.  
President

Clinton A. Walters, Jr.  
Controller

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## **WILLS EYE HOSPITAL**

Joseph P. Bilson  
Chief Executive Officer

Julia A. Haller, MD  
Ophthalmologist-in-Chief

Michael D. Allen, Esquire  
Chief Operating Officer

Shelley D. Johnson  
Director of Finance

**One Hundred Fiftieth 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 2020. This report contains financial statements for the calendar year for the Collective Legal Investment Fund, Sundry Trusts and Contributory, Girard Non-Contributory and Wills Eye Health System Non-Contributory Retirement Plans, financial statements for Wills Eye Hospital and subsidiaries for the fiscal years ended June 30, 2020 and 2019 and financial statements for the Estate of Stephen Girard, Deceased (the “Girard Estate”) for the fiscal years ended June 30, 2020 and 2019.

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

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

New Directors Charles M. Gibbs, Esq. and Hon. Derek S. Green were appointed to the Board by the Board of Judges of the Court of Common Pleas in March 2021. In October 2021, Hon. Marian B. Tasco retired from the Board. Ms. Tasco served on the Board for 17 years and most recently served as Vice-President.

**GIRARD ESTATE**

The net assets of the Girard Estate available for the maintenance of Girard College amounted to \$265,004,000 at June 30, 2020, 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, 2020 amounted to \$22,327,000. In addition, \$2,597,000 was spent on long-term projects/capital expenditures benefiting future years.

At June 30, 2020 the Estate’s investments totaled \$300,004,000, excluding \$53,008,000 that has been segregated to comply with the requirements of debt, line-of-credit and swap agreements.

# GIRARD COLLEGE

Girard College began the 2019-20 school year armed with a clear vision for success as laid out in the five-year Strategic Plan: “Navigating The Future, Anchoring Our Impact.” The plan would guide the school’s commitment to providing excellent academic and residential education, safeguard the future through fiscal responsibility, and invest in campus revitalization efforts that showcase Girard’s unique assets to the citizens of Philadelphia and beyond.

Students in the Elementary and Middle School responded well to newly aligned Math and Language Arts curricula, while the High School Academy introduced a project-based program to 9th and 10th grades that emphasized critical thinking skills and an interdisciplinary approach to academic content.

Social-emotional learning was introduced through the residential program, with the goal of developing young people who are self-aware and can manage themselves through responsible decision making and relationship skills. A renewed emphasis on restorative discipline guided the school’s philosophy of character-building, personalized attention and support.

The College conducted a year of self-study in preparation to renew its Accreditation with the Middle States Association. A planning committee comprised of faculty, staff, alumni, students, and parents reviewed foundational documents such as the Mission Statement and refreshed the school’s Core Values to include “Courage,” which would become more than appropriate given the events to come.

On March 13, 2020, Girard College announced it would transition to a virtual learning model due to the rapid spread of the Coronavirus disease. As the situation evolved and schools were ordered to remain closed, Girard College continued to offer quality instruction for the remainder of the academic year thanks to advanced preparation of technology resources and the dedication of faculty and staff. The community rallied together to provide resources to families and carry on traditions such as Commencement with virtual celebrations. On June 4, 2020, 32 students graduated as the Class of 2020.

## STUDENT BODY AND STAFF

At the beginning of the 2019-2020 school year, President Wathington led 177 full and part-time staff members in the education of 315 students.

### Student Body

Elementary/Middle School	169 Students
High School	146 Students

### Gender

Male	46%
Female	54%

### Ethnicity

African-American	88%
Asian	4%
Hispanic/Latino	3%
Caucasian	1%
Multiracial	4%

**Staff**

Dining/Laundry/Maintenance	48.0
Secretaries	5.0
Teachers/Counselors	46.0
Residential Advisors	26.0
Non-Union	52.0

**CLASS OF 2020**

Thirty-two students graduated from Girard College during Commencement on June 4, 2020. Eighty-one percent of this class year's graduates matriculated to a four-year institution of higher education. Nineteen percent attended a community college, trade school or took a gap year.

Laniyah Britton <sup>1</sup>	Empire Beauty School
Beyoncé Brown*	The City College of New York
Eric Carpenter	Berklee College of Music
Mbornie Conteh <sup>1</sup>	Howard University
Jamir Eleby-Wright	Community College of Philadelphia
Jysir Fisher	Morehouse College
Mikale Garrison-Nelson	West Chester University
Gideon Green	Morehouse College
Kennisha Greene	Virginia Union University
Elizabeth Hernandez Santa	Thomas Jefferson University
Dajah Horsey*	Temple University
Mikah Jones	Community College of Philadelphia
Samir Logan <sup>1</sup>	Cabrini University
Edward McArthur V	Kutztown University
Henroy Mitchell Collins	University of Virginia
Izyna Moore-Grimes	University of Pittsburgh at Bradford
Kailah Ortiz	La Salle University
Khalel Parsons	Berklee College of Music
Tamyah Patterson-Stewart	Holy Family University
DeAndre Porter <sup>1</sup>	West Chester University
Kenyetta Powell-Hudgins	Lincoln University
Justice Mickens-Ricketts	Gap Year
Donovan Sanders	Pennsylvania State University
Najiyah Sanders	Gap Year
Ishmael Sesay*	Pennsylvania State University
Jordan Smith	Indiana Institute of Technology
Jordan Smith	Indiana Institute of Technology
Nasir Smith	Thomas Jefferson University
Aquil Stewart	Cabrini University
Mhalik Thompson	Bucks County Community College
Justin Wiley	Cabrini University
Amaya Williams	University of Pittsburgh at Bradford
Kabanu Witherspoon	Malone University

\*Member of the National Honor Society

<sup>1</sup>"Lifer" – Girard College student since 1st Grade

**GOVERNANCE**

The Girard College Committee and sub-committees met on the following dates during the 2019-2020 academic year.

<b>Girard College Committee</b> Chair: Bernard Smalley Esq.	<b>Budget &amp; Finance Committee</b> Chair: Michael Meehan Esq.	<b>Student &amp; Academic Affairs Committee</b> Chair: Dr. Michael Smith
October 14, 2019	September 24, 2019	October 2, 2019
December 16, 2019	December 10, 2019	December 4, 2019
February 10, 2020	February 25, 2020	February 5, 2020
April 13, 2020	April 28, 2020	April 2, 2020
June 23, 2020	May 26, 2020	June 12, 2020

**PARTNERSHIPS AND GIVING**

The Office of Advancement at Girard College thrived during fiscal year 2020, reporting \$1,322,000 in gifts. Two hundred ninety one donors made a total of 380 gifts, all significant increases over the previous year.

The DREEAMS program (Diversity, Resilience, English, Engineering, Arts, Math, and Science), with continued support from Wilbert D. Abele '57 and his wife, Joan Abele, through the Abele Family Foundation, renewed its weekly after-school program held at The Philadelphia School. The unique partnership allowed for Girard College 6th and 7th graders to benefit from team teaching of the math enrichment program while also developing leadership and teamwork skills. The program ran from January – March 2020 until it was cut short by school closures at the onset of the pandemic.

Attorneys and staff members at the Faegre Drinker Biddle & Reath law firm in Philadelphia collected art supplies and classroom materials during a holiday drive to benefit the students in the Elementary School.

Comcast and Wells Fargo continue to be key corporate supporters of Girard College, making impactful donations through Pennsylvania’s Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs.

**FACILITIES**

Girard College upgraded the cafeteria in Banker Hall to provide its students with an improved dining experience. These upgrades included new dining furniture, painting, lighting, ceiling tiles and interior doors. This project commenced in June 2019 and was completed in September 2019.



The existing roof of the Junior School Building was removed and replaced with a new EPDM roofing system. This project commenced in the summer of 2019 and was completed in December 2019.

During summer 2019, Navigator 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.

In November 2019, the College completed the second phase of its major sidewalk replacement project of approximately 24,000 sq. ft. of sidewalk on North College Avenue.

## **PRESERVATION AND IMPROVEMENTS**

Restoration of the east-facing windows, shutters, and grates on the second floor of Founder's Hall was completed. This work was made possible through a Keystone Historic Preservation Construction Grant from the Pennsylvania Historical & Museum Commission, matched with funds from Founder's Keepers, an alumni-driven preservation group.

Director of Historical Resources, Katherine Haas, held a workday with eight collections professionals from the Association of Registrars and Collections Specialists on November 6, 2019. Thanks to the extra manpower and donated collections supplies, all of the glass plate negatives and sports and music photograph collections were rehoused.

The digitization of all Girard College yearbooks and annual reports through 1940 was completed using the archive.org platform.

## **VISITORS AND HISTORICAL PROGRAMMING**

The Founder's Hall Museum continued with its expanded visitor hours on Summer Saturdays and the MLK Day of Service, in addition to weekly Thursday walk-ins.

*\*Please note that the Museum closed to the public March 13, 2020 through the end of FY 2020 due to the COVID-19 pandemic, limiting the typically high visitation associated with spring events.*

- Approximately 1,575 individuals participated in programming offered by the Founder's Hall Museum, including visits to the collections, research on campus, and offsite programs.
- Approximately 2,750 individuals made use of the first floor of Founder's Hall for events and meetings.
- 1,863 individuals accessed the digitized resources made available on archive.org.

Following up on the successful year-long series that commemorated the 50th anniversary of the College's desegregation, Katherine Haas, Director of Historical Resources, and Raghia Foster, Director of Admissions, presented at a national meeting of the American Association for State and Local History in August 2019.

The Museum participated in Archives Month Philadelphia in October 2019, including a presentation at the extremely popular Lantern Slide Salon at the Wagner Free Institute of Science.

- In December 2019, the Museum joined as a pilot member of the Free Library of Philadelphia Experience Pass Program to allow library card holders to receive museum passes.

## EVENTS

Throughout the month of October 2019, the Girard College Chapel was transformed into an art installation by filmmakers Elissa Blount Moorhead and Bradford Young through a collaboration with Thomas Jefferson University and arts nonprofit Philadelphia Contemporary. *Back and Song* explored the topic of medicine and race and celebrated the resilience of Black patients who were alienated by Western medicine.

The Girard College Organ Guild hosted the “Noon Recitals,” a series of public organ concerts held in the Chapel, each Wednesday in October 2019. The performers were Alan Morrison, Adrian Brinkley, Emily Amos, Oak Martin, and Aaron Patterson.

The Organ Historical Society presented world-renown organist Nathan Laube in recital at Girard College on October 15, 2019. The public recital served as a fundraiser for the Friends of the Girard College Organ and was the culminating event in a three day Symposium about about E.M. Skinner and the Symphonic organ.

On October 17, 2019, Girard College hosted its first annual Beyond the Wall 5K and Family Fun Walk to raise funds for student activities. More than 100 participants ran or walked through and around the historic campus in addition to enjoying games, music, and activities. Students, parents, alumni, staff and neighbors came together to build community for a good cause.

On October 21, 2019, AmeriCorps, the Corporation for National and Community Service, celebrated 25 Years of national service with team building programs at Girard College. Members of programs like City Year, Playworks, and PowerCorps who are embarking on their year of service gathered in the school’s iconic Founder’s Hall to get to know each other. The nearly 300 service members then gathered in the Chapel for comments from Philadelphia Mayor Jim Kenney as well as Girard College President Dr. Heather Wathington.

On November 21, 2019, the Fairmount Community Development Corporation invited the Girard community to the Taste of Fairmount event, held in Founder’s Hall. The long-running, food-focused event featured a variety of local restaurants and supported neighborhood improvement projects.

In partnership with Global Citizen, a Philadelphia non-profit organization, Girard College served as the signature project site for the 25th annual Martin Luther King, Jr. Day of Service on January 20, 2020. It marked the 11th consecutive year that Girard hosted this largest volunteer event in the nation. Students in the Girard College choir performed at the kick-off press conference and also helped create a civil rights mural. Participants constructed ballot boxes in line with the theme of Voting Rights, in addition to more than 100 service projects, workshops, and presentations. To cap off the day of service, attendees gathered in the Chapel for a magnificent performance by the Philadelphia Orchestra.

On January 23, 2020, in collaboration with the World Affairs Council of Philadelphia, Girard College hosted “A Conversation with Samantha Power, 28th United States Ambassador to the United Nations.” The public event, held in the Chapel, included a student Q&A session and a moderated discussion highlighting stories from her memoir, “The Education of an Idealist.”

## **PERSONNEL**

### **Key Hires and Departures**

- July 2019 – The College welcomed Adam McGrath as the Director of Marketing and Brand Communications.
- November 2019 – The College welcomed Dr. Lisa Belfied as the Director of Data Strategy and Impact.
- December 2019 – Raghia Foster, Director of Admissions, concluded her work at the College.
- January 2020 – The College welcomed Theresa Zengolewicz, RN as the Manager of Health Services.
- May 2020 – Brandon Herbert is named Director of Admissions, after having served as Assistant Director since 2017.
- June 2020 – Dr. Michelle Williams, Dean of High School, concluded her work at the College.

### **LOOKING AHEAD**

In July 2020, Dr. Heather Wathington, Girard College President, announced a restructured leadership team designed to elevate student success. The College would be led by five divisions: Finance, Facilities, and Capital Improvements; Student Life; Academics; Administration and Compliance; and Advancement and Strategic Partnerships.

These divisions would be led by Clinton A. Walters, Jr., Girard College Controller and Chief Financial Officer of Girard Estate; Jon Tucker, Vice President of Student Life; Stan Bobowski, Vice President of Academics; Dr. Keenan Dorsey, Vice President of Administration and Compliance; and Sylvia V. Bastani, CFRE, CPC, Vice President of Advancement and Strategic Partnerships.

## 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 2020, income from the funds designated for the purchase of fuel for low-income families provided \$252,000 in assistance to more than 1,200 recipients for the purchase of home heating oil and natural gas.

The Board approved scholarship aid totaling approximately \$83,000 to 29 students of the Philadelphia public and parochial schools. In addition, scholarship aid from various funds provided financial assistance to 62 graduates of Girard College attending institutions of higher learning totaling \$260,000. Prizes and medals awarded to students attending the public schools in Philadelphia and students at Girard College amounted to \$10,000.

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., Chairperson

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

Due to the COVID-19 pandemic, the 2020 John Scott Medals and cash awards were awarded in November 2021 to:

- Jean Bennett, MD, Ph.D. (\$10,000) for developing gene therapies for curing retinal degeneration and ocular diseases.
- William DeGrado, Ph.D. (\$10,000) for synthesis of novel peptides and proteins and the development of antimicrobial peptides
- Michael L. Klein, Ph.D. (\$10,000) for developing algorithms for computational simulation of biological systems and the development of antimicrobial peptides.

# 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 future the 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>2020</u>	<u>2019</u>
Wills Eye Hospital Surgeries	9,540	11,378
Community ASC Surgeries	15,477	23,304

#### 2. Hospital Services

n 2020, the world was affected to an extent unseen in modern times by the Covid-19 pandemic. Like the most industries, health care was substantially, adversely affected by stay-at-home orders, limitations of care, social distancing resulting in lower patient throughput and volumes, and reluctance of patients to seek care during the pandemic. In the spring of 2020 by state mandate, Wills Eye limited its services to urgent, sight-saving care only. Since Wills Eye is a tertiary care center with a high proportion of urgent care, a significant operational presence was maintained to provide necessary urgent care. Nevertheless, Wills Eye experienced extreme losses of revenue during that period and during the subsequent months of 2020 when continuing safety measures reduced volume and many patients were reluctant to receive care. In response, Wills Eye implemented cost control and monitoring mechanisms and sought all available support from governmental sources. With critical financial support, Wills Eye and its workforce was able to remain intact and operational during the pandemic period.

### 3. Academic Medicine

In 2020, as the Covid-19 pandemic just began to spread, momentum continued to build for the employed academic physician initiative, including three practice acquisitions in the first half of calendar 2020. The academic medicine track allows additional opportunities for physicians to engage in educational and research activities, creating an exciting nexus between the charitable interests of Wills Eye and the educational and research interests of these physicians. Successful completion of an academic medicine track in key department 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 such as Allergan, Heidelberg Engineering, and GenSight Biologics.

### 4. Telemedicine

In 2020, under the Coronavirus pandemic, Pennsylvania ordered the restriction of hospital admissions and procedures to urgent or emergent care, with residents under “Stay At Home” orders. In response to the constraints, Wills Eye Hospital Telemedicine launched synchronous audio-visual telemedicine across all outpatient subspecialty departments. Synchronous telemedicine video Visits were conducted with audio-visual communication via Otto Telehealth, a component of our NextGen electronic health record system. The web browser application initiates a visit with a unique weblink emailed or texted to the patient and provider. Both parties then proceed with the visit through the browser on their chosen device (i.e., desktop, tablet, or smartphone) without a need to download a third-party application. When possible, an ophthalmic technician assisted the patient with starting the visit, obtained a history, and began electronic medical record documentation. The video services allowed our providers to see their patients who needed care and meet the concern of patients who were uneasy with not seeing their ophthalmology specialist for ophthalmic testing in person.

Wills Eye Telemedicine continued to provide support to any of our partners who conducted a diabetic retinal screenings. A total of 921 patients were screened for diabetic retinopathy in year 2020.

Telemedicine continued to work with the software programmer to set the telemedicine software for new partners and make improvements to the software.

Wills Eye Telemedicine also conducted the following:

- Researched, acquired, and tested a new FDA approved AI retinal screening program, EyeNuk/EyeArt. EyeArt is the 1st FDA-cleared autonomous AI technology for detection of both more than mild DR (mtmDR) and vision-threatening DR (vtDR).
- Developed a partnership with Jefferson/Abington and Northeast Pennsylvania to onboard PCP offices in the region.
- Contracted with Keystone First Family Health Plan for reimbursement rates that match IBC for retinal screening at LabCorp locations.
- Contracting work began to implement Keystone First home retinal screenings. This project was placed on hold.

- Participated in planning meetings with Regeneron Healthcare Solutions to launch a 2020 Vision mobile screening program. This did not come to fruition due to the pandemic.
- Held meetings with LabCorp to plan retinal screening services for Tandigm Health. This project was placed on hold due to the pandemic.

Telemedicine will continue developing new partnerships, build our knowledge base, and work with Wills Eye's Vision Research Center to increase access, care, and data collection on telemedicine services.

We will also support and participate in PA state Telemedicine legislation to diminish restrictions on provision of telemedicine services, and continue to develop relationships with companies on the cutting edge of telemedicine-ophthalmic technology, including artificial intelligence, image grading software, and development of improved retinal technology.

## 5. Communications

Wills Eye Hospital's marketing and communications output was particularly important this past year during the pandemic. Internally, we maintained close communication with our workforce – informing them about our ongoing safety measures and being available for all questions as we worked to achieve our outstanding safety record. We also sent out multiple emails and kept employees informed and engaged about our employee vaccination program, which successfully yielded higher than average results.

Externally, we kept our patients up to date on COVID-19 safety guidelines through messaging on our website, social media, and through our medical practices.

We produced videos for our patients to help guide them through their technology learning curve in advance of their telehealth visits and provided an introduction to our ophthalmology training program applicants who needed to get a feel for Wills Eye without the burden of traveling during the pandemic.

Value in earned media exposure for the Hospital surpassed \$5 million. Top media outlets turning to Wills Eye for expertise of our key opinion leaders include but are not limited to the following below:

- USA Today
- Good Morning America
- Wall Street Journal
- AARP
- Beckers
- KYW News radio
- WHYY
- Philadelphia Inquirer
- Philadelphia Tribune
- Yahoo News
- Forbes
- Billboard
- Prevention Magazine
- Ophthalmology Times
- Philadelphia Business Journal

Wills Eye was also positively featured in a 12-minute TV segment which aired nationally on Fox TV stations about healthcare disparities, racial barriers and diversity, equality and inclusion.

Additionally, the global audience for our regularly livestreamed academic programs grew by over 50%. Nearly two dozen countries are represented in our audience figures.

We successfully re-launched our hospital newsletter which featured topics related to our academic research, clinical care, virtual academic programming and leadership.

We stayed in close touch with our graduates around the world with an additional alumni publication. Awards and honors also included:

- Top Doctors 2021 Philadelphia Magazine
- The first All-Female Ophthalmology Power List
- Castle Connelly Medical List of Nationally-ranked Physicians

## 6. 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 2020, new gifts and pledges totaled \$4,974,983.

The Office of Development reorganized in order to professionalize engagement and philanthropic efforts. Linda Mancini was appointed Director, Development Operations and Heather Cheskis Development Associate, Development Services. Wills Eye recruited Suzanne E. Beers, Director, Major Gifts; Edmund R. Flood, Director, Foundation & Corporate Relations; Margaret M. Frederick, Director, Wills Eye Hospital Fund; Christine J. Scully, Director, Stewardship, Donor Relations and Protocol and Caroline J. Patton, Development Associate.

The 39th Annual Wills Eye Spring Golf Classic, Club was held on Tuesday, September 1, 2020 at Whitmarsh Valley Country Club. 80 golfers participated netting \$48,000 to support The Wills Eye Center for Academic Global Ophthalmology (CAGO). Note, this was a 100% outdoor event and all COVID-19 safety protocols were followed.

October 8, 2020 executed first Wills Eye Hospital Day(s) of Giving linked to World Sight Day. Utilizing direct mail, print media and all social media channels, provided 20 days to celebrate and support Wills Eye Hospital.

## 7. Give Kids Sight Day

Due to the pandemic, this year the event was held as a two-part event. There were 475 appointments made for a virtual screening day on October 10th. Of the initial children screened, 166 appointments were made for those whom a vision problem was detected, and there was an overflow of 83 children who also needed exams and were provided with a voucher for a free exam at Wills Eye for a later date. Of the 166 children scheduled for appointments on October 17th, 140 arrived for their appointments. 40% of the children seen were also uninsured. 133 prescriptions were written, and 266 pairs of glasses were made. The pick-up day for glasses was held on December 5th. Also, 17 children out of the 140 patients that were seen were scheduled with appointments for pediatric ophthalmology follow-up as they had more serious eye concerns to be further examined. To get all of this done, there were 90 remote call center volunteers making vision screening appointments, 48 vision screeners, 30 interpreters, and 6 logistics



assistants on October 10th, and 70 volunteers for the in-person eye exams on October 17th. Over the last 11 years, we have provided care to over 11,500 kids.

### Education Pillar

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

In 2019, another class of outstanding residents graduated from Wills. Dr. Michael Abendroth joined Philadelphia Eye Associates as a comprehensive ophthalmologist and is a member of the medical staff at Wills Eye; Dr. Michele Markovitz is a comprehensive ophthalmologist at Princeton Eye Group; Dr. Douglas Matsunaga went to USC Roski Eye Institute for a Vitreoretinal fellowship; Dr. Austin Meeker went to Duke Eye Center for a Cornea fellowship; Dr. Erin Nichols went to the Cole Eye Institute for a Oculoplastics fellowship; Dr. Samir Patel stayed at Wills Eye Hospital for a Vitreoretinal fellowship; Dr. Rebecca Russ Soares stayed at Wills Eye for a Vitreoretinal fellowship; Dr. Joshua Uhr went to Bascom Palmer Eye Institute for a Vitreoretinal fellowship.

### Research Pillar

In 2020, the Vickie and Jack Farber Vision Research Center (VRC) continued to expand and provide valuable resources and infrastructure to facilitate research at Wills Eye. In January 2020, Jose Pulido MD, MS, MBA, MPH, world-renowned retina and ocular oncology clinician-scientist, was recruited and named Larry A. Donoso endowed Chair and Director of the Henry and Corrine Bower Memorial Laboratories for Translational Medicine. Dr. Pulido is a board-certified ophthalmologist and former Wills Eye oncology fellow, who returns after fifteen years as Professor of Ophthalmology at the Mayo Clinic. Dr. Pulido has an extensive research portfolio focused on translational research of vitreoretinal infectious and inflammatory diseases, retinal degeneration, stem cells, and immunotherapies. Dr. Pulido's arrival was postponed until 2021 due to the COVID-19 pandemic.

Although the early stages of the COVID-19 pandemic hampered clinical activities in 2020, the VRC capitalized on the unexpected uncommitted time of Wills faculty and trainees during the mandatory clinical shutdown by offering unique learning opportunities in biostatistics and research methods. These learning sessions included a virtual 5-week Biostatistics Book Club to teach necessary applied biostatistical skills on real data sets using the statistical software package, SPSS, to provide a hands-on experience that enhanced participants' understanding of study design and statistical analysis. Additionally, the VRC conducted two unique pilot studies to understand the pandemic's impact on healthcare workers, their safety, and delivery of eye care. First, Wills Eye offered an Emergency Use Authorization COVID-19 serology test to 93 employees to investigate interest and attitudes towards serology testing early in the pandemic. Additionally, the VRC evaluated the feasibility of using a telemedicine platform by surveying the technicians and physicians on the virtual visits' technical and clinical quality.

In addition to establishing and leading the Biostatistics Book Club during the COVID-19 mandatory clinical shutdown, the Biostatistics Consulting Core (BCC), based in the Vickie and Jack Farber Vision Research Center, continued to be a centralized resource for consultation and collaboration with the

Clinical Services at Wills Eye. In 2020, the BCC provided over 32 consultations, and co-authored 9 peer-reviewed manuscripts and at least 18 abstracts with Wills Eye investigators.

The Clinical Trials Center continued to provide core resources and support to investigators and research staff to assess feasibility, plan, implement and conduct clinical trials in accordance with the highest standards. In 2020, 3 new sponsored clinical trials were initiated and 10 comprehensive Standard Operative Procedures (SOPs) for clinical research were developed and implemented to ensure clarity and competence for the conduct of clinical trials throughout Wills Eye.

Leveraging data from the American Academy of Ophthalmology's (AAO) Intelligence Research in Sight (IRIS) Registry, Dr. Leslie Hyman and the Wills Eye IRIS Data Analytics Team launched the Ophthalmology Informatics Program (OIP) with a study on prevalence and risk factors for thyroid eye disease (TED). This study generated new TED findings that included unexpected age patterns, higher rates in African-Americans, and regional variations. From these findings, a new TED research initiative is being developed on a well-characterized cohort of patients, which will be one of the few of its kind in the country, to provide information on the management and treatment of TED. The TED study is the first of many planned studies using the IRIS Registry data.

Ongoing Wills Eye federally funded research included three NIH-subcontracts involving the Pediatric Ophthalmology and Ocular Genetics Service. Wills Eye faculty also collaborated with the Jaeb Center for Health Research as clinical site investigators for a couple of different protocols through their Clinical Trials Networks.

With the help of Edmond Flood, Director of Wills Foundation, and his predecessor Monica Winter, 3 new awards were granted in 2020 for the following projects:

- William and Ella Owens Medical Research Foundation awarded Leslie Hyman PhD from the Vickie and Jack Farber Vision Research Center for the project titled "*Innovation in Ophthalmology through Big Data: The IRIS (Intelligent Research in Sight) Registry at Wills Eye.*"
- PNC Charitable Trust, Joseph L.K. Synder Trust awarded a 1-year grant to Leslie Hyman PhD from the Vickie and Jack Farber Vision Research Center for the project titled "*Innovation in Ophthalmology through Big Data: the IRIS (Intelligent Research in Sight) Registry at Wills Eye*".
- BNY Mellon's Elizabeth C. King Trust awarded a 1-year grant to Zeba Syed MD from the Cornea Service for the project titled "*Develop a Risk Calculator to Predict Graft Prognosis after Corneal Transplantation*".

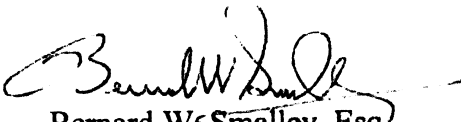
Industry-sponsored research has continued in 2020 in the Cornea Glaucoma, Pediatric and Neuro-ophthalmology Services and Emergency Medicine. These clinical studies, conducted by the Cornea Service under the leadership of Dr. Christopher Rapuano, Glaucoma Research Center under the leadership of Dr. Jonathan Myers and Dr. Daniel Lee, the Pediatric Ophthalmology and Ocular Genetics Service under the leadership of Dr. Kammi Gunton, and the Neuro-ophthalmology Service under the leadership of 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
<b>DECEMBER 31, 2020:</b>			
Active participants	10	81	16
Retired participants	33	136	267
Terminated participants with vested benefits	13	120	157
Projected benefit obligation	\$ 4,675,000	\$26,536,000	\$37,249,000
Net assets available for plan benefits, at fair value	7,841,000	46,540,000	40,657,000
Annual rate of retirement benefits currently being paid	384,000	1,742,000	2,647,000
<b>YEAR ENDED DECEMBER 31, 2020:</b>			
Employer's contribution	264,000	790,000	1,500,000
Investment income from units of the Collective Legal Investment Fund and short-term investments	83,000	495,000	433,000

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

On behalf of the Board of Directors of City Trusts,

  
**Bernard W. Smalley, Esq.**  
 President



**THE ESTATE OF STEPHEN GIRARD, DECEASED**

Financial Statements

June 30, 2020 and 2019

(With Independent Auditors' Report Thereon)

**THE ESTATE OF STEPHEN GIRARD, DECEASED**

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KPMG LLP  
1601 Market Street  
Philadelphia, PA 19103-2499

## Independent Auditors' Report

The Board of Directors of City Trusts  
Philadelphia, Pennsylvania:

We have audited the accompanying financial statements of The Estate of Stephen Girard, Deceased (the Estate), which comprise the statements of net assets – FASB basis as of June 30, 2020 and 2019, and the related statements of changes in net assets – FASB basis and cash flows – FASB basis for the years then ended, and the related notes to the financial statements – FASB basis.

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

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position – FASB basis of the Estate of Stephen Girard, Deceased, as of June 30, 2020 and 2019, and the changes in its net assets – FASB basis and its cash flows – FASB basis for the years then ended, on the basis of accounting described in note 1(b).



*Basis of Accounting*

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

*KPMG LLP*

Philadelphia, Pennsylvania  
October 27, 2020

## THE ESTATE OF STEPHEN GIRARD, DECEASED

### Statements of Net Assets – FASB Basis

June 30, 2020 and 2019

(In thousands)

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Cash	\$ 2,828	1,195
Receivables, net	2,603	2,379
Prepaid and other assets	16,645	11,607
Investments	300,004	343,931
Assets held under indenture agreements	63,008	36,400
Property, plant and equipment, net	136,320	115,092
Total	\$ <u>521,408</u>	<u>510,604</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 4,339	3,641
Accrued expenses	2,909	2,416
Line of credit	22,405	2,193
Interest rate swap liability	30,603	24,207
Advance rents and other liabilities	82,581	77,618
Long-term debt	113,567	113,519
Total liabilities	256,404	223,594
Net assets – without donor restrictions	<u>265,004</u>	<u>287,010</u>
Total	\$ <u>521,408</u>	<u>510,604</u>

See accompanying notes to financial statements – FASB basis.



**THE ESTATE OF STEPHEN GIRARD, DECEASED**

Statements of Changes in Net Assets – FASB Basis

Years ended June 30, 2020 and 2019

(In thousands)

	<u>2020</u>	<u>2019</u>
Operating revenue:		
Realized and unrealized investment gains	\$ 4,315	11,645
Income from investments, net	6,266	6,076
Real estate	22,403	21,788
Girardville area	2,058	1,846
Reimbursements under government grants	822	562
Contributions to Girard College	1,440	1,053
Other	<u>236</u>	<u>163</u>
Total operating revenue	<u>37,540</u>	<u>43,133</u>
Operating expenses:		
Girard College	22,327	22,297
Supporting services:		
Real estate	21,440	20,071
Girardville area	607	525
Administration	<u>1,328</u>	<u>1,359</u>
Total operating expenses	<u>45,702</u>	<u>44,252</u>
Change in net assets from operating activities	(8,162)	(1,119)
Nonoperating activities:		
Loss on extinguishment of debt	—	(643)
Unrealized loss on interest rate swap	(6,396)	(4,005)
Increase in pension benefit obligation	(8,715)	(2,680)
Other non-service periodic pension cost	<u>1,267</u>	<u>1,205</u>
Decrease in net assets – without donor restrictions	<u>(22,006)</u>	<u>(7,242)</u>
Net assets – without donor restrictions, beginning of year	<u>287,010</u>	<u>294,252</u>
Net assets – without donor restrictions, end of year	<u>\$ 265,004</u>	<u>287,010</u>

See accompanying notes to financial statements – FASB basis.

**THE ESTATE OF STEPHEN GIRARD, DECEASED**

Statements of Cash Flows – FASB Basis

Years ended June 30, 2020 and 2019

(In thousands)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (22,006)	(7,242)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	8,173	7,263
Loss on disposal of assets	—	92
Realized and unrealized investment gains	(4,315)	(11,645)
Unrealized loss on interest rate swap	6,396	4,005
Increase in pension benefit obligations	8,715	2,680
Change in operating assets and liabilities:		
Receivables, net	(224)	474
Prepaid and other assets	(5,049)	(334)
Accounts payable and accrued expenses	414	(1,093)
Advance rents and other liabilities	(3,766)	(3,006)
Net cash used in operating activities	<u>(11,662)</u>	<u>(8,806)</u>
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(28,551)	(2,518)
Proceeds from asset sales	—	1,585
Proceeds from sales of investments	22,702	12,281
Purchases of investments	(739)	(10,455)
Investments in joint ventures	(8,345)	(19,840)
Proceeds from joint ventures	8,016	9,606
Net cash used in investing activities	<u>(6,917)</u>	<u>(9,341)</u>
Cash flows from financing activities:		
Assets held under indenture agreements	—	(10,000)
Proceeds from line of credit	20,212	10,309
Payments on line of credit	—	(19,843)
Proceeds from new debt	—	55,000
Payments for debt issuance costs	—	(471)
Payments on long-term debt	—	(16,822)
Net cash provided by financing activities	<u>20,212</u>	<u>18,173</u>
Net increase in cash	1,633	26
Cash, beginning of year	<u>1,195</u>	<u>1,169</u>
Cash, end of year	\$ <u><u>2,828</u></u>	\$ <u><u>1,195</u></u>
Supplemental disclosures of cash flow information:		
Interest paid	\$ 6,103	5,459
Change in accounts payable related to capital purchases	777	2,969

See accompanying notes to financial statements – FASB basis.

## THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

### (1) The Estate and Summary of Significant Accounting Policies

#### (a) *The Estate*

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

#### (b) *Basis of Accounting*

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

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

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

## THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

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

### **(c) Net Assets**

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

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

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

### **(d) Receivables**

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

### **(e) Investments**

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

## THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

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

The 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 as established by the Board. All borrowings are initially secured by collateral in an amount equal to at least 102% of the fair value of the securities loaned and are marked to market daily. Each business day, the amount of collateral is adjusted based on the prior day's closing fair value. The collateral is invested in cash and cash equivalents. Income from lending activity is determined by the amount of interest earned on the invested collateral, a portion of which is allocated to the lending agent. The CLIF also is entitled to receive interest and dividends from securities on loan.

As of June 30, 2020 and 2019, the CLIF had loaned out certain securities, returnable on demand, with a market value of \$108,081,000 and \$158,372,000, respectively, to several financial institutions that have deposited collateral with respect to such securities of \$110,598,000 and \$161,825,000, respectively.

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

### **(f) Assets Held under Indenture Agreements**

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

### **(g) Interest Rate Swap**

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

### **(h) Property, Plant, and Equipment**

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

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

Long-lived assets to be held and used are assessed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If circumstances indicate a long-lived asset is impaired, the asset value will be reduced to fair value. Fair value is determined

## THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

through various valuation techniques, including quoted market values and third-party independent appraisals, as considered necessary.

### (i) *Fair Value*

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

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

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

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

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

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

### (i) *Collective Legal Investment Fund*

At June 30, 2020 and 2019, the Estate's investments include shares owned in the CLIF, which invests in the following types of securities:

#### *Equity Securities*

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

#### *Debt Securities*

U.S. government and other debt securities are valued at the closing price reported in the active market in which the security is traded, if available, and categorized in Level 1 of the fair value

## THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

hierarchy. If such information is not available, debt is valued based on yields currently available on comparable securities for issuers with similar credit ratings and characterized in Level 2 of the fair value hierarchy.

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

### *Private Equity Funds*

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

### *(ii) Interest Rate Swap*

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

### *(j) Revenue Recognition*

Real estate revenue consists of rental income, which is based upon lease agreements with each respective tenant. Rental revenue for some leases is recognized when the rent is due from the tenant. However for longer term leases (typically greater than 5 years) rental revenue is recorded on a straight-line basis over the term of the respective lease. Rental payments received in advance are deferred until earned. All leases between the Estate and the tenants of the property are operating leases.

### *(k) Contributions and Grants*

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

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

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

Unconditional contributions and grants with donor-imposed restrictions that limit the use of the asset are reported as revenue with donor restrictions and are reclassified to net assets without donor restrictions when an expense is incurred that satisfies the donor-imposed restriction. However, for

## THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

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

### (l) *Use of Estimates*

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

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

### (m) *Asset Retirement Obligation*

Substantially all of the Estate's asset retirement obligations represent estimated costs to remove asbestos within the Estate's properties. The following is a reconciliation of the Estate's remaining asset retirement obligation for the years ended June 30, 2020 and 2019 (in thousands):

Balance, June 30, 2018	\$	1,012
Remediation		(3)
Accretion expense		62
		<hr/>
Balance, June 30, 2019		1,071
Remediation		(20)
Accretion expense		66
		<hr/>
Balance, June 30, 2020	\$	<u>1,117</u>

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

### (n) *Recently Adopted Accounting Standards*

On March 10, 2017, the FASB issued ASU No. 2017-07, *Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (ASU 2017-07). The new guidance improves the presentation of net periodic pension cost and net period postretirement benefit cost. The Estate adopted ASU 2017-07 effective July 1, 2019 and applied the changes retrospectively. These changes reclassified how the service and non-service cost components of net periodic benefit cost previously reported in non-operating activities within the increase in pension benefit obligations are reported on the statement of changes in net assets – FASB basis. As a result, both the service cost component totaling \$1,021,000 was reclassified to operating expenses and the non-service component totaling a gain of \$1,205,000 was reclassified to a separate



## THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

line within non-operating activities from the amount previously reported as increase in pension benefit obligations in the statement of changes in net assets – FASB basis for the year ended June 30, 2019. ASU 2017-07 allows a practical expedient approach, which the Estate applied, that permits the use of amounts disclosed in Note 5 (Retirement Plans) for the prior comparative period as the estimation basis for applying the retrospective presentation for the year ended June 30, 2020.

### (o) *Upcoming Accounting Pronouncements Not Yet Adopted*

In February 2016, FASB issued ASU No. 2016-02, Topic 842, *Leases*. Topic 842 was developed to provide financial statement users with more information about an entity's leasing activities. This includes: (1) lessees will recognize all leases, including operating leases, with a term greater than 12 months on statement of net assets – FASB basis, and (2) lessees and lessors will disclose key information about their leasing transactions. The Estate is currently evaluating the impact of adopting this standard.

### (2) **Liquidity and Availability of Resources**

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

Financial assets and liquidity resources available for general expenditures within one year at June 30, 2020 and 2019 are as follows (in thousands):

	<u>2020</u>	<u>2019</u>
Cash	\$ 2,828	1,195
Receivables, net	2,603	2,379
Investments	<u>300,004</u>	<u>343,931</u>
Total financial assets	305,435	347,505
Less:		
Investments in joint ventures	(39,186)	(37,271)
Private equity investments not available within one year	<u>(6,990)</u>	<u>(11,376)</u>
Total financial resources available within one year	<u>\$ 259,259</u>	<u>298,858</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of June 30, 2020. The Estate has a policy to structure its financial assets to be available as its general operating expenses, liabilities, and other obligations come due.

**THE ESTATE OF STEPHEN GIRARD, DECEASED**

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

**(3) Investments and Assets Held under Indenture Agreements**

The following summarizes the Estate’s investments as of June 30, 2020 and 2019 (in thousands):

	<b>2020</b>	<b>2019</b>
Investment in Collective Legal Investment Fund	\$ 259,982 *	296,446 *
Joint ventures	39,186	37,271
Money market funds	836	10,214
Total investments	\$ 300,004	343,931

\* Amounts exclude \$53,008,000 at June 30, 2020 and \$26,400,000 at June 30, 2019 that are segregated within the CLIF to comply with the requirements of certain debt, line-of-credit, and swap agreements. Such amounts have been included in assets held under indenture agreements to reflect the restriction on their use.

The composition of the Estate’s investment return, net for the years ended June 30, 2020 and 2019 are as follows (in thousands):

	<b>2020</b>	<b>2019</b>
Net realized gain on sales of CLIF investments	\$ 8,460	7,662
Unrealized (depreciation) appreciation of CLIF investments	(5,740)	6,372
Dividend and interest income, net	6,071	6,064
Total CLIF income	8,791	20,098
Gain on sales of joint ventures	1,994	—
Share in joint ventures’ operating loss	(399)	(2,389)
Total joint venture income (loss)	1,595	(2,389)
Other income	195	12
Total investment income, net	\$ 10,581	17,721

**(a) Collective Legal Investment Fund**

The CLIF is a balanced portfolio composed primarily of equity, fixed-income, and short-term investment securities. It is intended to be more aggressive than income-oriented portfolios and less aggressive than equity-oriented portfolios. All asset classes, other than alternative investments, must have a readily ascertainable market value and must be readily marketable. The Board’s investment policy does allow private equity investment funds on a limited basis. As of June 30, 2020 and 2019, 2.2% and 3.5%, respectively, of the CLIF assets have been invested in this asset class.

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

**THE ESTATE OF STEPHEN GIRARD, DECEASED**

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

At June 30, 2020 and 2019, the Estate owned 58.66% and 59.23%, respectively, of the total units in the CLIF. The total investments of the CLIF at fair value as of June 30, 2020 and 2019 are as follows (in thousands):

	<u>2020</u>	<u>2019</u>
Short-term investments	\$ 29,780	11,471
Equities:		
U.S. common stocks	264,466	250,776
Exchange-traded funds	43,502	65,841
International equity mutual funds	33,970	34,654
Fixed income:		
U.S. government and agency obligations	55,916	47,556
Corporate debt securities	62,860	59,326
Asset-backed securities	12,854	14,145
Mutual funds	18,274	17,934
Global tactical asset allocation mutual funds	—	24,185
Private equity	<u>11,916</u>	<u>19,206</u>
Total investments in the CLIF	\$ <u>533,538</u>	<u>545,094</u>

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

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

		<u>Fair value measurements</u>	
		<u>at June 30, 2020 using</u>	
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Short-term investments	\$ 29,780	29,780	—
Equity securities:			
U.S. common stocks:			
Industrials	30,268	30,268	—
Consumer discretionary	33,579	33,579	—
Consumer staples	12,747	12,747	—
Energy	4,737	4,737	—
Financial	29,184	29,184	—

**THE ESTATE OF STEPHEN GIRARD, DECEASED**

Notes to Financial Statements – FASB Basis

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		<b>Fair value measurements at June 30, 2020 using</b>	
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>
Materials	\$ 6,899	6,899	—
Information technology	69,007	69,007	—
Real estate	4,518	4,518	—
Utilities	4,807	4,807	—
Healthcare	40,376	40,376	—
Telecommunications and other	28,344	28,344	—
	<hr/>	<hr/>	<hr/>
Total U.S. common stocks	264,466	264,466	—
Exchange-traded funds:			
S&P 500 Index SPDR	31,638	31,638	—
Select Sector SPDRs	11,864	11,864	—
	<hr/>	<hr/>	<hr/>
Total exchange-traded funds	43,502	43,502	—
International equity mutual funds	33,970	33,970	—
	<hr/>	<hr/>	<hr/>
Total equity securities	341,938	341,938	—
Fixed income:			
Debt securities issued by the U.S.			
Treasury and other U.S. government corporations and agencies	39,774	39,182	592
Debt securities issued by states of the United States and political subdivisions of the states	15,981	—	15,981
Debt securities issued by foreign governments	161	—	161
Corporate debt securities	62,860	—	62,860
Asset-backed securities	5,135	—	5,135
Residential mortgage-backed securities	138	—	138
Commercial mortgage-backed securities	7,581	—	7,581
Mutual funds	18,274	18,274	—
	<hr/>	<hr/>	<hr/>
Total fixed income	149,904	57,456	92,448
Total	521,622	\$ 429,174	92,448
	<hr/>	<hr/>	<hr/>
Private equity funds reported at NAV	11,916		
	<hr/>		
Total investments in the CLIF	\$ 533,538		
	<hr/>		

**THE ESTATE OF STEPHEN GIRARD, DECEASED**

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

The following table presents the CLIF’s fair value hierarchy for assets held in the CLIF measured at fair value on a recurring basis and NAV as of June 30, 2019 (in thousands):

	<u>Total</u>	<u>Fair value measurements at June 30, 2019 using</u>	
		<u>Level 1</u>	<u>Level 2</u>
Short-term investments	\$ 11,471	11,471	—
Equity securities:			
U.S. common stocks:			
Industrials	32,067	32,067	—
Consumer discretionary	29,876	29,876	—
Consumer staples	10,501	10,501	—
Energy	13,313	13,313	—
Financial	36,432	36,432	—
Materials	7,684	7,684	—
Information technology	52,938	52,938	—
Real estate	4,738	4,738	—
Utilities	5,455	5,455	—
Healthcare	31,466	31,466	—
Telecommunications and other	26,306	26,306	—
Total U.S. common stocks	<u>250,776</u>	<u>250,776</u>	<u>—</u>
Exchange-traded funds:			
S&P 500 Index SPDR	31,928	31,928	—
Select Sector SPDRs	33,913	33,913	—
Total exchange-traded funds	<u>65,841</u>	<u>65,841</u>	<u>—</u>
International equity mutual funds	<u>34,654</u>	<u>34,654</u>	<u>—</u>
Total equity securities	<u>351,271</u>	<u>351,271</u>	<u>—</u>
Fixed income:			
Debt securities issued by the U.S.			
Treasury and other U.S. government corporations and agencies	33,068	32,430	638
Debt securities issued by states of the United States and political subdivisions of the states	14,211	—	14,211
Debt securities issued by foreign governments	277	—	277
Corporate debt securities	59,326	—	59,326
Asset-backed securities	5,645	—	5,645

**THE ESTATE OF STEPHEN GIRARD, DECEASED**

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		<b>Fair value measurements at June 30, 2019 using</b>	
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>
Residential mortgage-backed securities	\$ 817	—	817
Commercial mortgage-backed securities	7,683	—	7,683
Mutual funds	17,934	17,934	—
Total fixed income	138,961	50,364	88,597
Global tactical asset allocation mutual funds	24,185	24,185	—
Total	525,888	\$ 437,291	88,597
Private equity funds reported at NAV	19,206		
Total investments in the CLIF	\$ 545,094		

**(b) Joint Ventures**

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

The following table summarizes the Estate's investments in joint ventures as of June 30, 2020 and 2019 (in thousands):

		<b>2020</b>	<b>2019</b>
Joint ventures, beginning balance	\$	37,271	29,426
Additional investments		8,345	19,840
Proceeds from sales of joint ventures		(2,167)	—
Cash distributions		(5,698)	(3,856)
Return of capital		(160)	(5,750)
Gain on sales		1,994	—
Share in joint ventures		(399)	(2,389)
Joint ventures, ending balance	\$	39,186	37,271

**THE ESTATE OF STEPHEN GIRARD, DECEASED**

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

**(4) Property, Plant and Equipment**

Property, plant, and equipment of the Estate as of June 30, 2020 and 2019 are as follows (in thousands):

	<b>2020</b>	<b>2019</b>
Real estate operations:		
Land	\$ 26,563	26,563
Buildings and improvements	118,826	116,415
Tenant alterations	23,827	3,204
Equipment	530	518
Construction in progress	6,394	3,032
	176,140	149,732
Accumulated depreciation	(62,979)	(58,165)
	113,161	91,567
Coal operations:		
Equipment	311	308
	311	308
Accumulated depreciation	(275)	(266)
	36	42
Girard College operations:		
Building and building improvements	66,179	63,900
Equipment	2,505	2,206
Construction in progress	71	51
	68,755	66,157
Accumulated depreciation	(45,632)	(42,674)
	23,123	23,483
Total property, plant, and equipment, net	\$ 136,320	115,092

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

The Estate recorded depreciation expense of \$8,101,000 and \$7,231,000 in 2020 and 2019, respectively.

**THE ESTATE OF STEPHEN GIRARD, DECEASED**

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

**(5) Retirement Plans**

**(a) Defined-Benefit Plans**

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

The Estate recorded a net pension liability of \$8,328,000 and \$861,000 at June 30, 2020 and 2019, respectively, for the Estate’s unfunded status. In the statements of net assets – FASB basis, net pension liability is included as a component of advance rents and other liabilities.

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

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



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June 30, 2020 and 2019

The following presents the projected funded status and accrued cost of the Plans for the year ended June 30, 2019 (in thousands):

	<u>Contributory Plan</u>	<u>Non- Contributory Plan</u>
Projected benefit obligations – June 30	\$ (7,063)	(40,772)
Fair value of plan assets – June 30	<u>6,790</u>	<u>40,184</u>
Funded status	\$ <u>(273)</u>	<u>(588)</u>
Accrued cost recognized in the Estate's statement of net assets	\$ (273)	(588)
Accumulated benefit obligation	6,922	39,564
Benefit expense	90	(274)
Employer contribution	244	672
Plan participants' contribution	39	—
Benefits paid	364	1,699
Weighted average assumptions used to determine benefit obligation and net periodic benefit cost:		
Discount rate	3.49 %	3.46 %
Expected long-term return on plan assets	7.75	7.75
Rate of compensation increase	3.00	3.00

The components of net periodic benefit cost for the years ended June 30, 2020 and 2019 are as follows (in thousands):

	<u>2020</u>	<u>2019</u>
Amounts recognized in net assets but not yet recognized in net periodic benefit cost:		
Prior service costs	\$ 44	76
Net loss	<u>20,374</u>	<u>11,634</u>
Total amount recognized in net assets	\$ <u>20,418</u>	<u>11,710</u>
Components of net periodic benefit cost:		
Service cost	\$ 929	1,021
Interest cost	1,617	1,803
Expected return on plan assets	(3,576)	(3,449)
Amortization of prior service cost	32	32
Recognized actuarial cost	<u>660</u>	<u>409</u>
Net periodic benefit cost	\$ <u>(338)</u>	<u>(184)</u>

**THE ESTATE OF STEPHEN GIRARD, DECEASED**

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In connection with the Estate’s adoption of ASU 2017-07, the service cost component of the net periodic benefit cost are included in operating expenses and the remaining components are reported as other non-service periodic pension costs in the accompanying statements of changes in net assets – FASB basis for the years ended June 30, 2020 and 2019.

The Estate expects to contribute \$358,000 and \$1,229,000 to the Contributory and Non-Contributory Plans, respectively, in fiscal year 2021.

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

	<b>Contributory Plan</b>	<b>Non- Contributory Plan</b>
2021	\$ 391	1,985
2022	383	2,035
2023	374	2,055
2024	366	2,110
2025	358	2,140
Years 2026–2030	1,705	11,640
	\$ 3,577	21,965

The Plans’ investments were held in the CLIF at June 30, 2020 and 2019.

	June 30, 2020		June 30, 2019	
	CLIF units held	Percentage of CLIF held	CLIF units held	Percentage of CLIF held
Contributory Plan	59,846	1.24 %	61,211	1.23 %
Non-Contributory Plan	360,015	7.47	363,694	7.36

**(b) Defined-Contribution Plan**

Girard Estate and Girard College nonunion employees hired after August 31, 2010 participate in the Girard Estate/Girard College Retirement Plan, a 403(b) defined-contribution retirement plan. Employees may choose to defer a portion of their compensation in accordance with Internal Revenue Services (IRS) regulations. Employee contributions are immediately fully vested and are not subject to forfeiture for any reason. Eligible participants receive a discretionary annual employer contribution, which is determined each year. The employer contributions for fiscal years 2020 and 2019 were set at 3% of eligible compensation and in the aggregate were \$36,000 and \$36,000, respectively.

**(6) Line of Credit**

The Estate entered into a secured revolving line of credit agreement with a bank, which provides that the Estate may borrow up to \$25,000,000. Amounts outstanding under this line bear interest at the daily LIBOR

## THE ESTATE OF STEPHEN GIRARD, DECEASED

Notes to Financial Statements – FASB Basis

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plus 1.25%. The agreement also allows the Estate to draw unsecured advances at its option under the line which, bear interest at the daily LIBOR rate plus 1.90%. If the average amount of the unused line is greater than 50% of the total available line, an unused fee equal to 0.25% on the average daily amount of the unused portion is due annually. The Estate is required to pledge as collateral certain marketable securities with an adjusted (as defined) market value at least equal to the monthly outstanding balance. Such collateral is held in the CLIF and presented as assets held under indenture agreements in the statements of net assets – FASB basis. In April 2020, the line was renewed by the bank for another year to April 2021 with a mutual option to renew by both parties annually.

At June 30, 2020, the Estate had outstanding borrowings of \$22,405,000 under this line of which \$17,035,000 were secured and \$5,370,000 were unsecured.

### **(7) Long-Term Debt**

#### **(a) 1101 Market Street Financing**

In May 2012, an insurance company issued a \$20,000,000, 3.95% fixed rate, 10-year term, 25-year amortization note as a partial refinancing of the fee and leasehold interest in the office building located at 1101 Market Street in Philadelphia, Pennsylvania. Repayments of principal and interest began in July 2012 and were due monthly for 10 years up to and including June 2022.

In December 2018, the Estate refinanced the above note with an insurance company that 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. As of June 30, 2020, \$10,000,000 was held in escrow and will be released upon new tenancy in the building pursuant to the Estate's agreement with the lender. This escrow is included in the assets held under indenture agreements in the statements of net assets – FASB basis. Repayments began in February 2019 and are due monthly for 16 years up to and including January 2035. At that time, a significant portion of the principal will remain outstanding and will require refinancing or satisfaction.

#### **(b) Series of 2014 Revenue Refunding Bonds**

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

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

In connection with the issuance of the 2014 Bonds, the Estate entered into an interest rate swap contract in order to convert the variable interest rate for the 2014 Bonds to a synthetic fixed rate plus the applicable credit spread. The swap contract has a notional amount of \$59,200,000 with a final maturity of June 1, 2032. The fair value of the rate swap at June 30, 2020 and 2019 was \$30,603,000 and \$24,207,000, respectively.

**THE ESTATE OF STEPHEN GIRARD, DECEASED**

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

**(c) Debt Covenants**

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

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

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

The Estate was in compliance with the bond covenant, swap agreement, line-of-credit agreement and mortgage note as of June 30, 2020 and 2019.

Long-term debt consists of the following at June 30, 2020 and 2019:

	2020		2019	
	Principal	Unamortized issuance costs	Principal	Unamortized issuance costs
	(In thousands)		(In thousands)	
2014 Bonds, interest paid monthly, variable rate swapped to a fixed rate of 4.9035%, no principal payments until \$23,200,000 in November 2031 and \$36,000,000 in June 2032. The loan agreement is a general obligation of the Estate	\$ 59,200	207	59,200	225
Mortgage payable, 4.51% fixed rate note, 16-year term to January 2035, 25-year amortization	55,000	426	55,000	456
	\$ 114,200	633	114,200	681

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

Year ending June 30:	
2021	\$ —
2022	987
2023	2,446
2024	2,559
2025	2,676
Thereafter	<u>105,532</u>
	<u>\$ 114,200</u>

**(8) Interest Rate Swap**

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

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

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

	<u>Statement of net assets classification</u>	<u>Location of loss</u>	<u>Fair value 2020</u>	<u>Fair value 2019</u>	<u>Loss 2020</u>	<u>Loss 2019</u>
Interest rate swap agreement	Interest rate swap liability	Unrealized loss on interest rate swap	\$ 30,603	24,207	(6,396)	(4,005)

The fair value hierarchy classification of the Estate's swap obligation as of June 30, 2020 and 2019 is Level 2.

## THE ESTATE OF STEPHEN GIRARD, DECEASED

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June 30, 2020 and 2019

### (9) Real Estate Leases

Tenant leases have various expiration dates ranging through fiscal year 2036. Minimum rentals on noncancelable operating leases at June 30, 2020, which represent future income to the Estate, are as follows (in thousands):

2021	\$	9,574
2022		9,509
2023		11,358
2024		11,708
2025		10,771
Thereafter		<u>165,517</u>
	\$	<u><u>218,437</u></u>

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

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

The leases are triple net leases with all income, expenses, taxes, and liabilities transferring to the lessee for a term of 75 years. At the lessee's option, the lease term can be extended for an additional term of 75 years for the then current market rate to be determined by binding arbitration in either the 50th, 60th, or 74th year of the lease. Title to the property remains with the Estate and, as a result, the lease is accounted for as an operating lease. The \$90,000,000 up-front payment was recorded as unearned rental income and is included in advance rents and other liabilities in the statements of net assets – FASB basis. The unamortized balances at June 30, 2020 and 2019 were \$74,337,000 and \$75,537,000, respectively. The lessee has been granted the right to perform property improvements up to and including the demolishing of current structures and the development of new properties. Title to new properties and improvements passes to the Estate at the end of the lease term. The leases do not contain bargain purchase options. In July 2008, the leases were assigned by the lessee, with the Estate's consent, to a third party. In September 2014, the ground lease covering the land and existing buildings fronting on Market, 11<sup>th</sup>, and Chestnut Streets was divided into three separate ground leases, each of which was then assigned, with the Estate's consent, to an affiliate of the then-existing ground lessee.

**THE ESTATE OF STEPHEN GIRARD, DECEASED**

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

**(10) Expenses by Functional and Natural Classification**

Expenses by natural and functional classification for the years ended June 30, 2020 and 2019, were as follows (in thousands):

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

<u>2019</u>	<u>Girard College</u>	<u>Supporting services</u>			<u>2019 Total</u>
		<u>Real Estate</u>	<u>Girardville</u>	<u>Administration</u>	
Salaries and benefits	\$ 13,000	367	—	759	14,126
Supplies, services, and other	4,051	7,557	474	333	12,415
Insurance and utilities	1,499	2,242	36	7	3,784
Depreciation and amortization	2,866	4,338	9	50	7,263
Interest	—	5,459	—	—	5,459
Total expenses	<u>\$ 21,416</u>	<u>19,963</u>	<u>519</u>	<u>1,149</u>	<u>43,047</u>

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

**(11) Tax Status**

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

U.S. generally accepted accounting principles require management to evaluate income tax positions taken by the Estate and recognize a tax liability (or asset) if the Estate has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Estate and has concluded that, as of June 30, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Estate is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## **THE ESTATE OF STEPHEN GIRARD, DECEASED**

Notes to Financial Statements – FASB Basis

June 30, 2020 and 2019

### **(12) Commitments and Contingencies**

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

Commitments related to construction-in-progress projects were approximately \$6.5 million at June 30, 2020.

### **(13) Related-Party Transactions**

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

### **(14) Subsequent Events**

In connection with the preparation of the financial statements, the Estate evaluated subsequent events after the statement of net assets – FASB basis date of June 30, 2020 through October 27, 2020, which was the date the financial statements were issued. No items were identified that required additional disclosure.





**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

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

June 30, 2020 and 2019

(With Independent Auditors' Report Thereon)

**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

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KPMG LLP  
1601 Market Street  
Philadelphia, PA 19103-2499

## Independent Auditors' Report

The Board of Directors of City Trusts:

We have audited the accompanying consolidated financial statements of Wills Eye Hospital and its subsidiaries, which comprise the consolidated balance sheets – FASB basis as of June 30, 2020 and 2019, and the related consolidated statements of operations – FASB basis, changes in net assets – FASB basis, and cash flows – FASB basis for the years then ended, and the related notes to the consolidated financial statements – FASB basis.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles, as required by the financial provisions of Section 6.6 of the Hospitals & Higher Education Facilities Authority of Philadelphia Revenue Bond (Wills Eye Hospital Project) Series of 2012, dated March 1, 2012 (the contract). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wills Eye Hospital and its subsidiaries as of June 30, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with the financial reporting provisions of Section 6.6 of the contract.



*Basis of Accounting*

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

*Other Matter*

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

*KPMG LLP*

Philadelphia, Pennsylvania  
November 30, 2020

**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

Consolidated Balance Sheets – FASB Basis

June 30, 2020 and 2019

(In thousands)

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Current assets:		
Cash and cash equivalents	\$ 13,686	2,561
Patient accounts receivable	5,511	9,268
Investments	21,716	24,962
Inventory	1,806	1,863
Pledge and grant receivable	2,475	4,011
Other current assets	2,180	2,713
Total current assets	47,374	45,378
Assets whose use is limited or restricted:		
By board for research	4,146	4,146
By board for other	984	1,005
Donor-restricted	42,844	41,469
Held under debt agreements	23,482	21,991
Total assets whose use is limited or restricted	71,456	68,611
Investments in joint ventures	3,335	3,262
Property and equipment, net	33,323	33,071
Other assets	862	743
Total	\$ 156,350	151,065
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Current portion of long-term debt	\$ 5,296	1,135
Financing obligation	550	512
Accounts payable	13,423	16,632
Accrued salaries and other expenses	6,180	5,393
Other liabilities	3,821	1,269
Total current liabilities	29,270	24,941
Long-term debt, net of current portion	20,439	20,949
Financing obligation	4,334	4,880
Pension benefit obligation	25,050	19,784
Interest rate swap liability	8,268	6,778
Other liabilities	5,841	80
Total liabilities	93,202	77,412
Net assets:		
Without donor restrictions	17,724	27,955
With donor restrictions	45,424	45,698
Total net assets	63,148	73,653
Total liabilities and net assets	\$ 156,350	151,065

See accompanying notes to consolidated financial statements – FASB basis.

**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

Consolidated Statements of Operations – FASB Basis

Years ended June 30, 2020 and 2019

(In thousands)

	<b>2020</b>	<b>2019</b>
Unrestricted revenues:		
Patient service revenue	\$ 66,272	71,614
Other revenue	15,501	7,306
Net assets released from restrictions	3,502	2,838
Total revenues	85,275	81,758
Expenses:		
Salaries and benefits other than pension costs	43,178	40,805
Pension costs	842	847
Supplies and other expenses	39,083	39,115
Insurance	1,781	2,024
Professional – legal and consulting	1,279	1,847
Professional – medical	1,904	1,736
Depreciation and amortization	3,624	3,402
Interest	1,624	1,720
Total expenses	93,315	91,496
Operating loss	(8,040)	(9,738)
Other income:		
Net realized and unrealized gains on investments	746	2,764
Interest rate swaps valuation adjustment	(1,490)	(928)
Investment income, net	1,560	1,606
Contributions	1,209	2,386
Other nonoperating losses	(64)	(180)
Total other income	1,961	5,648
Deficiency of revenues over expenses	\$ (6,079)	(4,090)

See accompanying notes to consolidated financial statements – FASB basis.

**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

Consolidated Statements of Changes in Net Assets – FASB Basis

Years ended June 30, 2020 and 2019

(In thousands)

	<b>2020</b>	<b>2019</b>
Without donor restrictions:		
Deficiency of revenues over expenses	\$ (6,079)	(4,090)
Net assets released from restrictions used for purchases of property and equipment	2,364	187
Donated equipment	25	11
Adjustment to pension benefit obligation	(6,316)	(3,770)
Distribution to noncontrolling interests in consolidated subsidiary	(225)	(386)
Decrease in net assets without donor restrictions	(10,231)	(8,048)
With donor restrictions:		
Contributions	5,193	4,192
Interest and dividend income	571	503
Donated equipment	—	152
Net realized and unrealized (losses) gains on investments	(164)	819
Net assets released from restrictions	(5,874)	(2,980)
Decrease in cash value life insurance policy	—	(42)
(Decrease) increase in net assets with donor restrictions	(274)	2,644
Decrease in net assets	(10,505)	(5,404)
Net assets, beginning of year	73,653	79,057
Net assets, end of year	\$ 63,148	73,653

See accompanying notes to consolidated financial statements – FASB basis.

**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

Consolidated Statements of Cash Flows – FASB Basis

Years ended June 30, 2020 and 2019

(In thousands)

	<b>2020</b>	<b>2019</b>
Cash flows from operating activities:		
Decrease in net assets	\$ (10,505)	(5,404)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(613)	(3,583)
Change in fair value of swap contracts	1,490	928
Adjustment to pension benefit obligation	6,316	3,770
Depreciation and amortization	3,624	3,402
Restricted contributions	(6,306)	(6,600)
Other noncash gains	(552)	(559)
Changes in operating assets and liabilities:		
Patient accounts receivable	3,757	(1,049)
Inventory	57	(314)
Other assets	1,982	4,103
Accounts payable	(3,209)	2,913
Accrued salaries and other expenses	787	893
Other liabilities	8,313	129
Pension benefit obligation	(1,050)	(877)
Net cash provided by (used in) operating activities	4,091	(2,248)
Cash flows from investing activities:		
Purchases of property and equipment	(3,871)	(3,560)
Distribution from investments in joint ventures	709	798
Proceeds from sale of investments	3,990	4,179
Purchase of investments	(3,008)	(5,419)
Net cash used in investing activities	(2,180)	(4,002)
Cash flows from financing activities:		
Proceeds from restricted contributions	6,306	6,600
Distributions/purchases of noncontrolling interest holders	(225)	(386)
Proceeds from issuance of long-term debt	4,820	435
Payments on financing obligation	(508)	(477)
Repayment of long-term debt	(1,179)	(1,471)
Net cash provided by financing activities	9,214	4,701
Net increase (decrease) in cash and cash equivalents	11,125	(1,549)
Cash and cash equivalents, beginning of year	2,561	4,110
Cash and cash equivalents, end of year	\$ 13,686	2,561
Supplemental cash flow information:		
Cash paid for interest	\$ 1,635	1,717

See accompanying notes to consolidated financial statements – FASB basis.



## WILLS EYE HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements – FASB Basis

June 30, 2020 and 2019

(In thousands)

### (1) Organization and Nature of Operations

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

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

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

#### *Ambulatory Surgery Centers*

The Hospital has developed its network of the Centers to provide outpatient surgical services in the Delaware Valley area. The Network was established through acquisitions of existing centers and development of new centers. The Centers provide both single-specialty (ophthalmology) and multispecialty services.

The Centers include Cherry Hill Ambulatory Surgical Center, LLC (Cherry Hill), Cottman Ambulatory Surgical Center, LLC (Cottman), Warminster Ambulatory Surgical Center, LLC (Warminster), Plymouth Meeting Ambulatory Surgical Center, LLC (Plymouth Meeting), and Stadium Campus Ambulatory Surgical Center, LLC (Stadium). The Centers represent partnerships, between the Hospital and practicing physicians, of which the Hospital owns a majority of the respective outstanding shares. The Hospital's ownership represents the controlling financial interest in each of the Centers as of June 30, 2020.

**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements – FASB Basis

June 30, 2020 and 2019

(In thousands)

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Presentation**

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

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

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

**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements – FASB Basis

June 30, 2020 and 2019

(In thousands)

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

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

**(b) Use of Estimates**

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

**(c) Cash and Cash Equivalents**

Cash consists of on-hand petty cash and amounts in the Organization’s operating bank accounts. Periodically during the year, cash and cash equivalents may have exceeded the Federal Deposit Insurance Corporation (FDIC) Insurance limitation. The Organization does not believe that it is exposed to any significant risk in such deposits.

**(d) Patient Accounts Receivable**

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

**(e) Cash and Cash Equivalents**

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.

**(f) Inventory**

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

**(g) Investments in Joint Ventures**

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

**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements – FASB Basis

June 30, 2020 and 2019

(In thousands)

**(h) Property and Equipment**

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

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

**(i) Investments**

At June 30, 2020 and 2019, the Organization's investments were primarily invested in the Collective Legal Investment Fund (the CLIF), which is a pooled investment fund of the assets of all the trusts administered by the Board. Such investments are stated at net asset value, which is determined by the fair value of the underlying securities. Units of the CLIF are normally purchased and sold based on the available cash and cash requirements of the Organization. Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value in the consolidated balance sheets. Investment income (including realized gains and losses on investments, interest, and dividends) is included in the excess or deficiency of revenue over expenses unless the income or losses are restricted by donor or law. The Organization's investments are considered a trading portfolio.

**(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.

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

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

**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements – FASB Basis

June 30, 2020 and 2019

(In thousands)

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

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

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

**Cash and Cash Equivalents** – The carrying amount reported in the consolidated balance sheets for cash and cash equivalents approximates its fair value.

**Accounts Payable and Accrued Expenses** – The carrying amount reported in the consolidated balance sheets for accounts payable and accrued expenses approximates its fair value, due to the short period to maturity.

**Investments – CLIF**

At June 30, 2020 and 2019, the Organization's investments were primarily invested in the CLIF. Such investments are stated at net asset value, which approximates fair value (note 6). Within the CLIF, the Organization owns shares that invest in the following types of securities:

*Equity Securities*

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

*Debt Securities*

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

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

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

June 30, 2020 and 2019

(In thousands)

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

*Private Equity Funds*

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

**Interest Rate Swaps**

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

**(k) Net Assets**

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

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

**(l) Interest**

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

**(m) Federal and State Income Taxes**

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

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pay federal, state, and local income taxes. The Organization does not believe it has any uncertain tax positions for which accrual of a liability would be required under generally accepted accounting principles.

**(n) Deficiency of Revenues over Expenses**

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

**(o) Accounting Pronouncements**

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

**(3) Certain Significant Risks and Uncertainties**

**(a) COVID-19**

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

The United States broadly continues to experience the pandemic caused by COVID-19, which has significantly disrupted, and likely will continue to disrupt for some period, the nation's economy, the healthcare industry and the Organization's businesses. The rapid spread of the virus has led to the

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implementation of various responses, including federal, state and local government-imposed quarantines, shelter-in-place mandates, sweeping restrictions on travel, and substantial changes to selected protocols within the healthcare system across the United States. The Hospital and its Network are geographically located in a market that has experienced widespread and severe COVID-19 outbreaks. COVID-19 is having and will likely continue to have a material and adverse effect on the Organization’s operations and supply chains, resulting in a reduction in its operating occupancy and related revenues, and an increase in its expenditures.

**(b) Revenue Sources**

The Organization received revenues from Medicare, Medicaid, managed care, self-pay patients and other third-party payors. The Organization derived approximately 56% and 55% of its patient service revenue from Medicare and Medicaid during the fiscal years ended June 30, 2020 and 2019, respectively. The following table depicts the Organizations net patient services revenue, by source, for the years ended June 30, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Medicare	47 %	49 %
Medicaid	9	6
Managed care	31	31
Other third-party payors	11	12
Self-pay	2	2
	100 %	100 %

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

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



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lengthy delays between the time that revenue is recognized and the time that reimbursement amounts are settled.

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

**(c) Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of accounts receivable. Medicare and Medicaid accounts represented 31% and 53% of net accounts receivable as of June 30, 2020 and 2019, respectively. However, management does not believe there are any other significant concentrations of credit risk as of June 30, 2020. The mix of net receivables from patients and third-party payors at June 30, 2020 and 2019 was as follows:

	<b>2020</b>	<b>2019</b>
Medicare	27 %	30 %
Medicaid	4	23
Managed care	36	27
Other third-party payors	18	13
Self-pay	15	7
	100 %	100 %

During the year ended June 30, 2019, the Organization recorded revenue of \$1,672 related to supplemental payments made, by the Commonwealth of Pennsylvania (the Commonwealth), 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 2019 supplemental payment was included in the Organization’s accounts receivable from Medicaid on June 30, 2019 and was received, in full, on October 24, 2019. During the year ended June 30, 2020, the Organization recorded revenue of \$3,640 related to the same program. The 2020 supplemental payment was received, in full, on May 18, 2020 and, therefore was not included in the Organization’s accounts receivable from Medicaid as of June 30, 2020.

**(d) Investment Risks**

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values

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in the near term could materially affect the amounts reported in the accompanying consolidated financial statements.

**(4) Significant Transactions and Events**

**(a) COVID-19**

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

The Organization's net revenues for the year ended June 30, 2020 were materially and adversely impacted by a significant decline in occupancy as a result of COVID-19. The Organization's average operating occupancy decreased by 33% from the three months ended March 31, 2020 to the three months ended June 30, 2020. The revenue lost from the decline in occupancy was partially offset by incremental state sponsored funding programs, changes in payor mix, and the enactment of COVID-19 relief programs, as discussed below.

**(b) CARES Act Provider Relief Grants**

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

The Organization received \$2.1 million of grants under the CARES Act, between April and May 2020, which were recorded as other revenue in the Organization's consolidated statement of operations.

**(c) Payroll Protection Program Loan**

The Organization applied for and received a \$7.0 million loan through the U.S. Small Business Association's (SBA) Payroll Protection Program (PPP) in April 2020. Under terms of the loan, the Organization will be able to apply to its lender for forgiveness of the loan based on costs incurred subsequent to the receipt and expenditure of funds. Forgivable costs include payroll costs, interest payments on covered mortgage obligations, payments on covered rent obligations or covered utility payments. Upon meeting the outlined criteria, the Organization will be eligible to apply for forgiveness of all or a portion of the granted loan. Through June 30, 2020, the Organization had identified \$5.8 million of forgivable costs, which the Organization has recorded as other revenue in its

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consolidated statement of operations. The \$1.2 million balance of the PPP loan received was deemed to be used for expenditures during July 2020 and, as such, has been recorded in other current liabilities in the Organization's consolidated balance sheet as of June 30, 2020. Amounts outstanding and remaining unforgiven under this loan began to accrue interest at a 1% annual interest rate in August 2021, ten months subsequent to the covered period, which ended on October 1, 2020. Repayment of any unforgiven loan balance will be paid in equal installments between August 2021 and April 2022, with the remaining outstanding balances becoming due and payable in April 2022.

**(d) Medicare Accelerated and Advanced Payment Program**

The Organization applied for and received \$7 million of interest-free advanced Medicare payments. These payments will be subsequently recouped from future Medicare remittances to the Organization, for patient services provided and recognized as revenue, during the recoupment period, at which time the liability will be released. In October 2020, the Centers for Medicare and Medicaid Services (CMS) extended the recoupment period to begin one year from the date the advanced payments were issued. The Organization's recoupment period for the advanced payments is expected to be from April 2021 to February 2022. The Organization has recorded advanced payments of \$1.2 million and \$5.7 million within other current liabilities and other noncurrent liabilities, respectively, in the consolidated balance sheet as of June 30, 2020.

**(5) Revenues**

*Patient service revenue*

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

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

The majority of the Organization's services are rendered to patients with third party coverage. Reimbursement under these programs for all payers is based on a combination of prospectively determined rates, discounted charges and historical costs. Amounts received under Medicare and

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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. For further discussion on third party reimbursement, refer to note 4. 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. The implicit price concession is determined by reducing the standard charge by any contractual adjustments, discounts, and other amounts. Estimates of implicit price concessions are determined based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

Consistent with the Organization’s mission, care is provided to patients regardless of their ability to pay. The Organization has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (e.g. co-pays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Organization expects to collect based on its collection history with those patients. Patients who meet the Organization’s criteria for charity care are provided care without charge or at amounts less than established rates. The Organization maintains records to identify the level of charity care it provides and has determined that it has provided sufficient implicit price concessions for these accounts. The amount of costs foregone for services, supplies, and wages furnished under its charity care policy totaled \$671 and \$853 during the years ended June 30, 2020 and 2019, respectively. Implicit price concessions, including charity care, are reported as reductions to patient service revenue.

The following tables reflect patient service revenue from third-party payers, governmental subsidies and others (including uninsured patients) for the years ended June 30, 2020 and 2019:

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

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	<b>2019</b>		
	<b>Inpatient</b>	<b>Outpatient</b>	<b>Total</b>
Medicare	\$ 514	34,315	34,829
Medicaid	161	4,386	4,547
Managed care	583	21,231	21,814
Other	272	8,688	8,960
Self-pay patients and other	50	1,414	1,464
Total net patient service revenue	<u>\$ 1,580</u>	<u>70,034</u>	<u>71,614</u>

*Other revenue*

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

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

The Organization's other revenue included the following for the years ended June 30, 2020 and 2019, respectively:

	<b>2020</b>	<b>2019</b>
HHS Grant	\$ 2,115	—
PPP Loan Forgiveness	5,822	—
Grant support	1,052	1,779
Rental	1,996	2,299
Optical Shop Income	591	541
Miscellaneous	3,925	2,687
Total	<u>\$ 15,501</u>	<u>7,306</u>

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

The Organization’s investments at June 30, 2020 and 2019 include the following:

	<b>2020</b>	<b>2019</b>
Held in the CLIF:		
Investments (current assets)	\$ 21,716	24,962
Assets whose use is limited or restricted:		
By board for research	4,146	4,146
By board for other	984	1,005
Donor-restricted	3,640	3,995
Donor-restricted endowments	33,451	32,665
Held under debt agreements	19,788	18,298
	83,725	85,071
Investments held outside the CLIF	5,753	4,809
Held under debt agreements	3,694	3,693
Total investments	\$ 93,172	93,573

**(a) Investments Held in the CLIF**

The Organization’s undivided interest in the CLIF represents approximately 15.7% and 15.4% of the total value, or \$83,725 and \$85,071 at June 30, 2020 and 2019, respectively.

The Organization’s accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no significant transfers into or out of Level 1, Level 2, or Level 3 for the year ended June 30, 2020 or 2019.

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The CLIF's investments at June 30, 2020 and 2019, stated at fair value, are as follows:

	<u>2020</u>	<u>2019</u>
Short-term investments	\$ 29,780	11,471
Equities:		
U.S. common stocks	264,466	250,776
Exchange-traded funds	43,502	65,841
International mutual funds	33,970	34,654
Bonds and notes payable:		
U.S. government and agency obligations	55,916	47,556
Corporate and other bonds	62,860	59,326
Asset-backed securities	12,854	14,145
Mutual funds	18,274	17,934
Global tactical asset allocation mutual funds	—	24,185
Private equity	11,916	19,206
	<u>\$ 533,538</u>	<u>545,094</u>

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

As of June 30, 2020 and 2019, the CLIF had loaned out certain securities, returnable on demand, with a market value of \$108,081 and \$158,372, respectively, to several financial institutions that have deposited collateral with respect to such securities of \$110,598 and \$161,825, respectively.

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

	2020 Fair value	Fair value measurements at June 30, 2020 using		
		Level 1	Level 2	Level 3
Short-term investments	\$ 29,780	29,780	—	—
Marketable equity securities:				
U.S. common stocks:				
Industrials	30,268	30,268	—	—
Consumer discretionary	33,579	33,579	—	—
Consumer staples	12,747	12,747	—	—
Energy	4,737	4,737	—	—
Financial	29,184	29,184	—	—
Materials	6,899	6,899	—	—
Information technology	69,007	69,007	—	—
Real Estate	4,518	4,518	—	—
Utilities	4,807	4,807	—	—
Healthcare	40,376	40,376	—	—
Telecommunications and other	28,344	28,344	—	—
Total U.S. common stocks	264,466	264,466	—	—
Exchange-traded funds:				
S&P 500 Index SPDR	31,638	31,638	—	—
Select Sector SPDRs	11,864	11,864	—	—
Total exchange-traded funds	43,502	43,502	—	—
International equity mutual funds	33,970	33,970	—	—
Total marketable equity securities	341,938	341,938	—	—
Fixed income:				
Debt securities issued by the				
U.S. Treasury and other	—	—	—	—
U.S. government corporations and agencies	39,774	39,182	592	—
Debt securities issued by states of the United				
States and political subdivisions of the				
states	15,981	—	15,981	—
Debt securities issued by foreign				
governments	161	—	161	—
Corporate debt securities	62,860	—	62,860	—



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	2020 Fair value	Fair value measurements at June 30, 2020 using		
		Level 1	Level 2	Level 3
Asset-backed securities	\$ 5,135	—	5,135	—
Residential mortgage-backed securities	138	—	138	—
Commercial mortgage-backed securities	7,581	—	7,581	—
Mutual funds	18,274	18,274	—	—
Total fixed income	149,904	57,456	92,448	—
Subtotal	521,622	\$ 429,174	92,448	—
Private equity funds reported at net asset value per share as a practical expedient	11,916			
Total investments in the CLIF	\$ 533,538			

The following table presents the CLIF's fair value hierarchy for assets held in the CLIF measured at fair value on a recurring basis as of June 30, 2019 (in thousands):

	2019 Fair value	Fair value measurements at June 30, 2019 using		
		Level 1	Level 2	Level 3
Short-term investments	\$ 11,471	11,471	—	—
Marketable equity securities:				
U.S. common stocks:				
Industrials	32,067	32,067	—	—
Consumer discretionary	29,876	29,876	—	—
Consumer staples	10,501	10,501	—	—
Energy	13,313	13,313	—	—
Financial	36,432	36,432	—	—
Materials	7,684	7,684	—	—
Information technology	52,938	52,938	—	—
Real Estate	4,738	4,738	—	—
Utilities	5,455	5,455	—	—
Healthcare	31,466	31,466	—	—
Telecommunications and other	26,306	26,306	—	—
Total U.S. common stocks	250,776	250,776	—	—
Exchange-traded funds:				
S&P 500 Index SPDR	31,928	31,928	—	—
Select Sector SPDRs	33,913	33,913	—	—
Total exchange-traded funds	65,841	65,841	—	—

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	2019 Fair value	Fair value measurements at June 30, 2019 using		
		Level 1	Level 2	Level 3
International equity mutual funds	\$ 34,654	34,654	—	—
Total marketable equity securities	351,271	351,271	—	—
Fixed income:				
Debt securities issued by the				
U.S. Treasury and other	—	—	—	—
U.S. government corporations and agencies	33,068	32,430	638	—
Debt securities issued by states of the United				
States and political subdivisions of the				
states	14,211	—	14,211	—
Debt securities issued by foreign governments	277	—	277	—
Corporate debt securities	59,326	—	59,326	—
Asset-backed securities	5,645	—	5,645	—
Residential mortgage-backed securities	817	—	817	—
Commercial mortgage-backed securities	7,683	—	7,683	—
Mutual funds	17,934	17,934	—	—
Total fixed income	138,961	50,364	88,597	—
Global tactical asset allocation mutual funds	24,185	24,185		
Subtotal	525,888	\$ 437,291	88,597	—
Private equity funds reported at net asset value per share as a practical expedient	19,206			
Total investments in the CLIF	\$ 545,094			

At June 30, 2020 and 2019, \$8,268 and \$6,778, respectively, of investments held by the Organization in the CLIF are designated as collateral for the interest rate swap under the Series 2013 Bond Indenture. At June 30, 2020 and 2019, \$11,520 of investments held by the Organization in the CLIF are designated as collateral for the Series 2012 Bond Indenture.

**(b) Investments Held Outside the CLIF**

Certain net assets with donor restrictions are maintained in separately invested accounts, which were invested in cash and cash equivalents at June 30, 2020 and 2019.

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

At June 30, 2020 and 2019, cash held by a bank as collateral for the Cottman, Services Corp., and Warminster debt (note 8) was \$204. Amounts held by trustee for the Series 2012 Bonds, which are invested in commercial paper and money market funds, and are valued using Level 1 inputs, were \$3,490 and \$3,489 at June 30, 2020 and 2019, respectively.

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**(d) Net Investment Income**

The composition of the Organization’s net investment income for the years ended June 30, 2020 and 2019 is as follows:

	<b>2020</b>	<b>2019</b>
Investment income:		
Interest and dividends	\$ 2,130	2,109
Net realized gains on investments	1,324	2,017
Net unrealized (losses) gains on investments	(741)	1,566
Total investment income	\$ 2,713	5,692
Recognized as:		
Consolidated statements of operations:		
Investment income, net	\$ 1,560	1,606
Net realized and unrealized gains on investments	746	2,764
Consolidated statements of changes in net assets:		
Interest and dividend income – temporarily restricted	571	503
Net realized and unrealized (losses) gains on investments – temporarily restricted	(164)	819
Total investment income	\$ 2,713	5,692

**(7) Property and Equipment**

Property and equipment at June 30, 2020 and 2019 consist of the following:

	<b>2020</b>	<b>2019</b>
Land and improvements	\$ 2,923	2,923
Buildings and leasehold improvements	54,064	53,261
Equipment	35,457	32,522
Property and equipment, at cost	92,444	88,706
Accumulated depreciation	(59,211)	(55,635)
Property and equipment, net	\$ 33,233	33,071
Depreciation and amortization expense	\$ 3,624	3,402

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The net book value of assets under capital leases included in equipment amounted to \$1,360 and \$1,832 at June 30, 2020 and 2019, respectively.

**(8) Debt**

Long-term debt consists of the following at June 30, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Series 2012 Variable Rate Revenue Bonds issued by the Hospital, due in November 2030, accrues interest at a variable rate (approximately 1.0% at June 30, 2020), payable in monthly interest-only payments	\$ 15,000	15,000
Committed loan borrowed by the Hospital, with a security agreement, due in March 2024, accrues interest at a variable rate (approximately 1.9 % at June 30, 2020), payable in monthly installments of principal plus interest	4,079	4,405
Commercial bank debt borrowed by Abbot, due in April 2024, accrues interest at a variable rate (approximately 1.7% at June 30, 2020), and payable in monthly installments of principal plus interest; collateralized by certain building and land assets	211	266
Commercial bank debt borrowed by Warminster, due in July 2022, accrues interest at a variable rate (approximately 1.9% at June 30, 2020), payable in monthly installments of principal plus interest; collateralized by restricted cash deposit	525	630
Commonwealth of Pennsylvania debt borrowed by Wills Eye Hospital, accrues interest at a fixed rate (0.5% at June 30, 2020), payable on September 25, 2020 principal plus interest.	2,921	—
Finance agreements, various, payments due monthly based in part on supply purchases	3,039	1,832
	25,775	22,133
Less:		
Current portion	(5,296)	(1,135)
Unamortized bond issue costs	(40)	(49)
Total long-term debt	\$ 20,439	20,949

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

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

On February 28, 2013, the Hospital negotiated a committed line of credit from the Trustee of the Series 2012 bond issue for \$6,200. The purpose of this line of credit was to convert the seventh floor of the Organization’s current location to a four-bed inpatient hospital. In January 2014, with construction complete, the line of credit was converted to a loan with defined principal and interest payments (the 2013 Loan Agreement). During February 2019, the Organization amended the loan to extend its maturity date by 5 years and revise the interest rate. The amended loan matures on March 1, 2024.

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

On October 2, 2014, the Hospital entered into a master lease purchase facility for the purpose of financing its equipment needs. In December 2017, the Hospital renewed the master lease for the second year. The facility lease term depends on the type of equipment, but can range from 36 to 120 months with rates from 3.05% to 4.29%. At June 30, 2020, \$724 in equipment is currently leased under this facility.

The maturity of total debt, excluding debt issuance costs, at June 30, 2020, is as follows (in thousands):

Twelve months ended June 30:	
2021	\$ 5,296
2022	1,316
2023	689
2024	3,298
2025	42
Thereafter	<u>15,134</u>
Total payments	<u>\$ 25,775</u>

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

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

*Interest Rate Swaps*

The Hospital entered into an interest rate swap agreement to hedge against the risk of changes in interest rates associated with its variable rate Series 2012 Bonds on March 1, 2012. The fair value of this interest rate swap has been reported in other liabilities. This interest rate swap had a notional value of \$15,000 with a term expiring in November 2030 and carried a fixed rate of 5.74%. The fair value of the interest rate swap liability was \$8,268 and \$6,778 at June 30, 2020 and 2019, respectively. As this swap does not qualify for hedge accounting, the change in fair value is reported as Interest rate swaps valuation adjustment in the consolidated statements of operations.

**(9) Leases and Lease Commitments**

*Financing Obligation*

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

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Future minimum payments for the next five years and thereafter under the lease at June 30, 2020 are as follows (in thousands):

Year ending June 30:		
2021	\$	879
2022		879
2023		879
2024		879
2025		879
Thereafter		<u>1,833</u>
Total future minimum lease payments		6,228
Less amount representing interest		<u>(1,344)</u>
Financing obligation		4,884
Less current portion		<u>(550)</u>
Long-term financing obligation	\$	<u><u>4,334</u></u>

Additionally, the Hospital has entered into various subleases of this space to physicians for terms of five years. These sublease agreements were further extended to various dates through September 2023. Future minimum sublease payments at June 30, 2020 are as follows:

		<b><u>Sublease revenue</u></b>
June 30:		
2021	\$	2,236
2022		679
2023		<u>700</u>
Total sublease revenue	\$	<u><u>3,615</u></u>

*Operating Leases*

The Hospital and Centers lease buildings and property through lease agreements expiring on various dates through December 2023. Certain of these leases contain options to extend the lease terms. Rental expense for the years ended June 30, 2020 and 2019 was \$2,380 and \$1,903, respectively. The Organization records lease expenses in the consolidated statements of operations, supplies and other

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expenses. The Centers are responsible for the payment of all real property taxes. Future minimum lease payments at June 30, 2020 are as follows:

June 30:		
2021	\$	2,912
2022		2,297
2023		1,967
2024		1,489
2025		402
Thereafter		<u>5,398</u>
Total future minimum lease payments		<u>\$ 14,465</u>

**(10) Retirement Plans**

*Pension Plan*

The Hospital participates in a defined-benefit retirement plan (the Plan), administered by the Board, which covers nonunion Hospital employees hired prior to September 30, 2010. Effective October 1, 2010, new employees of the Hospital participate in a 403(b) plan as documented below. There were no required contributions to the Plan for the year ended June 30, 2020 or 2019. Although no contributions were required, the Hospital contributed \$1,502 to the Plan during the year ended June 30, 2020 and \$1,475 in 2019. The Hospital anticipates contributing \$1,500 to the Plan in 2021. The Hospital uses a July 1 measurement date for the Plan.

The following table sets forth the funded status of the Plan at June 30, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Change in benefit obligation:		
Projected benefit obligation at beginning of year	\$ 55,387	51,579
Service cost	388	418
Interest cost	1,797	2,044
Actuarial loss	5,665	3,963
Benefits paid	<u>(2,701)</u>	<u>(2,617)</u>
Projected benefit obligation at end of year	<u>\$ 60,536</u>	<u>55,387</u>



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	<u>2020</u>	<u>2019</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 35,602	34,688
Actual return on plan assets	1,154	2,115
Employer contribution	1,502	1,475
Benefits paid	(2,701)	(2,617)
Administrative expenses paid	(71)	(59)
Fair value of plan assets at end of year	<u>\$ 35,486</u>	<u>35,602</u>
Funded status and liability recognized (recorded as other noncurrent liabilities)	\$ 25,050	19,784

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

	<u>2020</u>	<u>2019</u>
Discount rate	2.45 %	3.34 %
Rate of compensation increase	3.00	3.00

Net periodic benefit cost recognized for the years ended June 30, 2020 and 2019 totaled \$451 and \$598, respectively. The amounts recognized in net assets, but not yet recognized in net periodic benefit cost and the components of net periodic benefit cost are as follows:

	<u>2020</u>	<u>2019</u>
Amounts recognized in net assets but not yet recognized in net periodic benefit cost:		
Prior service costs	\$ —	—
Net loss	30,244	23,928
Total amount recognized in net assets	<u>\$ 30,244</u>	<u>23,928</u>
Components of net periodic benefit cost:		
Service cost	\$ 388	418
Interest cost	1,797	2,044
Expected return on plan assets	(2,702)	(2,632)
Amortization of prior service cost	—	19
Recognized actuarial loss	968	749
Net periodic benefit cost	<u>\$ 451</u>	<u>598</u>

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For the defined-benefit pension plan, the net actuarial loss and prior service cost that will be amortized from unrestricted net assets into net periodic benefit cost in fiscal year 2020 total \$968 and \$0, respectively. For the defined-benefit pension plan, the net actuarial loss and prior service cost that will be amortized from unrestricted net assets into net periodic benefit cost in fiscal year 2019 total \$749 and \$19, respectively.

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

	2020	2019
Discount rate	3.3 %	4.1 %
Expected return on plan assets	7.8	7.8
Rate of compensation increase	3.0	3.0

The expected return on plan assets is developed based on applying historical average total returns by asset class to the Plan's current asset allocation. The Plan's investments were held in the CLIF at June 30, 2020 and 2019. The Plan held units representing 6.5% of the CLIF at June 30, 2020 and 2019. See note 6 for allocation of assets within the CLIF.

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

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

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

2021	\$	3,294
2022		3,395
2023		3,381
2024		3,361
2025		3,623
2026–2030		17,626

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*Defined-Contribution Plans*

The Centers offer their employees the right to participate in a 401(k) plan after completing one year of service and after having reached the age of 21. Employees may choose to defer 1% to 15% of their compensation that would have been received in the plan year. Employee contributions are fully vested at all times and are not subject to forfeiture for any reason. Participants who have completed one year of service and are actively employed on the last day of the plan year are eligible to receive a discretionary employer matching contribution. The Hospital and WEOC have established 403(b) plans with the same criteria as above. The Hospital's plan became effective as of October 1, 2010 for all new hires. For the years ended June 30, 2020 and 2019, the employer match for all eligible employees is up to 2.25% for June 30, 2020 and 2019, of an employee's compensation with a maximum compensation of \$270. The employer's contributions for the years ended June 30, 2020 and 2019 relating to the 401(k) and 403(b) plans were \$449 and \$428, respectively. The employer match is included in the consolidated statements of operations, pension costs.

**(11) Functional Expenses**

The Organization primarily provides ophthalmology and other ambulatory surgical services to residents within its geographic location. The Organization's expenses for these services are as follows as of June 30, 2020 and 2019:

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

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	2019		
	Healthcare services	General and Administrative	Total
Salaries and Benefits	\$ 36,335	4,650	40,985
Pension costs	847	—	847
Supplies and Other expenses	34,918	4,197	39,115
Insurance	1,417	607	2,024
Professional - legal and consulting	731	1,116	1,847
Professional - Medical	1,736	—	1,736
Depreciation and Amortization	3,253	149	3,402
Interest	1,315	405	1,720
Total	\$ 80,552	11,124	91,676

**(12) Endowments**

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

**(a) Interpretation of Relevant Law**

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

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

**(b) Return Objectives and Risk Parameters**

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

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**(c) *Strategies Employed for Achieving Objectives***

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

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

The Hospital has a policy of appropriating for distribution each year up to 5% of its endowment funds based on the average market value over the prior 20 quarters preceding each December 31. In establishing this policy, the Hospital considered the long-term expected return on its funds. This is consistent with the Hospital's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The spending rate for both 2020 and 2019 was 5% for endowment funds.

**(e) *Funds with Deficiencies***

From time to time, the fair value of assets associated with individual endowment funds may fall below the original gift amount maintained as net assets with donor restrictions. There were no deficiencies of this nature as of June 30, 2020 or 2019. Such deficiencies, if they exist, are recorded in net assets without donor restrictions.

**(f) *Net Asset Classifications of Endowments***

The Organization recorded \$33,701 and \$32,903 of endowment funds in its net assets with donor restrictions, as of June 30, 2020 and 2019, respectively. The Organization had no endowment funds included in its net assets without donor restrictions, as of June 30, 2020 nor 2019. Changes in

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donor-restricted endowment funds were as follows, for the years ended June 30, 2020 and 2019, respectively:

	<b>2020</b>	<b>2019</b>
Restricted net assets, beginning of year	\$ 32,903	31,383
Investment return:		
Investment income	524	469
Net appreciation (realized and unrealized gains and losses)	(163)	819
Total investment return	361	1,288
Contributions	1,378	975
Appropriation of restricted assets for expenditure	(941)	(701)
Other changes:		
Increase in cash value life insurance policy	—	(42)
	\$ 33,701	32,903

**(13) Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of contributions and other inflows of assets whose use by the Organization is limited by stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. Such assets are restricted for research, education, and other activities of the Organization. At June 30, 2020, \$5,410 of the \$45,425 restricted net asset balance represents accumulated gains on endowments, and the remaining \$40,015 represents amounts restricted for research, education, and other activities. At June 30, 2019, \$5,934 of the \$45,698 restricted net asset balance represents accumulated gains on endowments, and the remaining \$39,764 represents amounts restricted for research, education, and other activities.

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(In thousands)

**(14) Noncontrolling Interest**

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

	<b>Wills Eye Hospital</b>	<b>Noncontrolling interest</b>	<b>Net assets without donor restrictions</b>
Balance at June 30, 2018	\$ 35,096	907	36,003
Operating loss	(10,364)	445	(9,919)
Other income	5,829	—	5,829
(Deficiency) excess of revenue over expenses	(4,535)	445	(4,090)
Adjustment to pension benefit obligation	(3,770)	—	(3,770)
Net assets released for purchase of property and equipment	187	—	187
Donated equipment	11	—	11
Distributions to noncontrolling interest in consolidated subsidiaries	—	(386)	(386)
Change in net assets	(8,107)	59	(8,048)
Balance at June 30, 2019	26,989	966	27,955
Operating loss	(8,134)	94	(8,040)
Other income	1,961	—	1,961
(Deficiency) excess of revenue over expenses	(6,173)	94	(6,079)
Adjustment to pension benefit obligation	(6,316)	—	(6,316)
Net assets released for purchase of property and equipment	2,364	—	2,364
Donated Equipment	25	—	25
Distributions to noncontrolling interest in consolidated subsidiaries	—	(225)	(225)
Change in net assets	(10,100)	(131)	(10,231)
Balance at June 30, 2020	\$ 16,889	835	17,724

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June 30, 2020 and 2019

(In thousands)

**(15) Liquidity and Availability of Resources**

There were no amounts recorded as current assets which were set aside for scheduled principal payments on debt, self-insurance funds or perpetual-, time- or purpose-based restrictions, which would make them unavailable for general use. As of June 30, 2020, the Organization has liquid assets on hand to cover 185 days of operating expenses. The Organization's practice is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments. In the event of an unanticipated liquidity need, the Organization could draw upon its short-term assets.

**(16) Commitments and Contingencies**

*General*

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

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

*Malpractice Insurance*

The Organization has primary claims made medical malpractice insurance from various commercial insurers, as well as excess coverage for claims that exceed the primary limits. The Organization's accrual for estimated medical malpractice claims was \$444 and \$684 at June 30, 2020 and 2019, respectively. This includes estimates of the ultimate costs for both reported claims and claims incurred, but not reported, and is included in other liabilities on the consolidated balance sheets. Total medical malpractice insurance costs were \$1,075 and \$1,406 for the years ended June 30, 2020 and 2019, respectively. Medical malpractice insurance costs is included in professional – medical expenses in the consolidated statement of operations.



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(In thousands)

**(17) Subsequent Events**

The Organization has considered subsequent events, through November 30, 2020, and found there were no other events or transactions occurring subsequent to June 30, 2020 that would require adjustment to or disclosure in the consolidated financial statements.

Due to the recent enactment of the CARES Act, there is still a high degree of uncertainty surrounding their implementation, and the public health emergency continues to evolve. In September 2020, HHS issued reporting requirements that provided information on how recipients should report how it used the funds received under this program. The requirements changed the calculations to be based on unreimbursed healthcare-related expenses attributable to the coronavirus and the year-over-year change in net patient care operating income. In October 2020, HHC reversed its September 2020 guidance on reporting requirements of the COVID-19 Provider Relief Fund, to reinstate its original definition of lost revenues, as outlined by the July 2020 public notice, used by the Health Resources Services Administration. The Organization believes that such new guidance is a non-recognized subsequent event as of June 30, 2020 and any changes will be accounted for during the year ended June 30, 2021.

On August 21, 2020, the Organization entered into a loan agreement, which allows for the Organization to draw upon a \$5,000 line of credit and expires after one year. This line of credit is to be used for working capital and funding the acquisition of assets or properties related to private practices. No draws have currently been made against the line of credit.

On September 25, 2020, the Organization repaid the \$2,921 Commonwealth of Pennsylvania loan, per the terms of its stated maturity.

On October 24, 2020, the Organization amended its one-year, \$2,000 line of credit revolving credit commitment. This amendment served to (a) extend its maturity from October 2020 through January 2021, (b) increase interest rates applicable to borrowings from an annual rate of Daily LIBOR plus 1.50% to an annual rate of Daily LIBOR plus 2.50%, and increase to the LIBOR floor from 0% to 0.25%; and (c) increase the fee on unused commitments from an annual rate of 0.10% to 0.25%.

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Consolidating Balance Sheet Information – FASB Basis

June 30, 2020

(In thousands)

Assets	Wills Eye Hospital	Wills Eye Foundation	Wills Eye Ophthalmology Clinic	Cherry Hill	Warminster	Cottman	Plymouth Meeting	Stadium
Current assets:								
Cash and cash equivalents	\$ 9,146	78	891	1,275	609	540	434	437
Patient accounts receivable, net	2,843	—	1,670	323	193	163	95	190
Investments	21,716	—	—	—	—	—	—	—
Inventory	464	—	297	352	163	130	152	248
Pledge and grant receivable	2,037	407	31	—	—	—	—	—
Other current assets	862	16	549	90	41	50	44	65
Due from affiliates	1,678	—	1,243	—	—	—	—	—
Total current assets	<u>38,746</u>	<u>501</u>	<u>4,681</u>	<u>2,040</u>	<u>1,006</u>	<u>883</u>	<u>725</u>	<u>940</u>
Assets whose use is limited or restricted:								
By board for research	4,146	—	—	—	—	—	—	—
By board for other	984	—	—	—	—	—	—	—
Donor-restricted	35,996	6,848	—	—	—	—	—	—
Held under debt agreements	23,278	—	—	—	—	—	—	—
Total assets whose use is limited or restricted	<u>64,404</u>	<u>6,848</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Investments in joint ventures	—	—	—	—	—	—	—	—
Investments in subsidiaries	7,809	—	—	—	—	—	—	—
Property and equipment, net	25,789	—	722	943	275	597	283	287
Other assets	414	—	448	—	—	—	—	—
Total	<u>\$ 137,162</u>	<u>7,349</u>	<u>5,851</u>	<u>2,983</u>	<u>1,281</u>	<u>1,480</u>	<u>1,008</u>	<u>1,227</u>

(Continued)

**WILLS EYE HOSPITAL  
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Consolidating Balance Sheet Information – FASB Basis

June 30, 2020

(In thousands)

Assets	Wills Eye Surgical Network L.L.C.	AASOP	Wills Eye Community Surgical Services Corp.	Wills Eye Community Surgical Cottman/ Buxmont	Abbot	Total eliminations	Consolidated totals
Current assets:							
Cash and cash equivalents	\$ 81	15	98	30	52	—	13,686
Patient accounts receivable, net	—	34	—	—	—	—	5,511
Investments	—	—	—	—	—	—	21,716
Inventory	—	—	—	—	—	—	1,806
Pledge and grant receivable	—	—	—	—	—	—	2,475
Other current assets	451	12	—	—	—	—	2,180
Due from affiliates	20	—	—	—	—	(2,941)	—
Total current assets	<u>552</u>	<u>61</u>	<u>98</u>	<u>30</u>	<u>52</u>	<u>(2,941)</u>	<u>47,374</u>
Assets whose use is limited or restricted:							
By board for research	—	—	—	—	—	—	4,146
By board for other	—	—	—	—	—	—	984
Donor-restricted	—	—	—	—	—	—	42,844
Held under debt agreements	—	—	—	204	—	—	23,482
Total assets whose use is limited or restricted	<u>—</u>	<u>—</u>	<u>—</u>	<u>204</u>	<u>—</u>	<u>—</u>	<u>71,456</u>
Investments in joint ventures	—	—	3,335	—	—	—	3,335
Investments in subsidiaries	—	—	—	—	—	(7,809)	—
Property and equipment, net	142	4	—	—	4,281	—	33,323
Other assets	—	—	—	—	—	—	862
Total	<u>\$ 694</u>	<u>65</u>	<u>3,433</u>	<u>234</u>	<u>4,333</u>	<u>(10,750)</u>	<u>156,350</u>

(Continued)

**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

Consolidating Balance Sheet Information – FASB Basis

June 30, 2020

(In thousands)

Liabilities and Net Assets	Wills Eye Hospital	Wills Eye Foundation	Wills Eye Ophthalmology Clinic	Cherry Hill	Warminster	Cottman	Plymouth Meeting	Stadium
Current liabilities:								
Current portion of long-term debt	\$ 4,908	—	—	105	131	61	7	29
Financing obligation	550	—	—	—	—	—	—	—
Accounts payable	8,982	23	2,578	535	261	265	222	551
Accrued salaries and other expenses	3,317	68	1,801	334	110	99	71	114
Other liabilities	2,659	14	363	351	131	88	109	67
Due to affiliates	—	(649)	2,762	76	15	24	51	61
Total current liabilities	20,416	(544)	7,504	1,401	648	537	460	822
Long-term debt, net of current portion	19,526	—	—	194	449	97	—	17
Financing obligation	4,334	—	—	—	—	—	—	—
Pension benefit obligation	25,050	—	—	—	—	—	—	—
Interest rate swap liability	8,268	—	—	—	—	—	—	—
Other liabilities	3,685	—	621	665	266	184	220	179
Total liabilities	81,279	(544)	8,125	2,260	1,363	818	680	1,018
Net assets:								
Without donor restrictions	17,723	630	(2,274)	723	(82)	662	328	209
With donor restrictions	38,160	7,263	—	—	—	—	—	—
Total net assets	55,883	7,893	(2,274)	723	(82)	662	328	209
Total liabilities and net assets	\$ 137,162	7,349	5,851	2,983	1,281	1,480	1,008	1,227

(Continued)

**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

Consolidating Balance Sheet Information – FASB Basis

June 30, 2020

(In thousands)

Liabilities and Net Assets	Wills Eye Surgical Network L.L.C.	AASOP	Wills Eye Community Surgical Services Corp.	Wills Eye Community Surgical Cottman/ Buxmont	Abbot	Total eliminations	Consolidated totals
Current liabilities:							
Current portion of long-term debt	\$ —	—	—	—	55	—	5,296
Financing obligation	—	—	—	—	—	—	550
Accounts payable	5	—	—	—	—	1	13,423
Accrued salaries and other expenses	226	40	—	—	—	—	6,180
Other liabilities	—	40	—	—	—	(1)	3,821
Due to affiliates	425	179	—	—	—	(2,944)	—
Total current liabilities	656	259	—	—	55	(2,944)	29,270
Long-term debt, net of current portion	—	—	—	—	156	—	20,439
Financing obligation	—	—	—	—	—	—	4,334
Pension benefit obligation	—	—	—	—	—	—	25,050
Interest rate swap liability	—	—	—	—	—	—	8,268
Other liabilities	—	20	—	—	—	1	5,841
Total liabilities	656	279	—	—	211	(2,943)	93,202
Net assets:							
Without donor restrictions	38	(214)	3,433	234	4,122	(7,808)	17,724
With donor restrictions	—	—	—	—	—	1	45,424
Total net assets	38	(214)	3,433	234	4,122	(7,807)	63,148
Total liabilities and net assets	\$ 694	65	3,433	234	4,333	(10,750)	156,350

See accompanying independent auditors' report – FASB Basis.

**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

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

Year ended June 30, 2020

(In thousands)

	<u>Wills Eye Hospital</u>	<u>Wills Eye Foundation</u>	<u>Cherry Hill</u>	<u>Warminster</u>	<u>Cottman</u>	<u>AASOP</u>	<u>Plymouth Meeting</u>	<u>Stadium</u>
Unrestricted revenues:								
Patient service revenue	\$ 32,069	—	7,846	3,457	2,678	536	2,995	3,102
Other revenue	7,798	75	863	340	356	65	364	449
Net assets released from restrictions	2,692	810	—	—	—	—	—	—
Total revenues	<u>42,559</u>	<u>885</u>	<u>8,709</u>	<u>3,797</u>	<u>3,034</u>	<u>601</u>	<u>3,359</u>	<u>3,551</u>
Expenses:								
Salaries and benefits other than pension costs	16,001	751	2,759	946	1,009	892	1,113	1,378
Pension costs	595	14	37	10	16	12	12	15
Supplies and other expenses	19,735	680	5,254	2,238	1,721	137	2,111	1,997
Insurance	555	—	181	82	68	96	83	78
Professional – legal and consulting	880	221	56	10	7	—	7	6
Professional – medical	855	107	35	36	35	—	32	35
Depreciation and amortization	2,746	—	191	96	136	4	107	148
Interest	1,567	—	11	29	9	—	1	5
Total expenses	<u>42,934</u>	<u>1,773</u>	<u>8,524</u>	<u>3,447</u>	<u>3,001</u>	<u>1,141</u>	<u>3,466</u>	<u>3,662</u>
Operating (loss) income	<u>(375)</u>	<u>(888)</u>	<u>185</u>	<u>350</u>	<u>33</u>	<u>(540)</u>	<u>(107)</u>	<u>(111)</u>
Other income (loss):								
Net realized and unrealized losses on investments	746	—	—	—	—	—	—	—
Interest rate swaps valuation adjustment	(1,490)	—	—	—	—	—	—	—
Investment income, net	(5,416)	—	(17)	—	—	—	—	(2)
Other nonoperating losses	(64)	—	—	—	—	—	—	—
Contributions	425	784	—	—	—	—	—	—
Total other income	<u>(5,799)</u>	<u>784</u>	<u>(17)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2)</u>
(Deficiency) excess of revenue over expenses	<u>(6,174)</u>	<u>(104)</u>	<u>168</u>	<u>350</u>	<u>33</u>	<u>(540)</u>	<u>(107)</u>	<u>(113)</u>
Net assets released from restrictions used for purchases of property and equipment	2,364	—	—	—	—	—	—	—
Donated equipment	25	—	—	—	—	—	—	—
Adjustment to pension benefit obligation	(6,316)	—	—	—	—	—	—	—
Distribution to noncontrolling interests in consolidated subsidiary	—	—	(225)	(125)	(125)	420	(30)	(45)
(Decrease) increase in net assets without donor restrictions	\$ <u>(10,101)</u>	<u>(104)</u>	<u>(57)</u>	<u>225</u>	<u>(92)</u>	<u>(120)</u>	<u>(137)</u>	<u>(158)</u>

(Continued)

**WILLS EYE HOSPITAL  
AND SUBSIDIARIES**

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

Year ended June 30, 2020

(In thousands)

	Wills Eye Surgical Network L.L.C.	Wills Eye Community Surgical Services Corp.	Wills Eye Community Surgical Cottman/ Buxmont	Wills Eye Ophthalmology Clinic	Abbot	Total eliminations	Consolidated totals
Unrestricted revenues:							
Patient service revenue	\$ —	—	—	13,589	—	—	66,272
Other revenue	944	—	—	4,979	346	(1,078)	15,501
Net assets released from restrictions	—	—	—	—	—	—	3,502
Total revenues	<u>944</u>	<u>—</u>	<u>—</u>	<u>18,568</u>	<u>346</u>	<u>(1,078)</u>	<u>85,275</u>
Expenses:							
Salaries and benefits other than pension costs	776	—	—	17,553	—	—	43,178
Pension costs	5	—	—	126	—	—	842
Supplies and other expenses	142	1	1	6,140	3	(1,077)	39,083
Insurance	8	—	—	630	—	—	1,781
Professional – legal and consulting	14	—	—	78	—	—	1,279
Professional – medical	—	—	—	769	—	—	1,904
Depreciation and amortization	24	—	—	86	86	—	3,624
Interest	1	—	—	—	7	(6)	1,624
Total expenses	<u>970</u>	<u>1</u>	<u>1</u>	<u>25,382</u>	<u>96</u>	<u>(1,083)</u>	<u>93,315</u>
Operating (loss) income	<u>(26)</u>	<u>(1)</u>	<u>(1)</u>	<u>(6,814)</u>	<u>250</u>	<u>5</u>	<u>(8,040)</u>
Other income (loss):							
Net realized and unrealized losses on investments	—	—	—	—	—	—	746
Interest rate swaps valuation adjustment	—	—	—	—	—	—	(1,490)
Investment income, net	—	782	7	—	—	6,206	1,560
Other nonoperating losses	—	—	—	—	—	—	(64)
Contributions	—	—	—	—	—	—	1,209
Total other income	<u>—</u>	<u>782</u>	<u>7</u>	<u>—</u>	<u>—</u>	<u>6,206</u>	<u>1,961</u>
(Deficiency) excess of revenue over expenses	<u>(26)</u>	<u>781</u>	<u>6</u>	<u>(6,814)</u>	<u>250</u>	<u>6,211</u>	<u>(6,079)</u>
Net assets released from restrictions used for purchases of property and equipment	—	—	—	—	—	—	2,364
Donated equipment	—	—	—	—	—	—	25
Adjustment to pension benefit obligation	—	—	—	—	—	—	(6,316)
Distribution to noncontrolling interests in consolidated subsidiary	—	(620)	(7)	6,015	(122)	(5,361)	(225)
(Decrease) increase in net assets without donor restrictions	<u>\$ (26)</u>	<u>161</u>	<u>(1)</u>	<u>(799)</u>	<u>128</u>	<u>850</u>	<u>(10,231)</u>

See accompanying independent auditors' report – FASB Basis.



**COLLECTIVE LEGAL INVESTMENT FUND**

Financial Statements – FASB Basis and  
Sundry Trusts Supplementary Information

December 31, 2020

(With Independent Auditors' Report Thereon)



## COLLECTIVE LEGAL INVESTMENT FUND

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KPMG LLP  
1601 Market Street  
Philadelphia, PA 19103-2499

## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements – Financial Accounting Standards Board (FASB) basis of the Collective Legal Investment Fund, which comprise the statement of assets and liabilities – FASB basis and the schedule of investments – FASB basis as of December 31, 2020, and the related statements of operation – FASB basis, changes in net assets – FASB basis, and cash flows – FASB basis for the year then ended, and the related notes to the financial statements – FASB basis.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the FASB basis of accounting described in note 1(b); this includes determining that the FASB basis of accounting is an acceptable basis for the preparation of these financial statements in the circumstances. Management is also responsible 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.

#### *Auditors' Responsibility*

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

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

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

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities of the Collective Legal Investment Fund as of December 31, 2020, and the results of its operations, changes in net assets, and cash flows for the year then ended in accordance with the basis of accounting described in note 1(b) to the financial statements – FASB basis.



*Other Matters*

**Basis of Accounting**

We draw your attention to note 1(b), which describes the basis of accounting. The financial statements are prepared in accordance with standards promulgated by the FASB, which is a basis of accounting other than the U.S. generally accepted accounting principles for government entities, which are promulgated by the Governmental Accounting Standards Board. Our opinion is not modified with respect to this matter.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents for the year ended December 31, 2020 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

**KPMG LLP**

Philadelphia, Pennsylvania  
July 12, 2021



**COLLECTIVE LEGAL INVESTMENT FUND**

Statement of Assets and Liabilities – FASB Basis

December 31, 2020

Assets:

Investments in securities, at fair value	\$ 621,528,369
Cash and cash equivalents	1,185,929
Investment income receivable	1,684,403
Receivables	392,458
Collateral received for securities on loan	<u>86,252,206</u>
Total assets	<u>711,043,365</u>

Liabilities:

Accrued expenses	1,516,114
Due to participating trusts	1,193,066
Payable for securities on loan	<u>86,252,206</u>
Total liabilities	<u>88,961,386</u>
Net assets	<u>\$ 622,081,979</u>

See accompanying notes to financial statements – FASB basis.

**COLLECTIVE LEGAL INVESTMENT FUND**

Schedule of Investments – FASB Basis

December 31, 2020

Short-term investments (cost \$10,744,251) – 1.7%	\$ 10,744,250
Equities – 67.9%:	
U.S. common stocks – 53.9%:	
Industrials – 7.3%	45,159,871
Consumer discretionary – 7.5%	46,329,658
Consumer staples – 1.8%	11,136,764
Energy – 1.0%	6,474,823
Financial – 5.8%	36,267,586
Materials – 1.6%	9,643,308
Information technology – 14.3%	88,959,843
Utilities – 0.8%	4,931,966
Healthcare – 7.7%	47,850,075
Telecommunications and other – 6.1%	38,099,710
Total U.S. common stocks (cost \$228,983,328)	<u>334,853,604</u>
Exchange-traded funds – 7.5%:	
S&P 500 Index SPDR – 6.2%	38,360,462
Select Sector SPDRs – 1.3%	7,990,963
Total exchange traded funds (cost \$19,897,199)	<u>46,351,425</u>
International equity mutual funds (cost \$27,148,548) – 6.5%	<u>40,525,106</u>
Total equities (cost \$275,029,075)	<u>421,730,135</u>
Fixed income – 27.9%:	
U.S. government and agency obligations – 9.4%:	
U.S. Treasury bonds and notes – 6.5%	40,525,388
U.S. and political subdivisions of the States – 2.8%	17,618,323
Debt securities issued by foreign governments 0.1 %	159,353
Total U.S. government and agency obligations (cost \$56,296,193)	<u>58,303,064</u>
U.S. corporate and other bonds (cost \$59,162,514) – 10.1%	62,734,129
Asset-backed securities (cost \$5,475,069) – 0.9%	5,508,943
Mortgage-backed securities (cost \$5,978,891.65) – 1.0%	6,202,278
Mutual funds (cost \$39,921,363) – 6.5%	40,374,715
Total fixed income (cost \$166,834,031) -- 27.9%	<u>173,123,129</u>
Private equity funds (cost \$17,027,845) – 2.5%	<u>15,930,855</u>
Total investments (cost \$452,607,357) – 100%	<u>\$ 621,528,369</u>

See accompanying notes to financial statements – FASB basis.

**COLLECTIVE LEGAL INVESTMENT FUND**

Statement of Operations – FASB Basis

Year ended December 31, 2020

Income:		
Interest income	\$	5,983,680
Dividend income		5,387,848
Net income from securities lending		252,738
Other income		<u>51,443</u>
Total investment income		<u>11,675,709</u>
Expenses:		
Investment fees and other expenses		<u>4,391,213</u>
Total expenses		<u>4,391,213</u>
Net investment income		<u>7,284,496</u>
Net realized and unrealized activity on investments:		
Net realized gain from investment transactions		13,872,380
Net change in unrealized appreciation of investments		<u>51,242,623</u>
Net appreciation in fair value of investments		<u>65,115,003</u>
Change in net assets from operations	\$	<u><u>72,399,499</u></u>

See accompanying notes to financial statements – FASB basis.

**COLLECTIVE LEGAL INVESTMENT FUND**

Statement of Changes in Net Assets – FASB Basis

Year ended December 31, 2020

Operations:		
Net investment income	\$	7,284,496
Net realized gain from investment transactions		13,872,380
Net change in unrealized appreciation of investments		<u>51,242,623</u>
Change in net assets from operations		72,399,499
Net distributions to unit holders:		
Net investment income		(7,423,858)
Cash received for units issued during the year		2,078,926
Cash paid for units redeemed during the year		<u>(12,049,070)</u>
Change in net assets		55,005,497
Net assets:		
Beginning of year		<u>567,076,482</u>
End of year	\$	<u><u>622,081,979</u></u>

See accompanying notes to financial statements – FASB basis.

## COLLECTIVE LEGAL INVESTMENT FUND

### Statement of Cash Flows – FASB Basis

Year ended December 31, 2020

Operating activities:	
Change in net assets	\$ 55,005,497
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Net realized investment gains and unrealized investment appreciation	(65,115,003)
Net cash paid to unit holders	9,970,144
Changes in assets and liabilities, which provided (used) cash:	
Investment income receivable	61,293
Receivables	153,749
Accrued expenses	26,337
Due to participating trusts	<u>(499,327)</u>
Net cash used in operating activities	<u>(397,310)</u>
Investing activities:	
Proceeds from sales of marketable securities	303,251,396
Purchases of marketable securities	(293,947,290)
Distributions from private equity funds	825,600
Investments in private equity funds	(3,215,895)
Net proceeds from short-term investments	<u>3,003,590</u>
Net cash provided by investing activities	<u>9,917,401</u>
Financing activities:	
Cash received for units issued	2,078,926
Cash paid for units redeemed	<u>(12,049,070)</u>
Net cash used in financing activities	<u>(9,970,144)</u>
Net decrease in cash and cash equivalents	(450,053)
Cash and cash equivalents, beginning of year	<u>1,635,982</u>
Cash and cash equivalents, end of year	<u>\$ 1,185,929</u>

See accompanying notes to financial statements – FASB basis.

## COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements – FASB Basis

December 31, 2020

### (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 on behalf of the City of Philadelphia that are available for investment purposes, including certain assets of the Girard Estate, Wills Eye Institute, the three retirement plans of the Board, and 117 smaller trusts collectively referred to as the “Sundry Trusts.” The financial statements of the CLIF are not intended to represent all assets, liabilities, and activities of the investor trusts, only their collective investments in securities through the CLIF and related income, expenses, gains, and losses.

#### (b) Basis of Accounting

As described in note 1(g), the Board is an agency of the Commonwealth of Pennsylvania, and as such, the CLIF is subject to U.S. generally accepted accounting principles (U.S. GAAP) promulgated by the Governmental Accounting Standards Board (GASB). However, the Board has chosen to prepare the financial statements and notes thereto following the accounting standards promulgated by the Financial Accounting Standards Board (FASB) applicable to investment companies because it believes that the disclosures required for investment companies better reflect the purpose and operations of the CLIF.

A summary of the differences between the financial statements of the CLIF prepared in accordance with U.S. GAAP for investment companies and U.S. GAAP for state and local governments is as follows:

	<b>Investment company U.S. GAAP</b>	<b>State and local U.S. GAAP</b>
Management’s discussion and analysis	Not required	Required
Schedule of investments	Required	Not required
Statement of operations	Required	Not required
Investment risk disclosures	Not required	Required
Financial highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or fund unit transactions between U.S. generally accepted accounting principles for investment companies and U.S. generally accepted accounting principles for state and local governments.

#### (c) Cash and Cash Equivalents

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

## COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements – FASB Basis

December 31, 2020

### **(d) Investments in Securities Valuation**

All investments in securities are reported at their estimated fair value, as described in note 2.

### **(e) Security Loans**

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 invested in cash and cash equivalents. Income from lending activity is determined by the amount of interest earned on the invested collateral, a portion of which is allocated to the lending agent. The CLIF also is entitled to receive interest and dividends from securities on loan. As of December 31, 2020, the CLIF had loaned out certain securities, returnable on demand, with a market value of approximately \$84,253,000 to several financial institutions that have deposited collateral with respect to such securities of approximately \$86,252,000.

### **(f) Distributions to Investor Trusts**

Units of the CLIF are generally purchased and sold based on the available cash and cash requirements of each of the participating trusts. Earnings from the CLIF are allocated to each participating trust on a monthly basis. Gains and losses from the sales of such units are determined on the last-in, first-out (LIFO) method. Distributions 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**

The Board, statutory agent for the City of Philadelphia, has been determined to be an agency of the Commonwealth of Pennsylvania and, as such, is exempt from federal income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability (or asset) if it is more likely than not that the position would not be sustained upon examination by the IRS. Management has considered and assessed the impact of uncertain tax positions on the CLIF's financial statements in accordance with FASB Accounting Standards Codification Topic 740, *Income Taxes*, and has concluded that no provision for income taxes is required as of December 31, 2020.

### **(h) Security Transactions and Investment Income**

The CLIF records security transactions based on trade date. Dividend income is recognized on the ex-dividend date, and interest income is recognized on an accrual basis. Premiums and discounts on bonds owned are not amortized but are reflected in gains or losses on securities upon the disposition of the bonds.

## COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements – FASB Basis

December 31, 2020

The CLIF's accounting records are maintained in U.S. dollars. For valuation of assets and liabilities on each date of net asset value determination, foreign denominations are translated into U.S. dollars using the current exchange rate. Security transactions, income, and expenses are translated at the prevailing rate of exchange on the date of the event. The effect of changes in foreign exchange rates on securities and foreign currencies is included with the net realized and unrealized gain or loss on investments.

### **(i) Use of Estimates**

The preparation of the financial statements in conformity with the basis of accounting described in note 1(b) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions include the valuation of investments.

### **(2) Securities Valuations**

Three levels of inputs may be used to measure fair value as follows:

- *Level 1:* Quoted or published prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.
- *Level 2:* Observable inputs other than Level 1 prices such as quoted or published prices for similar assets and liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. and foreign government and agency asset and mortgage-backed debt securities and corporate debt securities.
- *Level 3:* Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. The CLIF held no Level 3 securities at December 31, 2020.



## COLLECTIVE LEGAL INVESTMENT FUND

Notes to Financial Statements – FASB Basis

December 31, 2020

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.

### **(a) Equity Securities**

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

### **(b) Debt Securities**

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

Listed asset-backed securities are valued based on quoted 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.

### **(c) Private Equity Funds**

Net asset values provided by limited partnership investees are based on estimates, appraisals, assumptions, and methods that are reviewed by CLIF management. The CLIF estimates the fair value of its limited partnership investments using the net asset value per share as reported by the investee as a practical expedient. 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. The investments in private equity funds are expected to liquidate in five to seven years and have \$12,118,975 in unfunded commitments.

**COLLECTIVE LEGAL INVESTMENT FUND**

Notes to Financial Statements – FASB Basis

December 31, 2020

The following table presents the investments in securities measured at fair value on a recurring basis as of December 31, 2020 (in thousands):

	Fair value measurements at December 31, 2020 using		
	Fair value	Level 1	Level 2
Short-term investments	\$ 10,744	10,744	—
Equity securities:			
U.S. common stocks:			
Industrials	45,160	45,160	—
Consumer discretionary	46,330	46,330	—
Consumer staples	11,137	11,137	—
Energy	6,475	6,475	—
Financial	36,267	36,267	—
Materials	9,643	9,643	—
Information technology	88,960	88,960	—
Utilities	4,932	4,932	—
Healthcare	47,850	47,850	—
Telecommunications and other	38,100	38,100	—
Total U.S. common stocks	334,854	334,854	—
Exchange-traded funds:			
S&P 500 Index SPDR	38,360	38,360	—
Select Sector SPDRs	7,991	7,991	—
Total exchange-traded funds	46,351	46,351	—
International equity mutual funds	40,525	40,525	—
Total equity securities	421,730	421,730	—

**COLLECTIVE LEGAL INVESTMENT FUND**

Notes to Financial Statements – FASB Basis

December 31, 2020

	<u>at December 31, 2020 using</u>		
	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>
Fixed income:			
U.S. Treasury bonds and notes	\$ 40,526	38,892	1,634
Other			
Debt securities issued by the U.S. and its political subdivisions	17,618	—	17,618
Debt securities issued by foreign governments	159	—	159
U.S. corporate and other bonds	62,734	—	62,734
Asset-backed securities	5,509	—	5,509
Mortgage-backed securities	6,202	—	6,202
Mutual funds	40,375	40,375	—
Total fixed income	<u>173,123</u>	<u>79,267</u>	<u>93,856</u>
Subtotal	605,598	\$ 511,742	93,856
Private equity funds reported at net asset value per share as a practical expedient	<u>15,931</u>		
Total	<u>\$ 621,529</u>		

**(3) Financial Highlights**

The total return on investments is calculated using the Bank Administration Institute (BAI) method, a daily weighted rate of return.

Total return on investments	15.56%
Net assets, end of year	\$ 622,081,979
Average net assets	594,579,000
Ratios to average net assets:	
Expenses	0.74%
Net investment income	1.23%
Change in net assets from operations	12.18%

## **COLLECTIVE LEGAL INVESTMENT FUND**

Notes to Financial Statements – FASB Basis

December 31, 2020

### **(4) Risks and Uncertainties**

The CLIF invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of assets and liabilities.

### **(5) Subsequent Events**

In connection with the preparation of the financial statements, CLIF management has evaluated subsequent events through July 12, 2021, which was the date that the financial statements were available to be issued, and noted no matters requiring disclosure.

**DAVID J. ABRAMS FUND**

Created 1967

By Bequest for the Use of Girard College

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	1,904,910
Increases:		
Income from invested funds		22,033
Net realized gain on sale of units		55,269
Net increase in unrealized appreciation in fair value of units		<u>153,466</u>
Total increases		<u>230,768</u>
Decreases:		
Administrative expenses		1,329
Distributions on behalf of Girard College		<u>85,400</u>
Total decreases		<u>86,729</u>
Change in net assets		<u>144,039</u>
Balance, December 31, 2020, at fair value	\$	<u><u>2,048,949</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	777
Investment income receivable		6,951
15,756 units of Collective Legal Investment Fund, at fair value		2,042,094
Accrued expenses		<u>(873)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>2,048,949</u></u>

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.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	17,023
Increases:		
Income from invested funds		198
Net realized gain on sale of units		656
Net increase in unrealized appreciation in fair value of units		1,231
Total increases		<u>2,085</u>
Decreases:		
Administrative expenses		12
Awards		800
Total decreases		<u>812</u>
Change in net assets		<u>1,273</u>
Balance, December 31, 2020, at fair value	\$	<u><u>18,296</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	97
Investment income receivable		62
140 units of Collective Legal Investment Fund, at fair value		18,145
Accrued expenses		<u>(8)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>18,296</u></u>

See accompanying independent auditors' report.

**ANN ARMITT FUND**

Created 1797

“To the Overseers of the poor or the Managers of the Bettering House”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	6,348
Increases:		
Income from invested funds		72
Net realized gain on sale of units		40
Net increase in unrealized appreciation in fair value of units		684
Total increases		<u>796</u>
Decreases:		
Administrative expenses		4
Fuel office expenses		8
Cost of fuel distributed to those in need		200
Total decreases		<u>212</u>
Change in net assets		<u>584</u>
Balance, December 31, 2020, at fair value	\$	<u><u>6,932</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	172
Investment income receivable		23
52 units of Collective Legal Investment Fund, at fair value		6,740
Accrued expenses		<u>(3)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>6,932</u></u>

See accompanying independent auditors' report.

## SAMUEL H. ASHBRIDGE FUND

Created 1948

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	278,851
Increases:		
Income from invested funds		3,253
Net realized gain on sale of units		9,004
Net increase in unrealized appreciation in fair value of units		<u>22,343</u>
Total increases		<u>34,600</u>
Decreases:		
Administrative expenses		197
Support and maintenance of indigent widows and single women		<u>12,390</u>
Total decreases		<u>12,587</u>
Change in net assets		<u>22,013</u>
Balance, December 31, 2020, at fair value	\$	<u><u>300,864</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	184
Investment income receivable		1,027
2,313 units of Collective Legal Investment Fund, at fair value		299,782
Accrued expenses		<u>(129)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>300,864</u></u>

See accompanying independent auditors' report.



**HELEN CHEYNEY BAILEY SCHOLARSHIP FUND**

Created 1966

“To provide scholarships for graduates of Philadelphia High School for Girls”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	86,578
Increases:		
Income from invested funds		1,005
Net realized gain on sale of units		2,292
Net increase in unrealized appreciation in fair value of units		7,669
Total increases		<u>10,966</u>
Decreases:		
Administrative expenses		61
Scholarship distributions		3,900
Total decreases		<u>3,961</u>
Change in net assets		<u>7,005</u>
Balance, December 31, 2020, at fair value	\$	<u><u>93,583</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	772
Investment income receivable		317
729 units of Collective Legal Investment Fund, at fair value		94,484
Accrued expenses		<u>(1,990)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>93,583</u></u>

See accompanying independent auditors' report.

**DANIEL BAUGH MEDAL FUND**

Created 1915

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	7,070
Increases:		
Income from invested funds		82
Net realized gain on sale of units		418
Net increase in unrealized appreciation in fair value of units		355
Total increases		<u>855</u>
Decreases:		
Administrative expenses		5
Contribution to Firemen's Pension Fund		300
Total decreases		<u>305</u>
Change in net assets		<u>550</u>
Balance, December 31, 2020, at fair value	\$	<u><u>7,620</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	210
Investment income receivable		25
57 units of Collective Legal Investment Fund, at fair value		7,388
Accrued expenses		<u>(3)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>7,620</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"

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	66,706
Increases:		
Income from invested funds		770
Net realized gain on sale of units		1,805
Net increase in unrealized appreciation in fair value of units		5,901
		<hr/>
Total increases		8,476
Decreases:		
Administrative expenses		47
Fuel office expenses		82
Cost of fuel distributed to those in need		2,700
		<hr/>
Total decreases		2,829
		<hr/>
Change in net assets		5,647
		<hr/>
Balance, December 31, 2020, at fair value	\$	<u>72,353</u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	206
Investment income receivable		246
555 units of Collective Legal Investment Fund, at fair value		71,932
Accrued expenses		(31)
		<hr/>
Balance, December 31, 2020, at fair value	\$	<u>72,353</u>

See accompanying independent auditors' report.

**PAUL BECK SOUP FUND**

Created 1844

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	16,830
Increases:		
Income from invested funds		204
Real estate income		250
Net realized gain on sale of units		88
Net increase in unrealized appreciation in fair value of units		<u>1,947</u>
Total increases		<u>2,489</u>
Decreases:		
Administrative expenses		12
Contribution to St. Francis Inn		<u>700</u>
Total decreases		<u>712</u>
Change in net assets		<u>1,777</u>
Balance, December 31, 2020, at fair value	\$	<u><u>18,607</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	146
Investment income receivable		65
142 units of Collective Legal Investment Fund, at fair value		18,404
Accrued expenses		<u>(8)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>18,607</u></u>

See accompanying independent auditors' report.

**RUDOLPH BLANKENBURG PENSION FUND**

Created 1909

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	88,181
Increases:		
Income from invested funds		1,044
Net realized gain on sale of units		2,458
Net increase in unrealized appreciation in fair value of units		7,636
Total increases		11,138
Decreases:		
Administrative expenses		62
Distribution to:		
Firemen’s Pension Fund		1,300
Police Pension Fund		1,300
Simon Gratz Teachers’ Fund		1,300
Total decreases		3,962
Change in net assets		7,176
Balance, December 31, 2020, at fair value	\$	95,357

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	202
Investment income receivable		324
732 units of Collective Legal Investment Fund, at fair value		94,872
Accrued expenses		(41)
Balance, December 31, 2020, at fair value	\$	95,357

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"

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 2,171,597
Increases:	
Income from invested funds	25,063
Net realized gain on sale of units	44,467
Net increase in unrealized appreciation in fair value of units	<u>205,817</u>
Total increases	<u>275,347</u>
Decreases:	
Administrative expenses	1,519
Fuel office expenses	2,678
Cost of fuel distributed to those in need	<u>85,346</u>
Total decreases	<u>89,543</u>
Change in net assets	<u>185,804</u>
Balance, December 31, 2020, at fair value	<u>\$ 2,357,401</u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 522
Investment income receivable	8,101
18,130 units of Collective Legal Investment Fund, at fair value	2,349,782
Accrued expenses	<u>(1,004)</u>
Balance, December 31, 2020, at fair value	<u>\$ 2,357,401</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”

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	261,230
Increases:		
Income from invested funds		3,077
Net realized gain on sale of units		7,170
Net increase in unrealized appreciation in fair value of units		<u>22,502</u>
Total increases		<u>32,749</u>
Decreases:		
Administrative expenses		184
Scholarship awards		<u>11,375</u>
Total decreases		<u>11,559</u>
Change in net assets		<u>21,190</u>
Balance, December 31, 2020, at fair value	\$	<u><u>282,420</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	5,206
Investment income receivable		956
2,171 units of Collective Legal Investment Fund, at fair value		281,378
Accrued expenses		<u>(5,120)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>282,420</u></u>

See accompanying independent auditors' report.

**MAJOR CHARLES BROWN SCHOLARSHIP FUND**

Created 1976

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	485,004
Increases:		
Income from invested funds		5,707
Net realized gain on sale of units		12,888
Net increase in unrealized appreciation in fair value of units		42,144
Total increases		<u>60,739</u>
Decreases:		
Administrative expenses		342
Scholarship awards		21,500
Total decreases		<u>21,842</u>
Change in net assets		<u>38,897</u>
Balance, December 31, 2020, at fair value	\$	<u><u>523,901</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	160
Investment income receivable		1,776
4,029 units of Collective Legal Investment Fund, at fair value		522,188
Accrued expenses		<u>(223)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>523,901</u></u>

See accompanying independent auditors' report.



**JOSEPH W. CALHOUN FUND**

Created 1979

To be "used in helping the poor"

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	36,819
Increases:		
Income from invested funds		428
Net realized gain on sale of units		714
Net increase in unrealized appreciation in fair value of units		<u>3,574</u>
Total increases		<u>4,716</u>
Decreases:		
Administrative expenses		26
Fuel office expenses		45
Cost of fuel distributed to those in need		<u>1,500</u>
Total decreases		<u>1,571</u>
Change in net assets		<u>3,145</u>
Balance, December 31, 2020, at fair value	\$	<u><u>39,964</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	185
Investment income receivable		136
306 units of Collective Legal Investment Fund, at fair value		39,660
Accrued expenses		<u>(17)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>39,964</u></u>

See accompanying independent auditors' report.

**WILLIAM CARTER FUND**

Created 1739

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	10,998
Increases:		
Income from invested funds		126
Net realized gain on sale of units		208
Net increase in unrealized appreciation in fair value of units		<u>1,037</u>
Total increases		<u>1,371</u>
Decreases:		
Administrative expenses		8
Fuel office expenses		13
Cost of fuel distributed to those in need		<u>400</u>
Total decreases		<u>421</u>
Change in net assets		<u>950</u>
Balance, December 31, 2020, at fair value	\$	<u><u>11,948</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	119
Investment income receivable		40
91 units of Collective Legal Investment Fund, at fair value		11,794
Accrued expenses		<u>(5)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>11,948</u></u>

See accompanying independent auditors' report.

**MARGARET E. CAVANAUGH FUND**

Created 1926

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	15,252
Increases:		
Income from invested funds		177
Net realized gain on sale of units		506
Net increase in unrealized appreciation in fair value of units		<u>1,192</u>
Total increases		<u>1,875</u>
Decreases:		
Administrative expenses		11
Distribution to Philadelphia Nursing Home		<u>700</u>
Total decreases		<u>711</u>
Change in net assets		<u>1,164</u>
Balance, December 31, 2020, at fair value	\$	<u><u>16,416</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	167
Investment income receivable		55
125 units of Collective Legal Investment Fund, at fair value		16,201
Accrued expenses		<u>(7)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>16,416</u></u>

See accompanying independent auditors' report.

**PAT AND RITA CERMELE FUND**

Created 2003

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	49,475
Increases:		
Income from invested funds		580
Net realized gain on sale of units		852
Net increase in unrealized appreciation in fair value of units		<u>4,754</u>
Total increases		<u>6,186</u>
Decreases:		
Administrative expenses		35
Girard College Distinguished Service Award		<u>2,200</u>
Total decreases		<u>2,235</u>
Change in net assets		<u>3,951</u>
Balance, December 31, 2020, at fair value	\$	<u><u>53,426</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	129
Investment income receivable		181
410 units of Collective Legal Investment Fund, at fair value		53,139
Accrued expenses		<u>(23)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>53,426</u></u>

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"

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	14,176
Increases:		
Income from invested funds		167
Net realized gain on sale of units		432
Net increase in unrealized appreciation in fair value of units		1,186
Total increases		<u>1,785</u>
Decreases:		
Administrative expenses		10
Contribution to St. Francis Inn		600
Total decreases		<u>610</u>
Change in net assets		<u>1,175</u>
Balance, December 31, 2020, at fair value	\$	<u><u>15,351</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	142
Investment income receivable		52
117 units of Collective Legal Investment Fund, at fair value		15,164
Accrued expenses		<u>(7)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>15,351</u></u>

See accompanying independent auditors' report.

**CITY FUEL FUND**

Created 1793–1809

Consists of the following five funds consolidated:

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 49,495
Increases:	
Income from invested funds	573
Net realized gain on sale of units	867
Net increase in unrealized appreciation in fair value of units	4,779
Total increases	6,219
Decreases:	
Administrative expenses	34
Fuel office expenses	61
Cost of fuel distributed to those in need	2,100
Total decreases	2,195
Change in net assets	4,024
Balance, December 31, 2020, at fair value	\$ 53,519

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 92
Investment income receivable	181
411 units of Collective Legal Investment Fund, at fair value	53,269
Accrued expenses	(23)
Balance, December 31, 2020, at fair value	\$ 53,519

See accompanying independent auditors’ report.

**JAMES CLAYPOOLE FUND**

Created 1769

“For the Benefit and relief of the poor of the said City of Philadelphia.”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	8,372
Increases:		
Income from invested funds		94
Net realized gain on sale of units		218
Net increase in unrealized appreciation in fair value of units		716
Total increases		<u>1,028</u>
Decreases:		
Administrative expenses		6
Fuel office expenses		10
Cost of fuel distributed to those in need		400
Total decreases		<u>416</u>
Change in net assets		<u>612</u>
Balance, December 31, 2020, at fair value	\$	<u><u>8,984</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	145
Investment income receivable		30
68 units of Collective Legal Investment Fund, at fair value		8,813
Accrued expenses		<u>(4)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>8,984</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.

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 12,502
Increases:	
Income from invested funds	145
Net realized gain on sale of units	404
Net increase in unrealized appreciation in fair value of units	971
Total increases	<u>1,520</u>
Decreases:	
Administrative expenses	9
Student award	600
Total decreases	<u>609</u>
Change in net assets	<u>911</u>
Balance, December 31, 2020, at fair value	<u>\$ 13,413</u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 154
Investment income receivable	45
102 units of Collective Legal Investment Fund, at fair value	13,220
Accrued expenses	<u>(6)</u>
Balance, December 31, 2020, at fair value	<u>\$ 13,413</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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	124,918
Increases:		
Income from invested funds		1,480
Net realized gain on sale of units		2,513
Net increase in unrealized appreciation in fair value of units		11,833
Total increases		<u>15,826</u>
Decreases:		
Administrative expenses		88
Scholarship awards		1,500
Total decreases		<u>1,588</u>
Change in net assets		<u>14,238</u>
Balance, December 31, 2020, at fair value	\$	<u><u>139,156</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	6,187
Investment income receivable		458
1,046 units of Collective Legal Investment Fund, at fair value		135,569
Accrued expenses		<u>(3,058)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>139,156</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.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	420,095
Increases:		
Income from invested funds		4,901
Net realized gain on sale of units		10,618
Net increase in unrealized appreciation in fair value of units		37,735
Other		<u>2,600</u>
Total increases		<u>55,854</u>
Decreases:		
Administrative expenses		296
Scholarship awards		<u>18,375</u>
Total decreases		<u>18,671</u>
Change in net assets		<u>37,183</u>
Balance, December 31, 2020, at fair value	\$	<u><u>457,278</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	7,008
Investment income receivable		1,541
3,510 units of Collective Legal Investment Fund, at fair value		454,922
Accrued expenses		<u>(6,193)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>457,278</u></u>

See accompanying independent auditors' report.

## HORACE DEAL FUND

Created 1951

Income to be distributed equally between the two awards:

George O. Frey Memorial Award:

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

James M. Hamilton Award:

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	9,629
Increases:		
Income from invested funds		111
Net realized gain on sale of units		296
Net increase in unrealized appreciation in fair value of units		<u>775</u>
Total increases		<u>1,182</u>
Decreases:		
Administrative expenses		7
Awards		<u>400</u>
Total decreases		<u>407</u>
Change in net assets		<u>775</u>
Balance, December 31, 2020, at fair value	\$	<u><u>10,404</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	134
Investment income receivable		35
79 units of Collective Legal Investment Fund, at fair value		10,239
Accrued expenses		<u>(4)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>10,404</u></u>

See accompanying independent auditors' report.

**DELAWARE AVENUE FUND**

Created 1831

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 10,016,569
Increases:	
Income from invested funds	118,934
Net realized gain on sale of units	217,184
Net increase in unrealized appreciation in fair value of units	<u>923,788</u>
Total increases	<u>1,259,906</u>
Decreases:	
Administrative expenses	7,156
Distributions to:	
Independence Visitor Center Corporation	125,000
Schuylkill River Dredging	<u>100,000</u>
Total decreases	<u>232,156</u>
Change in net assets	<u>1,027,750</u>
Balance, December 31, 2020, at fair value	\$ <u><u>11,044,319</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 2,703
Investment income receivable	37,466
84,940 units of Collective Legal Investment Fund, at fair value	11,008,853
Accrued expenses	<u>(4,703)</u>
Balance, December 31, 2020, at fair value	\$ <u><u>11,044,319</u></u>

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.

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 3,542
Increases:	
Income from invested funds	41
Net realized gain on sale of units	3
Net increase in unrealized appreciation in fair value of units	390
Total increases	<u>434</u>
Decreases:	
Administrative expenses	2
Student prize	100
Total decreases	<u>102</u>
Change in net assets	<u>332</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 3,874</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 104
Investment income receivable	13
29 units of Collective Legal Investment Fund, at fair value	3,759
Accrued expenses	<u>(2)</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 3,874</u></u>

See accompanying independent auditors' report.

**DIRECTORS AND OFFICERS FIDUCIARY LIABILITY FUND**

Created 1977

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 7,767,773
Increases:	
Income from invested funds	91,066
Net realized gain on sale of units	244,968
Net increase in unrealized appreciation in fair value of units	<u>628,206</u>
Total increases	<u>964,240</u>
Decreases:	
Administrative expenses	5,483
Insurance premiums	<u>382,711</u>
Total decreases	<u>388,194</u>
Change in net assets	<u>576,046</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 8,343,819</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 129
Investment income receivable	28,553
64,184 units of Collective Legal Investment Fund, at fair value	8,318,721
Accrued expenses	<u>(3,584)</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 8,343,819</u></u>

See accompanying independent auditors' report.

**HANNAH MATILDA DODD FUND**

Created 1872

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	18,508
Increases:		
Income from invested funds		218
Net realized gain on sale of units		153
Net increase in unrealized appreciation in fair value of units		1,976
Total increases		<u>2,347</u>
Decreases:		
Administrative expenses		13
Cost of medals		395
Total decreases		<u>408</u>
Change in net assets		<u>1,939</u>
Balance, December 31, 2020, at fair value	\$	<u><u>20,447</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	168
Investment income receivable		68
156 units of Collective Legal Investment Fund, at fair value		20,219
Accrued expenses		<u>(8)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>20,447</u></u>

See accompanying independent auditors' report.

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

Created 1961

“To reconstruct and re-establish Penn Treaty Park”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	34,469
Increases:		
Income from invested funds		408
Net realized gain on sale of units		946
Net increase in unrealized appreciation in fair value of units		3,012
Total increases		<u>4,366</u>
Decreases:		
Administrative expenses		24
Distribution to Penn Treaty Park		1,500
Total decreases		<u>1,524</u>
Change in net assets		<u>2,842</u>
Balance, December 31, 2020, at fair value	\$	<u><u>37,311</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	132
Investment income receivable		127
286 units of Collective Legal Investment Fund, at fair value		37,068
Accrued expenses		<u>(16)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>37,311</u></u>

See accompanying independent auditors' report.



**JAMES DUTTON FUND**

Created 1813

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	44,052
Increases:		
Income from invested funds		507
Net realized gain on sale of units		781
Net increase in unrealized appreciation in fair value of units		<u>4,265</u>
Total increases		<u>5,553</u>
Decreases:		
Administrative expenses		31
Fuel office expenses		54
Cost of fuel distributed to those in need		<u>1,800</u>
Total decreases		<u>1,885</u>
Change in net assets		<u>3,668</u>
Balance, December 31, 2020, at fair value	\$	<u><u>47,720</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	142
Investment income receivable		162
366 units of Collective Legal Investment Fund, at fair value		47,436
Accrued expenses		<u>(20)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>47,720</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.”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	86,180
Increases:		
Income from invested funds		1,007
Net realized gain on sale of units		2,574
Net increase in unrealized appreciation in fair value of units		7,110
Total increases		<u>10,691</u>
Decreases:		
Administrative expenses		61
Prizes		3,800
Total decreases		<u>3,861</u>
Change in net assets		<u>6,830</u>
Balance, December 31, 2020, at fair value	\$	<u><u>93,010</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	195
Investment income receivable		315
714 units of Collective Legal Investment Fund, at fair value		92,540
Accrued expenses		<u>(40)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>93,010</u></u>

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.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 64,285
Increases:	
Income from invested funds	772
Net realized gain on sale of units	837
Net increase in unrealized appreciation in fair value of units	<u>6,756</u>
Total increases	<u>8,365</u>
Decreases:	
Net decrease in unrealized appreciation in fair value of units	
Administrative expenses	47
Awards	<u>2,819</u>
Total decreases	<u>2,866</u>
Change in net assets	<u>5,499</u>
Balance, December 31, 2020, at fair value	\$ <u><u>69,784</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 118
Investment income receivable	246
536 units of Collective Legal Investment Fund, at fair value	69,470
Accrued expenses	<u>(50)</u>
Balance, December 31, 2020, at fair value	\$ <u><u>69,784</u></u>

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 . . ."

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 56,141
Increases:	
Income from invested funds	651
Net realized gain on sale of units	1,020
Net increase in unrealized appreciation in fair value of units	<u>5,347</u>
Total increases	<u>7,018</u>
Decreases:	
Administrative expenses	39
Fuel office expenses	69
Cost of fuel distributed to those in need	<u>2,200</u>
Total decreases	<u>2,308</u>
Change in net assets	<u>4,710</u>
Balance, December 31, 2020, at fair value	\$ <u><u>60,851</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 144
Investment income receivable	206
467 units of Collective Legal Investment Fund, at fair value	60,527
Accrued expenses	<u>(26)</u>
Balance, December 31, 2020, at fair value	\$ <u><u>60,851</u></u>

See accompanying independent auditors' report.

## JOSEPH C. FERGUSON PRIZE FUND

Created 1922

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	6,322
Increases:		
Income from invested funds		74
Net realized gain on sale of units		14
Net increase in unrealized appreciation in fair value of units		<u>719</u>
Total increases		<u>807</u>
Decreases:		
Administrative expenses		<u>4</u>
Total decreases		<u>4</u>
Change in net assets		<u>803</u>
Balance, December 31, 2020, at fair value	\$	<u><u>7,125</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	106
Investment income receivable		23
54 units of Collective Legal Investment Fund, at fair value		6,999
Accrued expenses		<u>(3)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>7,125</u></u>

See accompanying independent auditors' report.

## GEORGE W. FETTER SCHOLARSHIP FUND

Created 1943

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	377,232
Increases:		
Income from invested funds		4,470
Net realized gain on sale of units		8,708
Net increase in unrealized appreciation in fair value of units		<u>34,514</u>
Total increases		<u>47,692</u>
Decreases:		
Administrative expenses		266
Scholarship awards		<u>16,500</u>
Total decreases		<u>16,766</u>
Change in net assets		<u>30,926</u>
Balance, December 31, 2020, at fair value	\$	<u><u>408,158</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	6,110
Investment income receivable		1,384
3,139 units of Collective Legal Investment Fund, at fair value		406,838
Accrued expenses		<u>(6,174)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>408,158</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."

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	149,546
Increases:		
Income from invested funds		1,762
Net realized gain on sale of units		1,920
Net increase in unrealized appreciation in fair value of units		15,072
Total increases		<u>18,754</u>
Decreases:		
Administrative expenses		105
Scholarship awards		6,700
Total decreases		<u>6,805</u>
Change in net assets		<u>11,949</u>
Balance, December 31, 2020, at fair value	\$	<u><u>161,495</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	3,173
Investment income receivable		548
1,241 units of Collective Legal Investment Fund, at fair value		160,843
Accrued expenses		<u>(3,069)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>161,495</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."

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 12,575
Increases:	
Income from invested funds	140
Net realized gain on sale of units	681
Net increase in unrealized appreciation in fair value of units	584
Total increases	<u>1,405</u>
Decreases:	
Administrative expenses	8
Prizes	600
Total decreases	<u>608</u>
Change in net assets	<u>797</u>
Balance, December 31, 2020, at fair value	<u>\$ 13,372</u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 376
Investment income receivable	40
100 units of Collective Legal Investment Fund, at fair value	12,961
Accrued expenses	<u>(5)</u>
Balance, December 31, 2020, at fair value	<u>\$ 13,372</u>

See accompanying independent auditors' report.



## DANIEL FINK SCHOLARSHIP FUND

Created 1953

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	71,999
Increases:		
Income from invested funds		853
Net increase in unrealized appreciation in fair value of units		8,375
Other		1,550
Total increases		<u>10,778</u>
Decreases:		
Net realized loss on sale of units		16
Administrative expenses		51
Scholarship awards		3,000
Total decreases		<u>3,067</u>
Change in net assets		<u>7,711</u>
Balance, December 31, 2020, at fair value	\$	<u><u>79,710</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	1,655
Investment income receivable		269
612 units of Collective Legal Investment Fund, at fair value		79,320
Accrued expenses		<u>(1,534)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>79,710</u></u>

See accompanying independent auditors' report.

## FIRE INSURANCE FUND

Created 1892

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 4,272,719
Increases:	
Income from invested funds	51,360
Net increase in unrealized appreciation in fair value of units	512,506
Total increases	<u>563,866</u>
Decreases:	
Administrative expenses	3,066
Total decreases	<u>3,066</u>
Change in net assets	<u>560,800</u>
Balance, December 31, 2020, at fair value	<u>\$ 4,833,519</u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 1,025
Investment income receivable	16,397
37,175 units of Collective Legal Investment Fund, at fair value	4,818,155
Accounts payable and accrued expenses	<u>(2,058)</u>
Balance, December 31, 2020, at fair value	<u>\$ 4,833,519</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 . . ."

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	30,752
Increases:		
Income from invested funds		353
Net realized gain on sale of units		311
Net increase in unrealized appreciation in fair value of units		<u>3,425</u>
Total increases		<u>4,089</u>
Decreases:		
Administrative expenses		21
Fuel office expenses		38
Cost of fuel distributed to those in need		<u>1,200</u>
Total decreases		<u>1,259</u>
Change in net assets		<u>2,830</u>
Balance, December 31, 2020, at fair value	\$	<u><u>33,582</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	433
Investment income receivable		113
255 units of Collective Legal Investment Fund, at fair value		33,050
Accrued expenses		<u>(14)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>33,582</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."

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 993,428
Increases:	
Income from invested funds	11,732
Net realized gain on sale of units	25,129
Net increase in unrealized appreciation in fair value of units	88,310
Total increases	<u>125,171</u>
Decreases:	
Administrative expenses	700
Scholarship awards	44,400
Total decreases	<u>45,100</u>
Change in net assets	<u>80,071</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 1,073,499</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 3,526
Investment income receivable	3,641
8,256 units of Collective Legal Investment Fund, at fair value	1,070,039
Accrued expenses	<u>(3,707)</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 1,073,499</u></u>

See accompanying independent auditors' report.

## GIARDELLO STATUE FUND

Created 2011

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 18,220
Increases:	
Income from invested funds	218
Net increase in unrealized appreciation in fair value of units	<u>2,161</u>
Total increases	<u>2,379</u>
Decreases:	
Administrative expenses	<u>13</u>
Total decreases	<u>13</u>
Change in net assets	<u>2,366</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 20,586</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 178
Investment income receivable	69
157 units of Collective Legal Investment Fund, at fair value	20,348
Accrued expenses	<u>(9)</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 20,586</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.

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	9,371
Increases:		
Income from invested funds		108
Net realized gain on sale of units		81
Net increase in unrealized appreciation in fair value of units		958
Total increases		<u>1,147</u>
Decreases:		
Administrative expenses		7
Distribution to The School District of Philadelphia		400
Total decreases		<u>407</u>
Change in net assets		<u>740</u>
Balance, December 31, 2020, at fair value	\$	<u><u>10,111</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	101
Investment income receivable		34
77 units of Collective Legal Investment Fund, at fair value		9,980
Accrued expenses		(4)
Balance, December 31, 2020, at fair value	\$	<u><u>10,111</u></u>

See accompanying independent auditors' report.

## STEPHEN GIRARD FUEL FUND

Created 1831

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	61,637
Increases:		
Income from invested funds		711
Net realized gain on sale of units		1,204
Net increase in unrealized appreciation in fair value of units		<u>5,901</u>
Total increases		<u>7,816</u>
Decreases:		
Administrative expenses		43
Fuel office expenses		76
Cost of fuel distributed to those in need		<u>2,500</u>
Total decreases		<u>2,619</u>
Change in net assets		<u>5,197</u>
Balance, December 31, 2020, at fair value	\$	<u><u>66,834</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	146
Investment income receivable		227
513 units of Collective Legal Investment Fund, at fair value		66,489
Accrued expenses		<u>(28)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>66,834</u></u>

See accompanying independent auditors' report.

**STEPHEN GIRARD SCHOOL FUND**

Created 1831

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	82,293
Increases:		
Income from invested funds		955
Net realized gain on sale of units		3,728
Net increase in unrealized appreciation in fair value of units		5,441
Total increases		<u>10,124</u>
Decreases:		
Administrative expenses		58
Distribution to The School District of Philadelphia		3,700
Total decreases		<u>3,758</u>
Change in net assets		<u>6,366</u>
Balance, December 31, 2020, at fair value	\$	<u><u>88,659</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	134
Investment income receivable		300
681 units of Collective Legal Investment Fund, at fair value		88,263
Accrued expenses		<u>(38)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>88,659</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."

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	6,689
Increases:		
Income from invested funds		78
Net realized gain on sale of units		328
Net increase in unrealized appreciation in fair value of units		432
Total increases		<u>838</u>
Decreases:		
Administrative expenses		5
Prizes		300
Total decreases		<u>305</u>
Change in nets assets		<u>533</u>
Balance, December 31, 2020, at fair value	\$	<u><u>7,222</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	201
Investment income receivable		25
54 units of Collective Legal Investment Fund, at fair value		6,999
Accrued expenses		<u>(3)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>7,222</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)”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	21,209
Increases:		
Income from invested funds		247
Net realized gain on sale of units		1,265
Net increase in unrealized appreciation in fair value of units		1,096
		<hr/>
Total increases		2,608
Decreases:		
Administrative expenses		15
Distribution to Riverview Correctional Facility Female Inmate Welfare Fund		900
		<hr/>
Total decreases		915
		<hr/>
Change in net assets		1,693
		<hr/>
Balance, December 31, 2020, at fair value	\$	<u>22,902</u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	155
Investment income receivable		75
175 units of Collective Legal Investment Fund, at fair value		22,681
Accrued expenses		(9)
		<hr/>
Balance, December 31, 2020, at fair value	\$	<u>22,902</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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	28,193
Increases:		
Income from invested funds		331
Net realized gain on sale of units		720
Net increase in unrealized appreciation in fair value of units		2,487
Total increases		<u>3,538</u>
Decreases:		
Administrative expenses		20
Scholarship awards		1,200
Total decreases		<u>1,220</u>
Change in net assets		<u>2,318</u>
Balance, December 31, 2020, at fair value	\$	<u><u>30,511</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	93
Investment income receivable		103
234 units of Collective Legal Investment Fund, at fair value		30,328
Accrued expenses		(13)
Balance, December 31, 2020, at fair value	\$	<u><u>30,511</u></u>

See accompanying independent auditors' report.

**FRED GOWING MEMORIAL SCHOLARSHIP FUND**

Created 1930

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	41,283
Increases:		
Income from invested funds		482
Net realized gain on sale of units		1,161
Net increase in unrealized appreciation in fair value of units		3,477
Total increases		<u>5,120</u>
Decreases:		
Administrative expenses		29
Scholarship awards		1,800
Total decreases		<u>1,829</u>
Change in net assets		<u>3,291</u>
Balance, December 31, 2020, at fair value	\$	<u><u>44,574</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	116
Investment income receivable		151
342 units of Collective Legal Investment Fund, at fair value		44,326
Accrued expenses		<u>(19)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>44,574</u></u>

See accompanying independent auditors' report.

## SIMON GRATZ PRIZE FUND

Created 1922

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 33,992
Increases:	
Income from invested funds	402
Net realized gain on sale of units	91
Net increase in unrealized appreciation in fair value of units	<u>3,846</u>
Total increases	<u>4,339</u>
Decreases:	
Administrative expenses	24
Student prizes	<u>400</u>
Total decreases	<u>424</u>
Change in net assets	<u>3,915</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 37,907</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 353
Investment income receivable	125
292 units of Collective Legal Investment Fund, at fair value	37,845
Accrued expenses	<u>(416)</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 37,907</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."

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	2,145,448
Increases:		
Income from Blankenburg Pension Fund		1,300
Income from invested funds		25,738
Net realized gain on sale of units		136
Net increase in unrealized appreciation in fair value of units		255,827
Other		400
Total increases		<u>283,401</u>
Decreases:		
Administrative expenses		7,707
Relief of teachers and clerical assistants		6,200
Total decreases		<u>13,907</u>
Change in net assets		<u>269,494</u>
Balance, December 31, 2020, at fair value	\$	<u><u>2,414,942</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	1,490
Investment income receivable		8,189
18,566 units of Collective Legal Investment Fund, at fair value		2,406,291
Accrued expenses		<u>(1,028)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>2,414,942</u></u>

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.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	102,274
Increases:		
Income from invested funds		1,215
Net realized gain on sale of units		1,147
Net increase in unrealized appreciation in fair value of units		<u>10,600</u>
Total increases		<u>12,962</u>
Decreases:		
Administrative expenses		73
Scholarship awards		<u>6,250</u>
Total decreases		<u>6,323</u>
Change in net assets		<u>6,639</u>
Balance, December 31, 2020, at fair value	\$	<u><u>108,913</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	2,098
Investment income receivable		382
837 units of Collective Legal Investment Fund, at fair value		108,481
Accrued expenses		<u>(2,048)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>108,913</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."

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 1,628,132
Increases:	
Income from invested funds	18,825
Net realized gain on sale of units	33,318
Net increase in unrealized appreciation in fair value of units	<u>154,909</u>
Total increases	<u>207,052</u>
Decreases:	
Administrative expenses	1,139
Fuel office expenses	2,008
Cost of fuel distributed to those in need	<u>64,600</u>
Total decreases	<u>67,747</u>
Change in net assets	<u>139,305</u>
Balance, December 31, 2020, at fair value	<u>\$ 1,767,437</u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 192
Investment income receivable	6,002
13,594 units of Collective Legal Investment Fund, at fair value	1,761,883
Accrued expenses	<u>(640)</u>
Balance, December 31, 2020, at fair value	<u>\$ 1,767,437</u>

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).

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	331,709
Increases:		
Income from invested funds		3,877
Net realized gain on sale of units		9,490
Net increase in unrealized appreciation in fair value of units		<u>27,820</u>
Total increases		<u>41,187</u>
Decreases:		
Administrative expenses		233
Distribution to Philadelphia Department of Welfare		<u>14,600</u>
Total decreases		<u>14,833</u>
Change in net assets		<u>26,354</u>
Balance, December 31, 2020, at fair value	\$	<u><u>358,063</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	192
Investment income receivable		1,214
2,753 units of Collective Legal Investment Fund, at fair value		356,809
Accrued expenses		<u>(152)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>358,063</u></u>

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.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	49,960
Increases:		
Income from invested funds		587
Net realized gain on sale of units		1,427
Net increase in unrealized appreciation in fair value of units		4,241
Total increases		<u>6,255</u>
Decreases:		
Administrative expenses		35
Scholarship awards		2,200
Total decreases		<u>2,235</u>
Change in net assets		<u>4,020</u>
Balance, December 31, 2020, at fair value	\$	<u><u>53,980</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	163
Investment income receivable		183
414 units of Collective Legal Investment Fund, at fair value		53,657
Accrued expenses		<u>(23)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>53,980</u></u>

See accompanying independent auditors' report.

**JOSEPH HEUPEL FUND**

Created 1983

By bequest for the use of Girard College.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	584,634
Increases:		
Income from invested funds		6,762
Net realized gain on sale of units		16,074
Net increase in unrealized appreciation in fair value of units		48,109
Total increases		<u>70,945</u>
Decreases:		
Administrative expenses		408
Distribution to Girard College		26,200
Total decreases		<u>26,608</u>
Change in net assets		<u>44,337</u>
Balance, December 31, 2020, at fair value	\$	<u><u>628,971</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	195
Investment income receivable		2,133
4,837 units of Collective Legal Investment Fund, at fair value		626,911
Accrued expenses		<u>(268)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>628,971</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.

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	109,519
Increases:		
Income from invested funds		1,262
Net realized gain on sale of units		3,334
Net increase in unrealized appreciation in fair value of units		9,154
Total increases		<u>13,750</u>
Decreases:		
Administrative expenses		77
Fuel office expenses		136
Cost of fuel distributed to those in need		4,499
Total decreases		<u>4,712</u>
Change in net assets		<u>9,038</u>
Balance, December 31, 2020, at fair value	\$	<u><u>118,557</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	134
Investment income receivable		402
911 units of Collective Legal Investment Fund, at fair value		118,072
Accrued expenses		<u>(51)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>118,557</u></u>

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.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	185,540
Increases:		
Income from invested funds		2,197
Net realized gain on sale of units		4,948
Net increase in unrealized appreciation in fair value of units		16,291
Total increases		<u>23,436</u>
Decreases:		
Administrative expenses		131
Distribution to Free Library of Philadelphia		8,300
Total decreases		<u>8,431</u>
Change in net assets		<u>15,005</u>
Balance, December 31, 2020, at fair value	\$	<u><u>200,545</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	95
Investment income receivable		680
1,542 units of Collective Legal Investment Fund, at fair value		199,855
Accrued expenses		<u>(85)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>200,545</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.

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	1,410
Increases:		
Income from invested funds		16
Net realized gain on sale of units		8
Net increase in unrealized appreciation in fair value of units		147
Total increases		<u>171</u>
Decreases:		
Administrative expenses		<u>1</u>
Total decreases		<u>1</u>
Change in net assets		<u>170</u>
Balance, December 31, 2020, at fair value	\$	<u><u>1,580</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	150
Investment income receivable		5
11 units of Collective Legal Investment Fund, at fair value		1,426
Accrued expenses		<u>(1)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>1,580</u></u>

See accompanying independent auditors' report.

**JOHN HOUSTON FUND**

Created 2015

By bequest for the use of Girard College

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 1,412,776
Increases:	
Income from invested funds	16,340
Net realized gain on sale of units	7,891
Net increase in unrealized appreciation in fair value of units	<u>146,900</u>
Total increases	<u>171,131</u>
Decreases:	
Administrative expenses	986
Distribution to Girard College	<u>63,400</u>
Total decreases	<u>64,386</u>
Change in net assets	<u>106,745</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 1,519,521</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 811
Investment income receivable	5,154
11,683 units of Collective Legal Investment Fund, at fair value	1,514,203
Accrued expenses	<u>(647)</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 1,519,521</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.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	175,077
Increases:		
Income from invested funds		2,074
Net realized gain on sale of units		4,507
Net increase in unrealized appreciation in fair value of units		15,527
Total increases		<u>22,108</u>
Decreases:		
Administrative expenses		123
Scholarship awards		7,800
Total decreases		<u>7,923</u>
Change in net assets		<u>14,185</u>
Balance, December 31, 2020, at fair value	\$	<u><u>189,262</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	122
Investment income receivable		642
1,455 units of Collective Legal Investment Fund, at fair value		188,579
Accrued expenses		<u>(81)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>189,262</u></u>

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.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	27,999
Increases:		
Income from invested funds		331
Net realized gain on sale of units		858
Net increase in unrealized appreciation in fair value of units		<u>2,349</u>
Total increases		<u>3,538</u>
Decreases:		
Administrative expenses		20
Distributions to:		
Free Library of Philadelphia		600
Wills Eye Health System		<u>600</u>
Total decreases		<u>1,220</u>
Change in net assets		<u>2,318</u>
Balance, December 31, 2020, at fair value	\$	<u><u>30,317</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	158
Investment income receivable		103
232 units of Collective Legal Investment Fund, at fair value		30,069
Accrued expenses		<u>(13)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>30,317</u></u>

See accompanying independent auditors' report.

**ELLEN KINNIER FUND**

Created 1922

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	5,071
Increases:		
Income from invested funds		57
Net realized gain on sale of units		210
Net increase in unrealized appreciation in fair value of units		353
Total increases		<u>620</u>
Decreases:		
Administrative expenses		3
Fuel office expenses		6
Cost of fuel distributed to those in need		200
Total decreases		<u>209</u>
Change in net assets		<u>411</u>
Balance, December 31, 2020, at fair value	\$	<u><u>5,482</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	152
Investment income receivable		18
41 units of Collective Legal Investment Fund, at fair value		5,314
Accrued expenses		<u>(2)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>5,482</u></u>

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.”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	53,206
Increases:		
Income from invested funds		614
Net realized gain on sale of units		1,754
Net increase in unrealized appreciation in fair value of units		4,064
Total increases		<u>6,432</u>
Decreases:		
Administrative expenses		37
Distribution to Girard College		2,400
Total decreases		<u>2,437</u>
Change in net assets		<u>3,995</u>
Balance, December 31, 2020, at fair value	\$	<u><u>57,201</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	133
Investment income receivable		194
439 units of Collective Legal Investment Fund, at fair value		56,898
Accrued expenses		(24)
Balance, December 31, 2020, at fair value	\$	<u><u>57,201</u></u>

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.”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 22,123
Increases:	
Income from invested funds	258
Net realized gain on sale of units	710
Net increase in unrealized appreciation in fair value of units	<u>1,774</u>
Total increases	<u>2,742</u>
Decreases:	
Administrative expenses	15
Distribution to Girard College students	<u>1,000</u>
Total decreases	<u>1,015</u>
Change in net assets	<u>1,727</u>
Balance, December 31, 2020, at fair value	\$ <u><u>23,850</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 190
Investment income receivable	81
182 units of Collective Legal Investment Fund, at fair value	23,589
Accrued expenses	<u>(10)</u>
Balance, December 31, 2020, at fair value	\$ <u><u>23,850</u></u>

See accompanying independent auditors' report.

## HENRY J. AND WILLEMINA B. KUHN FUND

Created 1965

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	1,944,320
Increases:		
Income from invested funds		23,041
Net realized gain (loss) on sale of units		50,432
Net increase in unrealized appreciation in fair value of units		<u>172,282</u>
Total increases		<u>245,755</u>
Decreases:		
Administrative expenses		1,371
Distribution to The School District of Philadelphia for medical and dental care of children		<u>86,100</u>
Total decreases		<u>87,471</u>
Change in net assets		<u>158,284</u>
Balance, December 31, 2020, at fair value	\$	<u><u>2,102,604</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	86,327
Investment income receivable		7,132
16,173 units of Collective Legal Investment Fund, at fair value		2,096,140
Accrued expenses		<u>(86,995)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>2,102,604</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.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	7,249
Increases:		
Income from invested funds		83
Net realized gain on sale of units		393
Net increase in unrealized appreciation in fair value of units		403
Total increases		<u>879</u>
Decreases:		
Administrative expenses		5
Distribution to The School District of Philadelphia		300
Total decreases		<u>305</u>
Change in net assets		<u>574</u>
Balance, December 31, 2020, at fair value	\$	<u><u>7,823</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	153
Investment income receivable		26
59 units of Collective Legal Investment Fund, at fair value		7,647
Accrued expenses		<u>(3)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>7,823</u></u>

See accompanying independent auditors' report.

## SYLVAN LEFCOE SCHOLARSHIP FUND

Created 1976

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	574,574
Increases:		
Income from invested funds		6,789
Net realized gain on sale of units		15,381
Net increase in unrealized appreciation in fair value of units		50,174
Other		1,500
Total increases		<u>73,844</u>
Decreases:		
Net decrease in unrealized appreciation in fair value of units		
Administrative expenses		405
Scholarship awards		25,700
Total decreases		<u>26,105</u>
Change in net assets		<u>47,739</u>
Balance, December 31, 2020, at fair value	\$	<u><u>622,313</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	10,908
Investment income receivable		2,105
4,778 units of Collective Legal Investment Fund, at fair value		619,264
Accrued expenses		<u>(9,964)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>622,313</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”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	10,040
Increases:		
Income from invested funds		117
Net realized gain on sale of units		157
Net increase in unrealized appreciation in fair value of units		1,003
Total increases		<u>1,277</u>
Decreases:		
Administrative expenses		<u>7</u>
Total decreases		<u>7</u>
Change in net assets		<u>1,270</u>
Balance, December 31, 2020, at fair value	\$	<u><u>11,310</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	132
Investment income receivable		37
86 units of Collective Legal Investment Fund, at fair value		11,146
Accrued expenses		<u>(5)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>11,310</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. . ."

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	19,956
Increases:		
Income from invested funds		236
Net realized gain on sale of units		10
Net increase in unrealized appreciation in fair value of units		<u>2,301</u>
Total increases		<u>2,547</u>
Decreases:		
Administrative expenses		<u>14</u>
Total decreases		<u>14</u>
Change in net assets		<u>2,533</u>
Balance, December 31, 2020, at fair value	\$	<u><u>22,489</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	133
Investment income receivable		73
172 units of Collective Legal Investment Fund, at fair value		22,292
Accrued expenses		<u>(9)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>22,489</u></u>

See accompanying independent auditors' report.

**JOHN E. MAYNES FUND**

Created 1919

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	1,631,349
Increases:		
Income from invested funds		18,902
Net realized gain on sale of units		35,495
Net increase in unrealized appreciation in fair value of units		<u>153,916</u>
Total increases		<u>208,313</u>
Decreases:		
Administrative expenses		1,142
Fuel office expenses		2,013
Cost of fuel distributed to those in need		<u>65,200</u>
Total decreases		<u>68,355</u>
Change in net assets		<u>139,958</u>
Balance, December 31, 2020, at fair value	\$	<u><u>1,771,307</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	168
Investment income receivable		6,016
13,625 units of Collective Legal Investment Fund, at fair value		1,765,901
Accrued expenses		<u>(778)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>1,771,307</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).”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	10,872
Increases:		
Income from invested funds		127
Net realized gain on sale of units		416
Net increase in unrealized appreciation in fair value of units		804
Total increases		<u>1,347</u>
Decreases:		
Administrative expenses		<u>8</u>
Total decreases		<u>8</u>
Change in nets assets		<u>1,339</u>
Balance, December 31, 2020, at fair value	\$	<u><u>12,211</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	642
Investment income receivable		39
89 units of Collective Legal Investment Fund, at fair value		11,535
Accrued expenses		<u>(5)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>12,211</u></u>

See accompanying independent auditors' report.

**BERNARD McMAHON FUND**

Created 1816

“For the use of the poor”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	8,375
Increases:		
Income from invested funds		98
Net realized gain on sale of units		114
Net increase in unrealized appreciation in fair value of units		<u>1,585</u>
Total increases		<u>1,797</u>
Decreases:		
Net decrease in unrealized appreciation in fair value of units		
Administrative expenses		6
Fuel office expenses		10
Cost of fuel distributed to those in need		<u>300</u>
Total decreases		<u>316</u>
Change in net assets		<u>1,481</u>
Balance, December 31, 2020, at fair value	\$	<u><u>9,856</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	106
Investment income receivable		33
75 units of Collective Legal Investment Fund, at fair value		9,721
Accrued expenses		<u>(4)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>9,856</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”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, primarily at fair value	\$ 5,892,100
Increases:	
Income from invested funds	64,147
Real estate income	35,340
Net increase in unrealized appreciation in fair value of units	<u>638,486</u>
Total increases	<u>737,973</u>
Decreases:	
Administrative expenses	3,800
Real estate expenses	<u>35,322</u>
Total decreases	<u>39,122</u>
Change in net assets	<u>698,851</u>
Balance, December 31, 2020, primarily at fair value	<u><u>\$ 6,590,951</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 8,094
Investment income receivable	27,492
46,438 units of Collective Legal Investment Fund, at fair value	6,018,708
Joint venture investment	430,000
Real estate, at cost	109,386
Accrued expenses	<u>(2,729)</u>
Balance, December 31, 2020, primarily at fair value	<u><u>\$ 6,590,951</u></u>

See accompanying independent auditors' report.

**GEORGE L. MEYER FUND**

Created 1934

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	46,175
Increases:		
Income from invested funds		542
Net realized gain on sale of units		1,325
Net increase in unrealized appreciation in fair value of units		<u>3,898</u>
Total increases		<u>5,765</u>
Decreases:		
Administrative expenses		32
Scholarship awards		<u>2,100</u>
Total decreases		<u>2,132</u>
Change in net assets		<u>3,633</u>
Balance, December 31, 2020, at fair value	\$	<u><u>49,808</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	450
Investment income receivable		169
382 units of Collective Legal Investment Fund, at fair value		49,510
Accrued expenses		<u>(321)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>49,808</u></u>

See accompanying independent auditors' report.

**GERTRUDE J. MIETERER FUND**

Created 1954

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	1,693
Increases:		
Income from invested funds		18
Net realized gain on sale of units		4
Net increase in unrealized appreciation in fair value of units		175
Total increases		<u>197</u>
Decreases:		
Administrative expenses		1
Fuel office expenses		2
Cost of fuel distributed to those in need		100
Total decreases		<u>103</u>
Change in net assets		<u>94</u>
Balance, December 31, 2020, at fair value	\$	<u><u>1,787</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	97
Investment income receivable		6
13 units of Collective Legal Investment Fund, at fair value		1,685
Accrued expenses		<u>(1)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>1,787</u></u>

See accompanying independent auditors' report.

**BOWMAN H. AND LILLIAN M. MOORE SCHOLARSHIP FUND**

Created 1974

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	495,920
Increases:		
Income from invested funds		5,854
Net realized gain on sale of units		13,347
Net increase in unrealized appreciation in fair value of units		43,426
Total increases		<u>62,627</u>
Decreases:		
Administrative expenses		349
Scholarship awards		22,100
Total decreases		<u>22,449</u>
Change in net assets		<u>40,178</u>
Balance, December 31, 2020, at fair value	\$	<u><u>536,098</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	137
Investment income receivable		1,818
4,123 units of Collective Legal Investment Fund, at fair value		534,371
Accrued expenses		<u>(228)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>536,098</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 . . . ”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	8,079
Increases:		
Income from invested funds		92
Net realized gain on sale of units		128
Net increase in unrealized appreciation in fair value of units		794
Total increases		<u>1,014</u>
Decreases:		
Administrative expenses		6
Fuel office expenses		10
Cost of fuel distributed to those in need		300
Total decreases		<u>316</u>
Change in net assets		<u>698</u>
Balance, December 31, 2020, at fair value	\$	<u><u>8,777</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	197
Investment income receivable		30
66 units of Collective Legal Investment Fund, at fair value		8,554
Accrued expenses		(4)
Balance, December 31, 2020, at fair value	\$	<u><u>8,777</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”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	1,106,260
Increases:		
Income from invested funds		13,081
Net realized gain on sale of units		25,364
Net increase in unrealized appreciation in fair value of units		<u>101,638</u>
Total increases		<u>140,083</u>
Decreases:		
Administrative expenses		779
Scholarship awards		<u>33,000</u>
Total decreases		<u>33,779</u>
Change in net assets		<u>106,304</u>
Balance, December 31, 2020, at fair value	\$	<u><u>1,212,564</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	4,928
Investment Income receivable		4,059
9,292 units of Collective Legal Investment Fund, at fair value		1,204,312
Accrued expenses		<u>(735)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>1,212,564</u></u>

See accompanying independent auditors' report.

## JOHN NEISON FUND

Created 1944

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 1,170,573
Increases:	
Income from invested funds	13,896
Net realized gain on sale of units	28,908
Net increase in unrealized appreciation in fair value of units	105,924
Other	4,900
Total increases	<u>153,628</u>
Decreases:	
Administrative expenses	825
Scholarship awards	52,800
Total decreases	<u>53,625</u>
Change in net assets	<u>100,003</u>
Balance, December 31, 2020, at fair value	<u>\$ 1,270,576</u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 10,001
Investment Income receivable	4,305
9,780 units of Collective Legal Investment Fund, at fair value	1,267,560
Accrued expenses	<u>(11,290)</u>
Balance, December 31, 2020, at fair value	<u>\$ 1,270,576</u>

See accompanying independent auditors' report.

**WILLIAM W. AND BETTY OMIN MEMORIAL FUND**

Created 1960

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 583,930
Increases:	
Income from invested funds	6,826
Net realized gain on sale of units	16,028
Net increase in unrealized appreciation in fair value of units	<u>50,729</u>
Total increases	<u>73,583</u>
Decreases:	
Administrative expenses	411
Scholarship awards	<u>26,000</u>
Total decreases	<u>26,411</u>
Change in net assets	<u>47,172</u>
Balance, December 31, 2020, at fair value	\$ <u><u>631,102</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 117
Investment income receivable	2,140
4,854 units of Collective Legal Investment Fund, at fair value	629,114
Accrued expenses	<u>(269)</u>
Balance, December 31, 2020, at fair value	\$ <u><u>631,102</u></u>

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.”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 1,779,568
Increases:	
Income from invested funds	21,390
Net increase in unrealized appreciation in fair value of units	<u>213,533</u>
Total increases	<u>234,923</u>
Decreases:	
Administrative expenses	<u>1,277</u>
Total decreases	<u>1,277</u>
Change in net assets	<u>233,646</u>
Balance, December 31, 2020, at fair value	\$ <u><u>2,013,214</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 790
Investment income receivable	6,829
15,481 units of Collective Legal Investment Fund, at fair value	2,006,452
Accrued expenses	<u>(857)</u>
Balance, December 31, 2020, at fair value	\$ <u><u>2,013,214</u></u>

See accompanying independent auditors' report.

**MURTHA P. QUINN FUND**

Created 1941

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	84,393
Increases:		
Income from invested funds		992
Net realized gain on sale of units		2,346
Net increase in unrealized appreciation in fair value of units		7,461
Total increases		<u>10,799</u>
Decreases:		
Administrative expenses		60
Fuel office expenses		106
Cost of fuel distributed to those in need		1,700
Distribution to Wills Eye Health System for eyeglasses for those in need		1,700
Total decreases		<u>3,566</u>
Change in net assets		<u>7,233</u>
Balance, December 31, 2020, at fair value	\$	<u><u>91,626</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	107
Investment income receivable		314
704 units of Collective Legal Investment Fund, at fair value		91,244
Accrued expenses		<u>(39)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>91,626</u></u>

See accompanying independent auditors' report.

**THOMAS B. K. RINGE PRIZE FUND**

Created 1957

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	9,747
Increases:		
Income from invested funds		110
Net realized gain on sale of units		592
Net increase in unrealized appreciation in fair value of units		452
Total increases		<u>1,154</u>
Decreases:		
Administrative expenses		7
Prizes		400
Total decreases		<u>407</u>
Change in net assets		<u>747</u>
Balance, December 31, 2020, at fair value	\$	<u><u>10,494</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	95
Investment income receivable		34
80 units of Collective Legal Investment Fund, at fair value		10,369
Accrued expenses		(4)
Balance, December 31, 2020, at fair value	\$	<u><u>10,494</u></u>

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.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	37,924
Increases:		
Income from invested funds		439
Net realized gain on sale of units		1,899
Net increase in unrealized appreciation in fair value of units		<u>2,314</u>
Total increases		<u>4,652</u>
Decreases:		
Administrative expenses		27
Distribution to The School District of Philadelphia		<u>1,700</u>
Total decreases		<u>1,727</u>
Change in net assets		<u>2,925</u>
Balance, December 31, 2020, at fair value	\$	<u><u>40,849</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	161
Investment income receivable		138
313 units of Collective Legal Investment Fund, at fair value		40,567
Accrued expenses		<u>(17)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>40,849</u></u>

See accompanying independent auditors' report.



**ROBERTS SCHOOL FUND**

Created 1763

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	7,756
Increases:		
Income from invested funds		89
Net realized gain on sale of units		382
Net increase in unrealized appreciation in fair value of units		472
Total increases		<u>943</u>
Decreases:		
Administrative expenses		5
Distribution to The School District of Philadelphia		300
Total decreases		<u>305</u>
Change in net assets		<u>638</u>
Balance, December 31, 2020, at fair value	\$	<u><u>8,394</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	205
Investment income receivable		28
63 units of Collective Legal Investment Fund, at fair value		8,165
Accrued expenses		<u>(4)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>8,394</u></u>

See accompanying independent auditors’ report.

## ELMER RODENBOUGH FUND

Created 1947

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	320,424
Increases:		
Income from invested funds		3,734
Net realized gain on sale of units		8,723
Net increase in unrealized appreciation in fair value of units		<u>28,050</u>
Total increases		<u>40,507</u>
Decreases:		
Administrative expenses		226
Scholarship awards		<u>14,000</u>
Total decreases		<u>14,226</u>
Change in net assets		<u>26,281</u>
Balance, December 31, 2020, at fair value	\$	<u><u>346,705</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	2,144
Investment income receivable		1,175
2,666 units of Collective Legal Investment Fund, at fair value		345,533
Accrued expenses		<u>(2,147)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>346,705</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.

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 81,456
Increases:	
Income from invested funds	959
Net realized gain on sale of units	1,916
Net increase in unrealized appreciation in fair value of units	<u>7,333</u>
Total increases	<u>10,208</u>
Decreases:	
Administrative expenses	57
Scholarship awards	<u>3,600</u>
Total decreases	<u>3,657</u>
Change in net assets	<u>6,551</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 88,007</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 381
Investment income receivable	298
676 units of Collective Legal Investment Fund, at fair value	87,615
Accrued expenses	<u>(287)</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 88,007</u></u>

See accompanying independent auditors' report.

**ANTONIO SAULINO FUND**

Created 1957

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

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

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

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	132,384
Increases:		
Income from invested funds		1,575
Net realized gain on sale of units		3,613
Net increase in unrealized appreciation in fair value of units		11,582
Total increases		16,770
Decreases:		
Administrative expenses		94
Payments to needy musicians and students		5,030
Total decreases		5,124
Change in net assets		11,646
Balance, December 31, 2020, at fair value	\$	144,030

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	771
Investment income receivable		485
1,109 units of Collective Legal Investment Fund, at fair value		143,735
Accrued expenses		(961)
Balance, December 31, 2020, at fair value	\$	144,030

See accompanying independent auditors’ report.

**THE SCHOLARSHIP FUND OF GIRARD COLLEGE**

Created 1977

Consists of contributions from:

The Estate of Walter F. McCann	1977
Edward R. Eagleson	1982–1989
The Estate of Russell P. Morgan	1982
Friends of Ed Fritz	1984

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 119,193
Increases:	
Income from invested funds	1,402
Net realized gain on sale of units	3,175
Net increase in unrealized appreciation in fair value of units	10,371
Other	650
Total increases	15,598
Decreases:	
Net decrease in unrealized appreciation in fair value of units	
Administrative expenses	84
Scholarship awards	5,300
Total decreases	5,384
Change in net assets	10,214
Balance, December 31, 2020, at fair value	\$ 129,407

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 196
Investment income receivable	436
994 units of Collective Legal Investment Fund, at fair value	128,830
Accrued expenses	(55)
Balance, December 31, 2020, at fair value	\$ 129,407

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."

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	515,384
Increases:		
Income from invested funds		6,128
Net realized gain on sale of units		8,869
Net increase in unrealized appreciation in fair value of units		50,844
Other		5,600
		<u>71,441</u>
Total increases		<u>71,441</u>
Decreases:		
Net decrease in unrealized appreciation in fair value of units		
Administrative expenses		366
Distribution to:		
Caring for Friends		2,800
CORA Services, Inc.		2,800
Helping Hand Rescue Mission		2,800
Old Saint Joseph's Outreach – Carewalk Center		2,800
People's Emergency Center		2,800
Project H.O.M.E.		2,800
St. Francis Inn		500
		<u>17,666</u>
Total decreases		<u>17,666</u>
Change in net assets		<u>53,775</u>
Balance, December 31, 2020, at fair value	\$	<u><u>569,159</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	5,769
Investment income receivable		1,912
4,334 units of Collective Legal Investment Fund, at fair value		561,718
Accrued expenses		<u>(240)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>569,159</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.'"

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	934,258
Increases:		
Income from invested funds		11,094
Net realized gain on sale of units		17,178
Net increase in unrealized appreciation in fair value of units		<u>89,904</u>
Total increases		<u>118,176</u>
Decreases:		
Administrative expenses		660
Awards		515
Expenses in connection with awards		<u>26</u>
Total decreases		<u>1,201</u>
Change in net assets		<u>116,975</u>
Balance, December 31, 2020, at fair value	\$	<u><u>1,051,233</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	43,044
Investment income receivable		3,437
7,782 units of Collective Legal Investment Fund, at fair value		1,008,605
Accrued expenses		<u>(3,853)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>1,051,233</u></u>

See accompanying independent auditors' report.

## WILLIAM SCOTT FUND

Created 1947

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	723,837
Increases:		
Income from invested funds		8,372
Net realized gain on sale of units		21,400
Net increase in unrealized appreciation in fair value of units		57,931
Total increases		<u>87,703</u>
Decreases:		
Administrative expenses		505
Distributions to Girard College		32,400
Total decreases		<u>32,905</u>
Change in net assets		<u>54,798</u>
Balance, December 31, 2020, at fair value	\$	<u><u>778,635</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	107
Investment income receivable		2,641
5,989 units of Collective Legal Investment Fund, at fair value		776,219
Accrued expenses		<u>(332)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>778,635</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.

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 3,736
Increases:	
Income from invested funds	43
Net realized gain on sale of units	118
Net increase in unrealized appreciation in fair value of units	309
Total increases	<u>470</u>
Decreases:	
Administrative expenses	3
Contribution to Whosoever Gospel Mission	200
Total decreases	<u>203</u>
Change in net assets	<u>267</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 4,003</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 103
Investment income receivable	14
30 units of Collective Legal Investment Fund, at fair value	3,888
Accrued expenses	<u>(2)</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 4,003</u></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"

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	70,687
Increases:		
Income from invested funds		816
Net realized gain on sale of units		1,334
Net increase in unrealized appreciation in fair value of units		<u>6,813</u>
Total increases		<u>8,963</u>
Decreases:		
Administrative expenses		49
Fuel office expenses		87
Cost of fuel distributed to those in need		<u>2,800</u>
Total decreases		<u>2,936</u>
Change in net assets		<u>6,027</u>
Balance, December 31, 2020, at fair value	\$	<u><u>76,714</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	148
Investment income receivable		260
589 units of Collective Legal Investment Fund, at fair value		76,339
Accrued expenses		<u>(33)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>76,714</u></u>

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"

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	19,610
Increases:		
Income from invested funds		225
Net realized gain on sale of units		640
Net increase in unrealized appreciation in fair value of units		<u>1,596</u>
Total increases		<u>2,461</u>
Decreases:		
Administrative expenses		14
Fuel office expenses		24
Cost of fuel distributed to those in need		<u>800</u>
Total decreases		<u>838</u>
Change in net assets		<u>1,623</u>
Balance, December 31, 2020, at fair value	\$	<u><u>21,233</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	174
Investment income receivable		72
162 units of Collective Legal Investment Fund, at fair value		20,996
Accrued expenses		<u>(9)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>21,233</u></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.

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	29,035
Increases:		
Income from invested funds		336
Net realized gain on sale of units		403
Net increase in unrealized appreciation in fair value of units		2,949
Total increases		<u>3,688</u>
Decreases:		
Administrative expenses		21
Fuel office expenses		40
Cost of fuel distributed to those in need		1,200
Total decreases		<u>1,261</u>
Change in net assets		<u>2,427</u>
Balance, December 31, 2020, at fair value	\$	<u><u>31,462</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	134
Investment income receivable		106
241 units of Collective Legal Investment Fund, at fair value		31,235
Accrued expenses		<u>(13)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>31,462</u></u>

See accompanying independent auditors' report.

## MARY SHIELDS HOSPITAL FUND

Created 1880

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

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	855,037
Increases:		
Income from invested funds		9,993
Net realized gain on sale of units		26,404
Net increase in unrealized appreciation in fair value of units		69,712
Total increases		<u>106,109</u>
Decreases:		
Administrative expenses		602
Distribution to Philadelphia Nursing Home		38,200
Total decreases		<u>38,802</u>
Change in net assets		<u>67,307</u>
Balance, December 31, 2020, at fair value	\$	<u><u>922,344</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	174
Investment income receivable		3,128
7,094 units of Collective Legal Investment Fund, at fair value		919,435
Accrued expenses		<u>(393)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>922,344</u></u>

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.

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	5,759
Increases:		
Income from invested funds		66
Net realized gain on sale of units		292
Net increase in unrealized appreciation in fair value of units		324
Total increases		<u>682</u>
Decreases:		
Administrative expenses		4
Prizes		300
Total decreases		<u>304</u>
Change in net assets		<u>378</u>
Balance, December 31, 2020, at fair value	\$	<u><u>6,137</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	158
Investment income receivable		20
46 units of Collective Legal Investment Fund, at fair value		5,962
Accrued expenses		<u>(3)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>6,137</u></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)"

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	76,115
Increases:		
Income from invested funds		881
Net realized gain on sale of units		1,483
Net increase in unrealized appreciation in fair value of units		<u>7,345</u>
Total increases		<u>9,709</u>
Decreases:		
Administrative expenses		53
Fuel office expenses		94
Cost of fuel distributed to those in need		<u>3,000</u>
Total decreases		<u>3,147</u>
Change in net assets		<u>6,562</u>
Balance, December 31, 2020, at fair value	\$	<u><u>82,677</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	131
Investment income receivable		280
635 units of Collective Legal Investment Fund, at fair value		82,301
Accrued expenses		<u>(35)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>82,677</u></u>

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. . ."

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	25,666
Increases:		
Income from invested funds		296
Net realized gain on sale of units		460
Net increase in unrealized appreciation in fair value of units		<u>2,492</u>
Total increases		<u>3,248</u>
Decreases:		
Administrative expenses		18
Fuel office expenses		31
Cost of fuel distributed to those in need		<u>1,000</u>
Total decreases		<u>1,049</u>
Change in net assets		<u>2,199</u>
Balance, December 31, 2020, at fair value	\$	<u><u>27,865</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	176
Investment income receivable		95
213 units of Collective Legal Investment Fund, at fair value		27,606
Accrued expenses		<u>(12)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>27,865</u></u>

See accompanying independent auditors' report.



**RAYMOND R. START MEMORIAL FUND**

Created 2014

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	137,085
Increases:		
Income from invested funds		1,734
Net realized gain on sale of units		3,443
Net increase in unrealized appreciation in fair value of units		12,546
Total increases		<u>17,723</u>
Decreases:		
Administrative expenses		100
Scholarship awards		4,500
Total decreases		<u>4,600</u>
Change in net assets		<u>13,123</u>
Balance, December 31, 2020, at fair value	\$	<u><u>150,208</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	4,182
Investment income receivable		502
1,256 units of Collective Legal Investment Fund, at fair value		162,787
Accrued expenses		<u>(17,263)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>150,208</u></u>

See accompanying independent auditors' report.

**WILLIAM D. AND MARIE STEUBER FUND**

Created 1957

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	84,694
Increases:		
Income from invested funds		1,003
Net realized gain on sale of units		2,333
Net increase in unrealized appreciation in fair value of units		7,354
		<hr/>
Total increases		10,690
		<hr/>
Decreases:		
Administrative expenses		60
Distribution to:		
St. John's Hospice		1,000
St. Francis Inn		2,800
		<hr/>
Total decreases		3,860
		<hr/>
Change in net assets		6,830
		<hr/>
Balance, December 31, 2020, at fair value	\$	<u>91,524</u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	139
Investment income receivable		310
703 units of Collective Legal Investment Fund, at fair value		91,114
Accrued expenses		(39)
		<hr/>
Balance, December 31, 2020, at fair value	\$	<u>91,524</u>

See accompanying independent auditors' report.

**WILLIAM D. AND MARY STEUBER FUND**

Created 1947

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	64,931
Increases:		
Income from invested funds		768
Net realized gain on sale of units		2,470
Net increase in unrealized appreciation in fair value of units		4,958
Total increases		<u>8,196</u>
Decreases:		
Administrative expenses		46
Distribution to:		
Sunday Breakfast Rescue Mission		2,800
Whosoever Gospel Mission		100
Total decreases		<u>2,946</u>
Change in net assets		<u>5,250</u>
Balance, December 31, 2020, at fair value	\$	<u><u>70,181</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	115
Investment income receivable		238
539 units of Collective Legal Investment Fund, at fair value		69,858
Accrued expenses		<u>(30)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>70,181</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”

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	25,453
Increases:		
Income from invested funds		294
Net realized gain on sale of units		928
Net increase in unrealized appreciation in fair value of units		<u>1,856</u>
Total increases		<u>3,078</u>
Decreases:		
Administrative expenses		18
Prizes		<u>825</u>
Total decreases		<u>843</u>
Change in net assets		<u>2,235</u>
Balance, December 31, 2020, at fair value	\$	<u><u>27,688</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	389
Investment income receivable		93
210 units of Collective Legal Investment Fund, at fair value		27,218
Accrued expenses		<u>(12)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>27,688</u></u>

See accompanying independent auditors’ report.

### C. HENDERSON SUPPLEE FUND

Created 1934

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

#### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	1,276,015
Increases:		
Income from invested funds		14,912
Net realized gain on sale of units		38,181
Net increase in unrealized appreciation in fair value of units		<u>105,234</u>
Total increases		<u>158,327</u>
Decreases:		
Administrative expenses		898
Distribution to The Visiting Nurse Society of Philadelphia		<u>57,100</u>
Total decreases		<u>57,998</u>
Change in net assets		<u>100,329</u>
Balance, December 31, 2020, at fair value	\$	<u><u>1,376,344</u></u>

#### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	626
Investment income receivable		4,669
10,583 units of Collective Legal Investment Fund, at fair value		1,371,635
Accrued expenses		<u>(586)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>1,376,344</u></u>

See accompanying independent auditors' report.

**FRANCIS H. THOLE FUND**

Created 1952

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	95,680
Increases:		
Income from invested funds		1,134
Net realized gain on sale of units		2,588
Net increase in unrealized appreciation in fair value of units		8,366
Total increases		12,088
Decreases:		
Administrative expenses		68
Prizes		2,000
Total decreases		2,068
Change in net assets		10,020
Balance, December 31, 2020, at fair value	\$	105,700

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	1,593
Investment income receivable		351
814 units of Collective Legal Investment Fund, at fair value		105,500
Accrued expenses		(1,744)
Balance, December 31, 2020, at fair value	\$	105,700

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.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	56,231
Increases:		
Income from invested funds		665
Net realized gain on sale of units		1,554
Net increase in unrealized appreciation in fair value of units		<u>4,877</u>
Total increases		<u>7,096</u>
Decreases:		
Administrative expenses		40
Contribution to Whosoever Gospel Mission and Rescue Home of Germantown		<u>2,500</u>
Total decreases		<u>2,540</u>
Change in net assets		<u>4,556</u>
Balance, December 31, 2020, at fair value	\$	<u><u>60,787</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	210
Investment income receivable		206
466 units of Collective Legal Investment Fund, at fair value		60,397
Accrued expenses		<u>(26)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>60,787</u></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”

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	526,996
Increases:		
Income from invested funds		6,226
Net realized gain on sale of units		14,235
Net increase in unrealized appreciation in fair value of units		<u>45,872</u>
Total increases		<u>66,333</u>
Decreases:		
Administrative expenses		371
Scholarship awards		<u>23,600</u>
Total decreases		<u>23,971</u>
Change in net assets		<u>42,362</u>
Balance, December 31, 2020, at fair value	\$	<u><u>569,358</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	118
Investment income receivable		1,931
4,379 units of Collective Legal Investment Fund, at fair value		567,551
Accrued expenses		<u>(242)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>569,358</u></u>

See accompanying independent auditors' report.



**SELDON TWITCHELL FUND**

Created 1925

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

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	69,948
Increases:		
Income from invested funds		828
Net realized gain on sale of units		1,923
Net increase in unrealized appreciation in fair value of units		6,088
Total increases		<u>8,839</u>
Decreases:		
Administrative expenses		49
Care and maintenance of Independence Hall		3,100
Total decreases		<u>3,149</u>
Change in net assets		<u>5,690</u>
Balance, December 31, 2020, at fair value	\$	<u><u>75,638</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	3,211
Investment income receivable		257
581 units of Collective Legal Investment Fund, at fair value		75,302
Accrued expenses		<u>(3,132)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>75,638</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.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	7,670
Increases:		
Income from invested funds		90
Net realized gain on sale of units		7
Net increase in unrealized appreciation in fair value of units		<u>871</u>
Total increases		<u>968</u>
Decreases:		
Administrative expenses		<u>5</u>
Total decreases		<u>5</u>
Change in net assets		<u>963</u>
Balance, December 31, 2020, at fair value	\$	<u><u>8,633</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	184
Investment income receivable		28
65 units of Collective Legal Investment Fund, at fair value		8,424
Accrued expenses		<u>(3)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>8,633</u></u>

See accompanying independent auditors' report.

## LOUIS WAGNER PRIZE FUND

Created 1914

"I give and bequeath unto the City of Philadelphia, Board of Directors of City Trusts, the sum of \$ \_\_\_\_\_ 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."

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 17,735
Increases:	
Income from invested funds	206
Net realized gain on sale of units	320
Net increase in unrealized appreciation in fair value of units	<u>1,665</u>
Total increases	<u>2,191</u>
Decreases:	
Administrative expenses	12
Prize	<u>464</u>
Total decreases	<u>476</u>
Change in net assets	<u>1,715</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 19,450</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 212
Investment income receivable	64
148 units of Collective Legal Investment Fund, at fair value	19,182
Accrued expenses	<u>(8)</u>
Balance, December 31, 2020, at fair value	<u><u>\$ 19,450</u></u>

See accompanying independent auditors' report.

**ELIZABETH F. WARDER FUND**

Created 1953

By adjudication, dated April 2, 1953, the Orphans' Court of Philadelphia County awarded one-third of the estate to the Board of Directors of City Trusts with the following direction:

"... to expend the Fund, principal, and income to and among such former members of the Fire Department as were disabled in the line of duty and are now receiving pension. The Board of City Trusts shall accept from year to year the designation of the eligible individuals by the commissioner of Fire. The amount to be distributed until the Fund is exhausted shall be at the rate of \_\_\_% of the pension payable to each recipient annually. Final payment shall be made pro rata among those eligible to receive the funds in the year when the same shall be exhausted."

Schedule of Changes in Net Assets  
Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	71,181
Increases:		
Income from invested funds		822
Net realized gain on sale of units		2,438
Net increase in unrealized appreciation in fair value of units		<u>5,342</u>
Total increases		<u>8,602</u>
Decreases:		
Administrative expenses		50
Distributions to disabled firemen		<u>3,200</u>
Total decreases		<u>3,250</u>
Change in net assets		<u>5,352</u>
Balance, December 31, 2020, at fair value	\$	<u><u>76,533</u></u>

Schedule of Net Assets  
December 31, 2020

Cash and cash equivalents	\$	98
Investment income receivable		259
588 units of Collective Legal Investment Fund, at fair value		76,209
Accrued expenses		<u>(33)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>76,533</u></u>

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"

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	77,692
Increases:		
Income from invested funds		896
Net realized gain on sale of units		1,529
Net increase in unrealized appreciation in fair value of units		7,399
		<hr/>
Total increases		9,824
		<hr/>
Decreases:		
Administrative expenses		54
Fuel office expenses		96
Cost of fuel distributed to those in need		3,100
		<hr/>
Total decreases		3,250
		<hr/>
Change in net assets		6,574
		<hr/>
Balance, December 31, 2020, at fair value	\$	<u>84,266</u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	160
Investment income receivable		286
647 units of Collective Legal Investment Fund, at fair value		83,856
Accrued expenses		(36)
		<hr/>
Balance, December 31, 2020, at fair value	\$	<u>84,266</u>

See accompanying independent auditors' report.

**OBADIAH WHEELOCK FUND**

Created 1887

Income "to be awarded . . . to a Meritorious Scholar of the Girls Normal School of the City of Philadelphia"

In view of the Normal School having been abolished and upon recommendation of the Board of Public Education, the income is to be paid to the Pedagogical Library of the Board of Public Education for the purchase of books in memory of Obadiah Wheelock.

Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	5,250
Increases:		
Income from invested funds		60
Net realized gain on sale of units		99
Net increase in unrealized appreciation in fair value of units		483
Total increases		<u>642</u>
Decreases:		
Administrative expenses		4
Distribution to The School District of Philadelphia		200
Total decreases		<u>204</u>
Change in net assets		<u>438</u>
Balance, December 31, 2020, at fair value	\$	<u><u>5,688</u></u>

Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	98
Investment income receivable		19
43 units of Collective Legal Investment Fund, at fair value		5,573
Accrued expenses		<u>(2)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>5,688</u></u>

See accompanying independent auditors' report.

## J. WILLIAM WHITE FUND

Created 1925

Income may be used to purchase artificial limbs, braces, orthopedic shoes, and any and all like devices for former patients of Philadelphia Nursing Home (successor to Philadelphia General Hospital) so that they become self-reliant and avoid being readmitted to Philadelphia Nursing Home or other like institutions.

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$ 138,562
Increases:	
Income from invested funds	1,618
Net realized gain on sale of units	3,902
Net increase in unrealized appreciation in fair value of units	<u>11,654</u>
Total increases	<u>17,174</u>
Decreases:	
Administrative expenses	97
Distribution to Philadelphia Nursing Home	<u>6,200</u>
Total decreases	<u>6,297</u>
Change in net assets	<u>10,877</u>
Balance, December 31, 2020, at fair value	<u>\$ 149,439</u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$ 208
Investment income receivable	506
1,148 units of Collective Legal Investment Fund, at fair value	148,789
Accrued expenses	<u>(64)</u>
Balance, December 31, 2020, at fair value	<u>\$ 149,439</u>

See accompanying independent auditors' report.

## JAMES WINDRIM SCHOLARSHIP FUND

Created 1921

The income is to be used to assist graduates of Girard College who desire to continue studies in school, college, or university who are considered deserving of such opportunity by the Board.

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	44,439
Increases:		
Income from invested funds		522
Net realized gain on sale of units		1,229
Net increase in unrealized appreciation in fair value of units		3,807
Total increases		<u>5,558</u>
Decreases:		
Administrative expenses		31
Scholarship awards		2,000
Total decreases		<u>2,031</u>
Change in net assets		<u>3,527</u>
Balance, December 31, 2020, at fair value	\$	<u><u>47,966</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	1,378
Investment income receivable		162
368 units of Collective Legal Investment Fund, at fair value		47,696
Accrued expenses		<u>(1,270)</u>
Balance, December 31, 2020, at fair value	\$	<u><u>47,966</u></u>

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).

### Schedule of Changes in Net Assets

Year ended December 31, 2020

Balance, January 1, 2020, at fair value	\$	121,957
Increases:		
Income from invested funds		1,415
Net realized gain on sale of units		4,988
Net increase in unrealized appreciation in fair value of units		9,526
Total increases		<u>15,929</u>
Decreases:		
Administrative expenses		86
Fuel office expenses		151
Cost of fuel distributed to those in need		3,200
Distributions to the trustees of the Free Library of Philadelphia		1,600
Total decreases		<u>5,037</u>
Change in net assets		<u>10,892</u>
Balance, December 31, 2020, at fair value	\$	<u><u>132,849</u></u>

### Schedule of Net Assets

December 31, 2020

Cash and cash equivalents	\$	120
Investment income receivable		457
1,021 units of Collective Legal Investment Fund, at fair value		132,329
Accrued expenses		(57)
Balance, December 31, 2020, at fair value	\$	<u><u>132,849</u></u>

See accompanying independent auditors' report.



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

Financial Statements – FASB Basis

December 31, 2020

(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 Board of Directors of City Trusts  
Philadelphia, Pennsylvania:

We have audited the accompanying financial statements of the Board of Directors of City Trusts Contributory Retirement Plan (the Plan), which comprise the statements of net assets available for plan benefits – Financial Accounting Standards Board (FASB) basis and of accumulated plan benefits – FASB basis as of December 31, 2020 and the related statements of changes in net assets available for plan benefits – FASB basis and of changes in accumulated plan benefits – FASB basis for the year then ended and the related notes to the financial statements – FASB basis.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the FASB basis of accounting described in note 2(a) to the financial statements – FASB basis. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2020 and the changes in its financial status for the year then ended, in accordance with the FASB basis of accounting described in note 2(a) to the financial statements – FASB basis.



*Basis of Accounting*

We draw your attention to note 2(a), which describes the basis of accounting. The financial statements are prepared in accordance with the standards promulgated by FASB, which is a basis of accounting other than U.S. generally accepted accounting principles for governmental entities, which are promulgated by the Governmental Accounting Standards Board. Our opinion is not modified with respect to this matter.

*KPMG LLP*

Philadelphia, Pennsylvania  
July 12, 2021

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

Statement of Net Assets Available for Plan Benefits – FASB Basis

December 31, 2020

Assets:

Investment, 59,412 units of Collective Legal Investment Fund, at fair value	\$ 7,700,235
Investment income receivable	26,227
Cash and cash equivalents	<u>140,313</u>
Total assets	<u>7,866,775</u>

Liabilities:

Accrued expenses	<u>25,348</u>
Total liabilities	<u>25,348</u>
Net assets available for plan benefits	<u>\$ 7,841,427</u>

See accompanying notes to financial statements – FASB Basis.

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

Statement of Changes in Net Assets Available for Plan Benefits – FASB Basis

Year ended December 31, 2020

Additions to net assets:	
Investment income, net	\$ 82,613
Realized and unrealized investment gains	815,846
Employee contributions	30,768
Employer contributions	263,855
	<hr/>
Total additions	1,193,082
	<hr/>
Deductions from net assets:	
Retirement benefits paid	391,849
Administrative expenses	51,720
	<hr/>
Total deductions	443,569
	<hr/>
Net increase in net assets available for plan benefits	749,513
Net assets available for plan benefits, beginning of year	7,091,914
	<hr/>
Net assets available for plan benefits, end of year	\$ 7,841,427
	<hr/> <hr/>

See accompanying notes to financial statements – FASB Basis.

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

Statement of Accumulated Plan Benefits – FASB Basis

December 31, 2020

Actuarial present value of accumulated plan benefits:

Vested benefits:

Participants currently receiving benefits

\$ 3,512,682

Other participants

998,143

Total vested benefits

4,510,825

Nonvested benefits

57,011

Total actuarial present value of accumulated plan benefits

\$ 4,567,836

See accompanying notes to financial statements – FASB Basis.



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

Statement of Changes in Accumulated Plan Benefits – FASB Basis

Year ended December 31, 2020

Actuarial present value of accumulated plan benefits, beginning of year	\$ 4,483,215
Increase (decrease) during the year attributable to:	
Retirement benefits paid	(391,849)
Additional benefit accumulations	71,548
Expected interest due to passage of time	336,545
Change in actuarial assumptions	82,432
Net actuarial gains	<u>(14,055)</u>
Net increase	<u>84,621</u>
Actuarial present value of accumulated plan benefits, end of year	<u><u>\$ 4,567,836</u></u>

See accompanying notes to financial statements – FASB Basis.

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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(1) Description of Plan**

**(a) General**

The Board of Directors of City Trusts Contributory Retirement Plan (the Plan) is a 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 is available to certain union employees who elect coverage, who have completed one year of service regardless of age and whose union contract does not provide benefits under either a union pension plan or the Board's noncontributory plans. All administrative expenses are paid out of plan assets. Participants should refer to the plan document for more complete information.

**(b) 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. Employees contribute amounts based on salary terms, as defined in the plan agreement.

The Plan's net assets available for plan benefits exceeded the total actuarial present value of accumulated plan benefits as of December 31, 2020.

**(c) 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.

Benefits are recorded when paid.

**(d) 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.

**(e) 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 plan document.

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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(2) Significant Accounting Policies**

**(a) Basis of Accounting**

The Plan is considered part of a governmental instrumentality and is, therefore, subject to U.S. generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB). However, the Board has chosen to prepare the financial statements and notes thereto following the accounting standards promulgated by the Financial Accounting Standards Board (FASB) applicable to employee benefit plans because it believes that FASB standards better reflect the entity's purposes and operations. As a result, the financial statements of the Plan are prepared on the accrual basis of accounting.

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

- Management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employee contributions and schedule of investment returns would be required supplementary information.
- The Plan's net pension liability would be measured as the total pension liability less the Plan's fiduciary net position. The actuarial present value of projected benefit payments would be required to be attributed using the entry-age actuarial cost method with each period's service cost determined as a level percentage of pay. Projected benefit payments would be discounted using the single rate that reflects (1) a long-term expected rate of return on pension plan investments to the extent that the pension's fiduciary net position is projected to be sufficient to pay benefits and pension plan assets are expected to be invested using a strategy to achieve that return and (2) a tax-exempt, high-quality municipal bond rate to the extent the conditions to use the long-term expected rate of return are not met.
- Additional disclosures would be provided regarding:
  - interest rate risk, credit risk, custodial credit risk and concentrations of credit risk related to the Plan's investments and the Plan's policies for managing such risks
  - a description of the risks of loss to which the entity is exposed and the ways in which the risks of loss are managed.

**(b) Valuation of Investments**

Investments are reported at fair value. Investments in private equity are measured using net asset value per share as a practical expedient to fair value. See note 2(e) for a discussion of fair value measurements.

Realized gains and losses from the sales of investments, determined on the last-in, first-out method, as well as the change in the difference between aggregate market value and the cost of the investment from the beginning to the end of the year are reflected in the statement of changes in net assets available for plan benefits as realized and unrealized investment gains or losses.

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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(c) Actuarial Present Value of Accumulated Plan Benefits**

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan’s provisions to services rendered by eligible employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. Benefits for active, retired, or terminated employees or their beneficiaries are based on cumulative employee contributions required by the Plan determined on career salary levels. Benefits payable under all circumstances—retirement, death and termination of employment—are included to the extent they are deemed attributable to employee service rendered to the valuation date.

**(d) Use of Estimates**

The preparation of financial statements in conformity with the basis of accounting described in note 2(a) 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.

**(e) Fair Value**

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

*Level 1:* Quoted or published prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities 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 and corporate-debt securities.

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

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

Notes to Financial Statements – FASB Basis

December 31, 2020

At December 31, 2020, all of the Plan’s investments are held in the Collective Legal Investment Fund (CLIF). The CLIF was created by the Board to pool for investment management purposes the collective assets of the trusts it manages on behalf of the City of Philadelphia, including certain assets of the Girard Estate, Wills Eye Hospital, the three retirement plans of the Board and the 117 smaller trusts collectively referred to as the “Sundry Trusts.” Such investments are stated at fair value. Within the CLIF, the Plan owns shares that invest in the following types of securities:

Equity Securities

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

Debt Securities

U.S. government securities are generally valued at the closing price reported in the active market in which the individual security is traded, if available (Level 1 inputs), or yields currently available on comparable securities (Level 2 inputs).

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

Other debt securities are valued at the closing price reported in the active market in which the security is traded, if available. If such information is not available, debt is valued based on yields currently available on comparable securities for issuers with similar credit ratings (Level 2 inputs).

Private Equity Funds

Net asset values (NAV) provided by limited partnership investees are based on the net asset value per share as reported by the investee as a practical expedient. NAV may differ from fair value as otherwise calculated. Such investments, which are measured at NAV per share as a practical expedient to fair value, have not been categorized in the fair value hierarchy table (see note 4).

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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(3) Actuarial Assumptions**

The significant methods and assumptions underlying the actuarial valuation by the consulting actuary as of December 31, 2020 were as follows:

Discount rate	7.50% per annum, compounded annually
Investment return	7.50% per annum, compounded annually, net of administrative expenses
Mortality basis	PRI-12 Mortality Table, using projection scale MP-2020
Turnover	Varying – none after age 50
Retirement age	The later of age 65 or after five years of service, or on the valuation date if already older

**(4) Investment in Collective Legal Investment Fund**

The CLIF is a balanced portfolio primarily comprising equity, fixed income and short-term investment securities. It is intended to be more aggressive than income-oriented portfolios and less aggressive than equity-oriented portfolios. These asset classes must have a readily ascertainable market value and must be readily marketable. As of December 31, 2020, less than 3% of the CLIF assets were invested in private equity investment funds, which are not classified in the fair value hierarchy because they are recorded at net asset value per share as a practical expedient to fair value.

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

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

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

Notes to Financial Statements – FASB Basis

December 31, 2020

At December 31, 2020, the Plan owned 59,412 units (approximately 1.2% of total units) in the CLIF. The total net assets of the CLIF, including investments, as of December 31, 2020 are as follows (in thousands):

Investments:	
Short-term investments	\$ 10,744
Equities	421,730
Fixed income	173,123
Private equity	15,931
Total investments	621,528
Cash and cash equivalents	1,186
Investment income receivable	1,684
Other receivables	393
Collateral received for securities on loan	86,252
Total assets	711,043
Liabilities:	
Accrued expenses	1,516
Due to participating trusts	1,193
Payable for securities on loan	86,252
Total liabilities	88,961
Net assets	\$ 622,082
Plan interest in CLIF net assets	\$ 7,700

The following table presents the CLIF's fair value hierarchy for assets held in the CLIF measured at fair value on a recurring basis as of December 31, 2020 (in thousands):

	<b>Fair value measurements at December 31, 2020 using</b>		
	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>
Short-term investments	\$ 10,744	10,744	—
Equity securities	421,730	421,730	—
Fixed income	173,123	79,267	93,856
Subtotal	605,597	511,741	93,856
Private equity funds reported at net asset value per share as a practical expedient	15,931		
Total	\$ 621,528		

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

Notes to Financial Statements – FASB Basis

December 31, 2020

Private equity funds, which are measured at net asset value as a practical expedient to fair value, have not been categorized in the fair value hierarchy table. The fair value amounts presented in the table for those investments are intended to permit reconciliation of the fair value hierarchy table to the investment amounts reported in the financial statements.

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 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, 2020, the CLIF had loaned out certain securities, returnable on demand, with a market value of approximately \$84,253,000 to several financial institutions that have deposited collateral with respect to such securities of approximately \$86,252,000.

Net investment income of the CLIF for the year ended December 31, 2020 is as follows (in thousands):

Investment income:		
Interest and dividend income	\$	11,372
Other income		<u>304</u>
Total investment income		11,676
Expenses:		
Investment fees and other expenses		<u>4,391</u>
Net investment income	\$	<u><u>7,285</u></u>

Net realized and unrealized gains on investments of the CLIF for the year ended December 31, 2020 are as follows (in thousands):

Net realized and unrealized activity on investments:		
Net realized gain from investment transactions	\$	13,872
Net change in unrealized appreciation of investments		<u>51,243</u>
Net appreciation in fair value of investments	\$	<u><u>65,115</u></u>



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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(5) Tax Status**

The City of Philadelphia, Trustee, acting by the Board of Directors of City Trusts, statutory agent for the City of Philadelphia, has been determined to be an agency of the Commonwealth of Pennsylvania. Therefore, the Plan is currently operated as a tax qualified governmental retirement plan under the Internal Revenue Code (IRC). The Board of Directors of City Trusts believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

GAAP requires management to evaluate tax positions taken and recognize a tax liability (or asset) if it is more likely than not that the position would not be sustained upon evaluation by the Internal Revenue Service (IRS). Management has considered and assessed the impact of uncertain tax positions on the Plan's financial statements in accordance with Accounting Standards Codification Topic 740, *Income Taxes* and has concluded that no provision for income taxes is required as of December 31, 2020.

**(6) Risks and Uncertainties**

The Plan invests in units of the CLIF. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of the plan's interest in the CLIF will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for plan benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

**(7) Subsequent Events**

Plan management has evaluated subsequent events through July 12, 2021, which is the date the financial statements were available to be issued and noted no matters requiring disclosure.



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

Financial Statements – FASB Basis

December 31, 2020

(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 Board of Directors of City Trusts  
Philadelphia, Pennsylvania:

We have audited the accompanying financial statements of the Board of Directors of City Trusts Girard Non-Contributory Retirement Plan (the Plan), which comprise the statements of net assets available for plan benefits – Financial Accounting Standards Board (FASB) basis and of accumulated plan benefits – FASB basis as of December 31, 2020 and the related statements of changes in net assets available for plan benefits – FASB basis and of changes in accumulated plan benefits – FASB basis for the year then ended and the related notes to the financial statements – FASB basis.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the FASB basis of accounting described in note 2(a) to the financial statements – FASB basis. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2020 and the changes in its financial status for the year then ended, in accordance with the FASB basis of accounting described in note 2(a) to the financial statements – FASB basis.



*Basis of Accounting*

We draw your attention to note 2(a), which describes the basis of accounting. The financial statements are prepared in accordance with the standards promulgated by the FASB, which is a basis of accounting other than U.S. generally accepted accounting principles for governmental entities, which are promulgated by the Governmental Accounting Standards Board. Our opinion is not modified with respect to this matter.

KPMG LLP

Philadelphia, Pennsylvania  
July 12, 2021

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

Statement of Net Assets Available for Plan Benefits – FASB Basis

December 31, 2020

Assets:

Investment, 354,706 units of Collective Legal Investment Fund, at fair value	\$ 45,972,518
Investment income receivable	157,542
Cash and cash equivalents	<u>428,895</u>
Total assets	<u>46,558,955</u>

Liabilities:

Accrued expenses	<u>18,635</u>
Total liabilities	<u>18,635</u>
Net assets available for plan benefits	<u><u>\$ 46,540,320</u></u>

See accompanying notes to financial statements – FASB basis.

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

Statement of Changes in Net Assets Available for Plan Benefits – FASB Basis

Year ended December 31, 2020

Additions to net assets:	
Investment income, net	\$ 494,760
Realized and unrealized investment gains	4,857,127
Employer contributions	790,000
Total additions	<u>6,141,887</u>
Deductions from net assets:	
Retirement benefits paid	1,741,520
Administrative expenses	64,410
Total deductions	<u>1,805,930</u>
Net increase in net assets available for plan benefits	4,335,957
Net assets available for plan benefits, beginning of year	<u>42,204,363</u>
Net assets available for plan benefits, end of year	<u>\$ 46,540,320</u>

See accompanying notes to financial statements – FASB basis.

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

Statement of Accumulated Plan Benefits – FASB Basis

December 31, 2020

Actuarial present value of accumulated plan benefits:

Vested benefits:

Participants currently receiving benefits

\$ 15,756,777

Other participants

10,158,545

Total vested benefits

25,915,322

Nonvested benefits

75,653

Total actuarial present value of accumulated plan benefits

\$ 25,990,975

See accompanying notes to financial statements – FASB basis.



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

Statement of Changes in Accumulated Plan Benefits – FASB Basis

Year ended December 31, 2020

Actuarial present value of accumulated plan benefits, beginning of year	\$ 25,006,375
Increase (decrease) during the year attributable to:	
Retirement benefits paid	(1,741,520)
Additional benefit accumulations	281,786
Expected interest due to passage of time	1,886,725
Change in actuarial assumptions	484,777
Net actuarial losses	<u>72,832</u>
Net increase	<u>984,600</u>
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 25,990,975</u>

See accompanying notes to financial statements – FASB basis.

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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(1) Description of Plan**

**(a) General**

The Board of Directors of City Trusts Girard Non-Contributory Retirement Plan (the Plan) is a defined benefit plan for certain employees of the Board of Directors of City Trusts acting for the City of Philadelphia, Trustee (the Board). The Plan covers Girard Estate and Girard College non-union employees, hired prior to September 1, 2010, 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) 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.

The Plan's net assets available for plan benefits exceeded the total actuarial present value of accumulated plan benefits as of December 31, 2020.

**(c) 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.

Benefits are recorded when paid.

**(d) 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.

**(e) 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.

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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(2) Significant Accounting Policies**

**(a) Basis of Accounting**

The Plan is considered part of a governmental instrumentality and is, therefore, subject to U.S. generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB). However, the Board has chosen to prepare the financial statements and notes thereto following the accounting standards promulgated by the Financial Accounting Standards Board (FASB) applicable to employee benefit plans because it believes that FASB standards better reflect the entity's purposes and operations. As a result, the financial statements of the Plan are prepared on the accrual basis of accounting.

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

- Management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employee contributions and schedule of investment returns would be required supplementary information.
- The Plan's net pension liability would be measured as the total pension liability less the Plan's fiduciary net position. The actuarial present value of projected benefit payments would be required to be attributed using the entry-age actuarial cost method with each period's service cost determined as a level percentage of pay. Projected benefit payments would be discounted using the single rate that reflects (1) a long-term expected rate of return on pension plan investments to the extent that the pension's fiduciary net position is projected to be sufficient to pay benefits and pension plan assets are expected to be invested using a strategy to achieve that return and (2) a tax-exempt, high-quality municipal bond rate to the extent the conditions to use the long-term expected rate of return are not met.
- Additional disclosures would be provided regarding:
  - interest rate risk, credit risk, custodial credit risk and concentrations of credit risk related to the Plan's investments and the Plan's policies for managing such risks
  - a description of the risks of loss to which the entity is exposed and the ways in which the risks of loss are managed.

**(b) Valuation of Investments**

Investments are reported at fair value. Investments in private equity are measured using net asset value per share as a practical expedient to fair value. See note 2(e) for a discussion of fair value measurements.

Realized gains and losses from the sales of investments, determined on the last-in, first-out method, as well as the change in the difference between aggregate market value and the cost of the investment from the beginning to the end of the year are reflected in the statement of changes in net assets available for plan benefits as realized and/or unrealized investment gains or losses.

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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(c) Actuarial Present Value of Accumulated Plan Benefits**

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to services rendered by eligible employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. Benefits for active, retired, or terminated employees or their beneficiaries are based on a percentage of average annual employee earnings multiplied by benefit service. Benefits payable under all circumstances—retirement, death and termination of employment—are included to the extent they are deemed attributable to employee service rendered to the valuation date.

**(d) Use of Estimates**

The preparation of financial statements in conformity with the basis of accounting described in note 2(a) 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.

**(e) Fair Value**

Three levels of inputs may be used to measure fair value as follows:

*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 and corporate-debt securities.

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

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

Notes to Financial Statements – FASB Basis

December 31, 2020

At December 31, 2020, all of the Plan’s investments are held in the Collective Legal Investment Fund (CLIF). The CLIF was created by the Board to pool for investment management purposes the collective assets of the trusts it manages on behalf of the City of Philadelphia, including certain assets of the Girard Estate, Wills Eye Institute, the three retirement plans of the Board and the 117 smaller trusts collectively referred to as the “Sundry Trusts.” Such investments are stated at fair value. Within the CLIF, the Plan owns shares that invest in the following types of securities:

Equity Securities

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

Debt Securities

U.S. government securities are generally valued at the closing price reported in the active market in which the individual security is traded, if available (Level 1 inputs), or yields currently available on comparable securities (Level 2 inputs).

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

Other debt securities are valued at the closing price reported in the active market in which the security is traded, if available. If such information is not available, debt is valued based on yields currently available on comparable securities for issuers with similar credit ratings (Level 2 inputs).

Private Equity Funds

Net asset values (NAV) provided by limited partnership investees are based on the net asset value per share as reported by the investee as a practical expedient. NAV may differ from fair value as otherwise calculated. Such investments, which are measured at NAV per share as a practical expedient to fair value, have not been categorized in the fair value hierarchy table (see note 4).

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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(3) Actuarial Assumptions**

The significant methods and assumptions underlying the actuarial valuation by the consulting actuary as of December 31, 2020 were as follows:

Discount rate	7.50% per annum, compounded annually
Investment return	7.50% per annum, compounded annually, net of administrative expenses
Mortality basis	PRI-12 Mortality Table, using projection scale MP-2020
Turnover	Varying – none after age 50
Retirement age	The later of age 65 or after five years of service, or on the valuation date if already older

**(4) Investment in Collective Legal Investment Fund**

The CLIF is a balanced portfolio comprising primarily equity, fixed income and short-term investment securities. It is intended to be more aggressive than income-oriented portfolios and less aggressive than equity-oriented portfolios. These asset classes must have a readily ascertainable market value and must be readily marketable. As of December 31, 2020, less than 3% of the CLIF assets were invested in private equity investment funds, which are not classified in the fair value hierarchy because they are recorded at net value per share as a practical expedient to fair value.

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

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

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

Notes to Financial Statements – FASB Basis

December 31, 2020

At December 31, 2020, the Plan owned 354,706 units (approximately 7.4% of total units) in the CLIF. The total net assets of the CLIF, including investments, as of December 31, 2020 are as follows (in thousands):

Investments:	
Short-term investments	\$ 10,744
Equities	421,730
Fixed income	173,123
Private equity	<u>15,931</u>
Total investments	621,528
Cash and cash equivalents	1,186
Investment income receivable	1,684
Other receivables	393
Collateral received for securities on loan	<u>86,252</u>
Total assets	<u>711,043</u>
Liabilities:	
Accrued expenses	1,516
Due to participating trusts	1,193
Payable for securities on loan	<u>86,252</u>
Total liabilities	<u>88,961</u>
Net assets	<u>\$ 622,082</u>
Plan interest in CLIF net assets	\$ 45,973

The following table presents the CLIF’s fair value hierarchy for assets held in the CLIF measured at fair value on a recurring basis as of December 31, 2020 (in thousands):

	<b>Fair value measurements at December 31, 2020 using</b>		
	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>
Short-term investments	\$ 10,744	10,744	—
Equity securities	421,730	421,730	—
Fixed income	<u>173,123</u>	<u>79,267</u>	<u>93,856</u>
Subtotal	<u>605,597</u>	<u>511,741</u>	<u>93,856</u>
Private equity funds reported at net asset value per share as a practical expedient	<u>15,931</u>		
Total	<u>\$ 621,528</u>		

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

Notes to Financial Statements – FASB Basis

December 31, 2020

Private equity funds, which are measured at net asset value as a practical expedient to fair value, have not been categorized in the fair value hierarchy table. The fair value amounts presented in the table for those investments are intended to permit reconciliation of the fair value hierarchy table to the investment amounts reported in the financial statements.

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 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, 2020, the CLIF had loaned out certain securities, returnable on demand, with a market value of approximately \$84,253,000 to several financial institutions that have deposited collateral with respect to such securities of approximately \$86,252,000.

Net investment income of the CLIF for the year ended December 31, 2020 is as follows (in thousands):

Investment income:		
Interest and dividend income	\$	11,372
Other income		304
		<hr/>
Total investment income		11,676
Expenses:		
Investment fees and other expenses		4,391
		<hr/>
Net investment income	\$	<u><u>7,285</u></u>

Net realized and unrealized gains on investments of the CLIF for the year ended December 31, 2020 are as follows (in thousands):

Net realized and unrealized activity on investments:		
Net realized gain from investment transactions	\$	13,872
Net change in unrealized appreciation investments		51,243
		<hr/>
Net appreciation in fair value of investments	\$	<u><u>65,115</u></u>



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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(5) Tax Status**

The City of Philadelphia, Trustee, acting by the Board of Directors of City Trusts, statutory agent for the City of Philadelphia, has been determined to be an agency of the Commonwealth of Pennsylvania. Therefore, the Plan is currently operated as a tax qualified governmental retirement plan under the Internal Revenue Code (IRC). The Board of Directors of City Trusts believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

GAAP requires management to evaluate tax positions taken and recognize a tax liability (or asset) if it is more likely than not that the position would not be sustained upon evaluation by the Internal Revenue Service (IRS). Management has considered and assessed the impact of uncertain tax positions on the Plan's financial statements in accordance with Accounting Standards Codification Topic 740, *Income Taxes* and has concluded that no provision for income taxes is required as of December 31, 2020.

**(6) Risk and Uncertainties**

The Plan invests in units of the CLIF. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the Plan's interest in the CLIF will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for plan benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

**(7) Subsequent Events**

Plan management has evaluated subsequent events through July 12, 2021, which is the date the financial statements were available to be issued and noted no matters requiring disclosure.



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

Financial Statements – FASB Basis

December 31, 2020

(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 Board of Directors of City Trusts  
Philadelphia, Pennsylvania:

We have audited the accompanying financial statements of the Board of Directors of City Trusts Wills Eye Health System Non-Contributory Retirement Plan (the Plan), which comprise the statements of net assets available for plan benefits – Financial Accounting Standards Board (FASB) basis and of accumulated plan benefits – FASB basis as of December 31, 2020 and the related statements of changes in net assets available for plan benefits – FASB basis and of changes in accumulated plan benefits – FASB basis for the year then ended and the related notes to the financial statements – FASB basis.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the FASB basis of accounting described in note 2(a) to the financial statements – FASB basis. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2020 and the changes in its financial status for the year then ended, in accordance with the FASB basis of accounting described in note 2(a) to the financial statements – FASB basis.



*Basis of Accounting*

We draw your attention to note 2(a), which describes the basis of accounting. The financial statements are prepared in accordance with the standards promulgated by the FASB, which is a basis of accounting other than U.S. generally accepted accounting principles for governmental entities, which are promulgated by the Governmental Accounting Standards Board. Our opinion is not modified with respect to this matter.

KPMG LLP

Philadelphia, Pennsylvania

July 12, 2021

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

Statement of Net Assets Available for Plan Benefits – FASB Basis

December 31, 2020

Assets	
Investment, 310,668 units of Collective Legal Investment Fund, at fair value	\$ 40,264,872
Investment income receivable	137,172
Cash and cash equivalents	<u>281,709</u>
Total assets	<u>40,683,753</u>
Liabilities	
Accrued expenses	<u>26,591</u>
Total liabilities	<u>26,591</u>
Net assets available for plan benefits	<u><u>\$ 40,657,162</u></u>

See accompanying notes to financial statements – FASB Basis.

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

Statement of Changes in Net Assets Available for Plan Benefits – FASB Basis

Year ended December 31, 2020

Additions to net assets:	
Investment income, net	\$ 432,880
Realized and unrealized investment gains	4,246,441
Employer contributions	<u>1,500,000</u>
Total additions	<u>6,179,321</u>
Deductions from net assets:	
Retirement benefits paid	2,686,540
Administrative expenses	<u>74,926</u>
Total deductions	<u>2,761,466</u>
Net increase in net assets available for plan benefits	3,417,855
Net assets available for plan benefits, beginning of year	<u>37,239,307</u>
Net assets available for plan benefits, end of year	<u>\$ <u>40,657,162</u></u>

See accompanying notes to financial statements – FASB Basis.

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

Statement of Accumulated Plan Benefits – FASB Basis

December 31, 2020

Actuarial present value of accumulated plan benefits:

Vested benefits:

Participants currently receiving benefits

\$ 22,799,876

Other participants

14,366,249

Total vested benefits

37,166,125

Total actuarial present value of accumulated plan benefits

\$ 37,166,125

See accompanying notes to financial statements – FASB Basis.



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

Statement of Changes in Accumulated Plan Benefits – FASB Basis

Year ended December 31, 2020

Actuarial present value of accumulated plan benefits, beginning of year	\$ 36,521,448
Increase (decrease) during the year attributable to:	
Retirement benefits paid	(2,686,540)
Additional benefit accumulations	210,954
Expected interest due to passage of time	2,733,982
Change in actuarial assumptions	467,080
Net actuarial gains	<u>(80,799)</u>
Net increase	<u>644,677</u>
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 37,166,125</u>

See accompanying notes to financial statements – FASB Basis.

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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(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 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) 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.

The Plan's total actuarial present value of accumulated plan benefits exceeded the net assets available for plan benefits as of December 31, 2020.

**(c) 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.

Benefits are recorded when paid.

**(d) 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.

**(e) 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.

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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(2) Significant Accounting Policies**

**(a) Basis of Accounting**

The Plan is considered part of a governmental instrumentality and is, therefore, subject to U.S. generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB). However, the Board has chosen to prepare the financial statements and notes thereto following the accounting standards promulgated by the Financial Accounting Standards Board (FASB) applicable to employee benefit plans because it believes that FASB standards better reflect the entity's purposes and operations. As a result, the financial statements of the Plan are prepared on the accrual basis of accounting.

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

- Management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employee contributions and schedule of investment returns would be required supplementary information.
- The Plan's net pension liability would be measured as the total pension liability less the Plan's fiduciary net position. The actuarial present value of projected benefit payments would be required to be attributed using the entry-age actuarial cost method with each period's service cost determined as a level percentage of pay. Projected benefit payments would be discounted using the single rate that reflects (1) a long-term expected rate of return on pension plan investments to the extent that the pension's fiduciary net position is projected to be sufficient to pay benefits and pension plan assets are expected to be invested using a strategy to achieve that return and (2) a tax-exempt, high-quality municipal bond rate to the extent the conditions to use the long-term expected rate of return are not met.
- Additional disclosures would be provided regarding:
  - interest rate risk, credit risk, custodial credit risk and concentrations of credit risk related to the Plan's investments and the Plan's policies for managing such risks
  - a description of the risks of loss to which the entity is exposed and the ways in which the risks of loss are managed.

**(b) Valuation of Investments**

Investments are reported at fair value. Investments in private equity are measured using net asset value per share as a practical expedient to fair value. See note 2(e) for a discussion of fair value measurements.

Realized gains and losses from the sales of investments, determined on the last-in, first-out method, as well as the change in the difference between aggregate market value and the cost of the investment from the beginning to the end of the year are reflected in the statement of changes in net assets available for plan benefits as realized and/or unrealized investment gains or losses.

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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(c) Actuarial Present Value of Accumulated Plan Benefits**

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan’s provisions to services rendered by eligible employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. Benefits for active, retired, or terminated employees or their beneficiaries are based on a percentage of average annual employee earnings multiplied by benefit service. Benefits payable under all circumstances—retirement, death and termination of employment—are included to the extent they are deemed attributable to employee service rendered to the valuation date.

**(d) Use of Estimates**

The preparation of financial statements in conformity with the basis of accounting described in note 2(a) 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.

**(e) Fair Value**

Three levels of inputs may be used to measure fair value as follows:

*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 and corporate-debt securities.

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

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

Notes to Financial Statements – FASB Basis

December 31, 2020

At December 31, 2020, all of the Plan’s investments are held in the Collective Legal Investment Fund (CLIF). The CLIF was created by the Board to pool for investment management purposes the collective assets of the trusts it manages on behalf of the City of Philadelphia, including certain assets of the Girard Estate, Wills Eye Institute, the three retirement plans of the Board and the 117 smaller trusts collectively referred to as the “Sundry Trusts.” Such investments are stated at fair value. Within the CLIF, the Plan owns shares that invest in the following types of securities:

Equity Securities

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

Debt Securities

U.S. government securities are generally valued at the closing price reported in the active market in which the individual security is traded, if available (Level 1 inputs), or yields currently available on comparable securities (Level 2 inputs).

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

Other debt securities are valued at the closing price reported in the active market in which the security is traded, if available. If such information is not available, debt is valued based on yields currently available on comparable securities for issuers with similar credit ratings (Level 2 inputs).

Private Equity Funds

Net asset values (NAV) provided by limited partnership investees are based on the net asset value per share as reported by the investee as a practical expedient. NAV may differ from fair value as otherwise calculated. Such investments, which are measured at NAV per share as a practical expedient to fair value, have not been categorized in the fair value hierarchy table (see note 4).

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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(3) Actuarial Assumptions**

The significant methods and assumptions underlying the actuarial valuation by the consulting actuary as of December 31, 2020 were as follows:

Discount rate	7.50% per annum, compounded annually
Investment return	7.50% per annum, compounded annually, net of administrative expenses
Mortality basis	PRI-12 Mortality Table, using projection scale MP-2020
Turnover	Varying – none after age 50
Retirement age	The later of age 65 or after five years of service, or on the valuation date if already older

**(4) Investment in Collective Legal Investment Fund**

The CLIF is a balanced portfolio primarily comprising equity, fixed income and short-term investment securities. It is intended to be more aggressive than income-oriented portfolios and less aggressive than equity-oriented portfolios. These asset classes must have a readily ascertainable market value and must be readily marketable. As of December 31, 2020, less than 3% of the CLIF assets were invested in private equity investment funds, which are not classified in the fair value hierarchy because they are recorded at net asset value per share as a practical expedient to fair value.

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

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

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

Notes to Financial Statements – FASB Basis

December 31, 2020

At December 31, 2020, the Plan owned 310,668 units (approximately 6.5% of total units) in the CLIF. The total assets of the CLIF, including investments, as of December 31, 2020 are as follows (in thousands):

Assets:	
Investments:	
Short-term investments	\$ 10,744
Equities	421,730
Fixed income	173,123
Private equity	15,931
Total investments	621,528
Cash and cash equivalents	1,186
Investment income receivable	1,684
Other receivables	393
Collateral received for securities on loan	86,252
Total assets	711,043
Liabilities:	
Accrued expenses	1,516
Due to participating trusts	1,193
Payable for securities on loan	86,252
Total liabilities	88,961
Net assets	\$ 622,082
Plan interest in CLIF net assets	\$ 40,265

The following table presents the CLIF's fair value hierarchy for assets held in the CLIF measured at fair value on a recurring basis as of December 31, 2020 (in thousands):

	<b>Fair value measurements at December 31, 2020 using</b>		
	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>
Short-term investments	\$ 10,744	10,744	—
Equity securities	421,730	421,730	—
Fixed income	173,123	79,267	93,856
Subtotal	605,597	511,741	93,856
Private equity funds reported at net asset value per share as a practical expedient	15,931		
Total	\$ 621,528		

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

Notes to Financial Statements – FASB Basis

December 31, 2020

Private equity funds, which are measured at net asset value as a practical expedient to fair value, have not been categorized in the fair value hierarchy table. The fair value amounts presented in the table for those investments are intended to permit reconciliation of the fair value hierarchy table to the investment amounts reported in the financial statements.

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 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, 2020, the CLIF had loaned out certain securities, returnable on demand, with a market value of approximately \$84,253,000 to several financial institutions that have deposited collateral with respect to such securities of approximately \$86,252,000.

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Investment income:	
Interest and dividend income	\$ 11,372
Other income	304
	11,676
Total investment income	
	11,676
Expenses:	
Investment fees and other expenses	4,391
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Net investment income	\$ 7,285
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Net realized and unrealized gains on investments of the CLIF for the year ended December 31, 2020 are as follows (in thousands):

Net realized and unrealized activity on investments:	
Net realized gain from investment transactions	\$ 13,872
Net change in unrealized appreciation of investments	51,243
	65,115
Net appreciation in fair value of investments	\$ 65,115
	65,115



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

Notes to Financial Statements – FASB Basis

December 31, 2020

**(5) Tax Status**

The City of Philadelphia, Trustee, acting by the Board of Directors of City Trusts, statutory agent for the City of Philadelphia, has been determined to be an agency of the Commonwealth of Pennsylvania. Therefore, the Plan is currently operated as a tax qualified governmental retirement plan under the Internal Revenue Code (IRC). The Board of Directors of City Trusts believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

GAAP requires management to evaluate tax positions taken and recognize a tax liability (or asset) if it is more likely than not that the position would not be sustained upon evaluation by the Internal Revenue Service (IRS). Management has considered and assessed the impact of uncertain tax positions on the Plan's financial statements in accordance with Accounting Standards Codifications Topic 740, Income Taxes and has concluded that no provision for income taxes is required as of December 31, 2020.

**(6) Risks and Uncertainties**

The Plan invests in the units of the CLIF. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the Plan's interest in the CLIF will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for plan benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

**(7) Subsequent Events**

Plan management has evaluated subsequent events through July 12, 2021, which is the date the financial statements were available to be issued and noted no matters requiring disclosure.