

**WASHINGTON SQUARE
HEALTH FOUNDATION, INC.**

FINANCIAL STATEMENTS
September 30, 2022 and 2021

WASHINGTON SQUARE HEALTH FOUNDATION, INC.
FINANCIAL STATEMENTS
September 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Washington Square Health Foundation, Inc.
Chicago, Illinois

Opinion

We have audited the financial statements of Washington Square Health Foundation, Inc. (the Foundation), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Washington Square Health Foundation, Inc. as of September 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

(Continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Crowe LLP
Crowe LLP

Chicago, Illinois
January 25, 2023

WASHINGTON SQUARE HEALTH FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---|--------------------------|--------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 838,511 | \$ 998,121 |
| Investments, at fair value (Note 3) | | |
| Equities | 4,052,901 | 2,068,240 |
| Federal money market funds | 676,557 | 216,873 |
| Domestic equity funds | - | 63,975 |
| International equity funds | 1,677,928 | 3,687,991 |
| Domestic small cap mutual funds | 2,025,159 | 2,665,770 |
| Domestic middle cap mutual funds | 2,207,469 | 2,779,885 |
| Domestic large cap mutual funds | 3,372,785 | 6,331,737 |
| Commingled equity funds | - | 105,743 |
| Long-term growth equity fund | - | 181,809 |
| Certificates of deposit | 830,394 | 1,256,294 |
| Corporate bonds | - | 296,520 |
| Mutual funds | 336,172 | - |
| Dividend appreciation index | 424,306 | 482,407 |
| Total Investments | <u>15,603,671</u> | <u>20,137,244</u> |
| Other receivable | 3,015 | 8,020 |
| Prepaid expenses and other assets | 34,119 | 35,628 |
| Program-related investments, net (Note 7) | 301,968 | 358,934 |
| Furniture and equipment, net | 23,651 | 24,883 |
| Other assets | <u>6,971</u> | <u>6,971</u> |
| Total assets | <u>\$ 16,811,906</u> | <u>\$ 21,569,801</u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Accounts payable and accrued expenses | \$ 53,591 | \$ 52,932 |
| Employee benefit plans (Note 6) | <u>676,557</u> | <u>621,952</u> |
| | 730,148 | 674,884 |
| Net assets without donor restriction | <u>16,081,758</u> | <u>20,894,917</u> |
| Total liabilities and net assets | <u>\$ 16,811,906</u> | <u>\$ 21,569,801</u> |

See accompanying notes to financial statements.

WASHINGTON SQUARE HEALTH FOUNDATION, INC.
 STATEMENTS OF ACTIVITIES
 Years ended September 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---|----------------------|----------------------|
| Operating activities | | |
| Revenue | | |
| Interest and dividends | \$ 305,814 | \$ 332,801 |
| Net realized gain on investments | 1,165,103 | 529,970 |
| Other revenue | 6,388 | 9,127 |
| PPP loan proceeds (Note 10) | - | 72,102 |
| Total operating revenue | 1,477,305 | 944,000 |
| Expenses | | |
| Grants | 549,236 | 585,263 |
| Other expenses | | |
| Salaries | 334,054 | 368,321 |
| Employee benefit plans (Note 6) | 68,638 | 80,019 |
| Payroll taxes | 24,957 | 23,561 |
| Professional fees – legal and accounting | 34,910 | 53,249 |
| Board fees and expenses | 105,119 | 63,537 |
| Occupancy | 59,983 | 55,606 |
| Office supplies | 20,884 | 21,433 |
| Insurance | 84,438 | 81,077 |
| Depreciation | 7,806 | 5,450 |
| Telecommunications | 11,418 | 10,384 |
| Temporary employment | 8,094 | 7,357 |
| Travel | 6,942 | 243 |
| Miscellaneous | 55,991 | 43,079 |
| Total other expenses | 823,234 | 813,316 |
| Provision for federal excise taxes | 22,600 | 15,152 |
| Total operating expenses | 1,395,070 | 1,413,731 |
| Change in operating revenue, gains, and losses | 82,235 | (469,731) |
| Non-operating activities | | |
| Net unrealized (loss) gain on investments | (4,895,394) | 3,230,150 |
| Change in net assets | (4,813,159) | 2,760,419 |
| Net assets without donor restrictions, beginning of year | 20,894,917 | 18,134,498 |
| Net assets without donor restrictions, end of year | \$ 16,081,758 | \$ 20,894,917 |

See accompanying notes to financial statements.

WASHINGTON SQUARE HEALTH FOUNDATION, INC.
 STATEMENTS OF CASH FLOWS
 Years ended September 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|--|----------------|--------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (4,813,159) | \$ 2,760,419 |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | | |
| Net loss (gain) on investments | 3,730,291 | (3,760,120) |
| Depreciation | 7,806 | 5,450 |
| Forgiveness of program related investments | 40,000 | 77,348 |
| Changes in assets and liabilities: | | |
| Other receivable | 5,005 | 2,472 |
| Prepaid expenses and other assets | 1,509 | (7,119) |
| Accounts payable and accrued expenses | 659 | 2,389 |
| Employee benefit plans | 54,605 | 97,594 |
| Net cash used in operating activities | (973,284) | (821,567) |
| Cash flows from investing activities: | | |
| Proceeds from disposition of investments | 2,616,779 | 1,973,133 |
| Purchase of investments | (1,813,497) | (2,351,718) |
| Purchase of furniture and equipment | (6,574) | (3,770) |
| Repayment of program related investments | 16,966 | 69,401 |
| Net cash provided by (used in) investing activities | 813,674 | (312,954) |
| Net change in cash and cash equivalents | (159,610) | (1,134,521) |
| Cash and cash equivalents, beginning of year | 998,121 | 2,132,642 |
| Cash and cash equivalents, end of year | \$ 838,511 | \$ 998,121 |

See accompanying notes to financial statements.

WASHINGTON SQUARE HEALTH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 1 - DESCRIPTION OF FOUNDATION

The Washington Square Health Foundation, Inc. (the Foundation) was established from the proceeds of the sale of Henrotin Hospital (the Hospital) in 1985. The Foundation supports various charitable, scientific, and educational activities and does not solicit donations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Basis of Presentation: The Foundation's financial statements have been prepared to focus on the organization as a whole and to present balances and transactions in accordance with the existence or absence of donor-imposed restrictions. The net assets and related activity of the Foundation are classified as without donor restrictions, as they are not subject to donor-imposed restrictions.

Cash Equivalents: Cash equivalents consist of short-term money market accounts, except such instruments that are part of the investment portfolio, which are classified as investments. Cash equivalents have a maturity of less than three months. The Foundation's cash balances are insured under a tiered insurance program: Federal Deposit Insurance Corporation, Securities Investor Protection Corporation, or Lloyds of London.

Investments: Publicly traded investments are carried at fair value based on quoted market prices. The various investments in securities, mutual funds and other investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the Foundation. Dividends and interest, and unrealized and realized gains and losses from investments are recognized when earned in a given period.

Program-Related Investments: In accordance with Section 4944 of the Internal Revenue Code, the Foundation is permitted to make investments that are related to its charitable, scientific, and educational activities. These investments, which are stated at cost, are generally in the form of notes receivable with a 5% interest rate. These investments have a less than fair market value return. In the year of the investment, the Foundation receives a credit toward its distribution requirement related to its excise tax calculation (see Note 4). When the investment is repaid to the Foundation, it is required to recognize a negative distribution. These investments have been considered for possible impairment and have been valued at the lower of cost or fair value.

Furniture and Equipment: Office furniture and equipment are stated at cost. In general, the Foundation capitalizes assets with an original cost greater than \$100. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which range from five to seven years. Maintenance, repairs, and minor renewals are charged to expense as incurred.

Contributions: Unconditional contributions with a readily determinable fair value are reflected in the financial statements at the time contributions are received. Conditional gifts, with a barrier and right of return, are not recognized until the conditions on which they depend are met or explicitly waived by the donor. Multi-year pledges are recorded at the risk-adjusted present value of their expected future payments. Contributions received with donor-imposed restrictions that are met in the same year as the contributions are received are reported as revenue with donor restriction and released from restriction in the same period.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants: Grant awards are expensed when approved. Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments.

Operations: Operating results in the statement of activities reflect all transactions increasing or decreasing net assets without donor restrictions except for the net unrealized gain or loss on investments.

Use of Estimates: In order to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America, management of the Foundation has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reporting of revenue, expenses, gains, and losses during the period. Actual results could differ from these estimates.

Excise Tax: The Foundation is subject to a federal excise tax on net investment income. The Foundation records an asset or liability for deferred excise tax based on unrealized taxable investment income and the current enacted tax rates which is included in the prepaid expenses and other assets line on the statement of financial position.

Upcoming Accounting Pronouncements: In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*. This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The amendment in this ASU is effective for fiscal years beginning after December 15, 2021. The Foundation has not yet implemented this ASU and is in the process of assessing the effect on the Foundation's financial statements.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to September 30, 2022, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2022. Management has performed their analysis through January 25, 2023, the date the financial statements were available to be issued.

NOTE 3 - INVESTMENTS AND FAIR VALUE

The Financial Accounting Standards Board (FASB) Codification Guidance, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Foundation's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

This FASB establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

(Continued)

WASHINGTON SQUARE HEALTH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 3 - INVESTMENTS AND FAIR VALUE (Continued)

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The Foundation's 457b plan account is included in the following fair value hierarchy table.

Investments measured at fair value as of September 30, are summarized below:

| | 2022 | | | |
|----------------------------------|----------------------|---------------------|----------------|---------------------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total Fair Value</u> |
| Equities | \$ - | \$ 4,052,901 | \$ - | \$ 4,052,901 |
| Federal money market funds | - | 676,557 | - | 676,557 |
| International equity funds | 1,677,928 | - | - | 1,677,928 |
| Domestic small cap mutual funds | 2,025,159 | - | - | 2,025,159 |
| Domestic middle cap mutual funds | 2,207,469 | - | - | 2,207,469 |
| Domestic large cap mutual funds | 3,372,785 | - | - | 3,372,785 |
| Mutual funds | 336,172 | - | - | 336,172 |
| Certificates of deposit | - | 830,394 | - | 830,394 |
| Dividend appreciation funds | 424,306 | - | - | 424,306 |
| | <u>\$ 10,043,819</u> | <u>\$ 5,559,852</u> | <u>\$ -</u> | <u>\$ 15,603,671</u> |
| | 2021 | | | |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total Fair Value</u> |
| Equities | \$ - | \$ 2,068,240 | \$ - | \$ 2,068,240 |
| Federal money market funds | - | 216,873 | - | 216,873 |
| Domestic equity funds | 63,975 | - | - | 63,975 |
| International equity funds | 3,687,991 | - | - | 3,687,991 |
| Domestic small cap mutual funds | 2,665,770 | - | - | 2,665,770 |
| Domestic middle cap mutual funds | 2,779,885 | - | - | 2,779,885 |
| Domestic large cap mutual funds | 6,331,737 | - | - | 6,331,737 |
| Commingled equity funds | 105,743 | - | - | 105,743 |
| Long-term growth equity funds | 181,809 | - | - | 181,809 |
| Certificates of deposit | - | 1,256,294 | - | 1,256,294 |
| Corporate bonds | - | 296,520 | - | 296,520 |
| Dividend appreciation index fund | 482,407 | - | - | 482,407 |
| | <u>\$ 16,299,317</u> | <u>\$ 3,837,927</u> | <u>\$ -</u> | <u>\$ 20,137,244</u> |

(Continued)

NOTE 3 - INVESTMENTS AND FAIR VALUE (Continued)

The following are descriptions of the valuation methods and assumptions used by the Foundation to estimate the fair values of investments:

Equities, Federal Money Market Funds, Certificates of Deposit, and Corporate Bonds: The fair values of equities that are readily marketable are estimated using recently observed trades or quoted prices in inactive markets (Level 2 inputs) (Market approach). Federal money market funds and certificates of deposit fair values are estimated to approximate deposit account balances, payable on demand, as no discounts for credit quality or liquidity were determined to be applicable (Level 2 inputs) (Income approach). Corporate bonds fair value is measured using matrix pricing models, or other model-based valuation techniques requiring observable inputs other than quoted prices such as yield curves, prepayment speeds, and default rates (Level 2 inputs) (Market approach).

Domestic Equity Funds, International Equity Funds, Domestic Small Cap Mutual Funds, Domestic Middle Cap Mutual Funds, Domestic Large Cap Mutual Funds, Commingled Equity Funds, Mutual Funds, Long-term Growth Equity Fund, and Dividend Appreciation Index Fund: The fair value of equity and mutual fund holdings that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) (Market approach).

NOTE 4 - INCOME TAXES

The Foundation has received a determination letter from the Internal Revenue Service indicating it is a private foundation under Section 509(a) of the Internal Revenue Code. In accordance with the Tax Reform Act of 1969 (the Act), the Foundation is subject to an excise tax on net investment income, including realized gains, as defined by the Act. Under IRS regulations the Foundation is subject to an excise tax of 1.39% on its net investment income. The Act requires that certain minimum distributions be made each year. The amount of these distributions is determined in accordance with IRC section 4942 and Form 990-PF. The Foundation's prior years excess distributions are sufficiently large enough to ensure that the Foundation will meet the minimum distribution requirements of section 4942 for the tax year ended September 30, 2022, even if no distributions are made during the tax year. There was \$13,000 and \$20,000 in excise tax paid in the years ended September 30, 2022 and 2021, respectively.

Deferred excise taxes arise primarily from unrealized tax basis gains on investments and are calculated at the effective rate expected to be paid by the Foundation. The liability for deferred excise tax was \$0 and \$44,899 at September 30, 2022 and 2021, respectively.

No provision has been made for income taxes in the accompanying financial statements, as the Foundation has had no significant unrelated business income. If the Foundation incurs interest and penalties, the Foundation recognizes interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. The Foundation has no amounts accrued for interest or penalties as of September 30, 2022 or 2021. The Foundation has not been examined by any tax jurisdiction.

U.S. GAAP prescribes recognition thresholds and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Tax benefits will be recognized only if the tax position is more-likely-than-not to be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. Management has concluded that they are unaware of any tax benefits or liabilities to be recognized at September 30, 2022 and 2021. The Foundation does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

(Continued)

WASHINGTON SQUARE HEALTH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 5 - LEASE COMMITMENT

During fiscal years 2022 and 2021, the Foundation incurred \$59,983 and \$55,606, respectively, in rent, parking, and related occupancy expenses under this lease. Minimum annual base rentals due under this office lease are as follows:

| | | |
|-------|----|---------------|
| 2023 | \$ | 30,770 |
| 2024 | | 31,393 |
| 2025 | | <u>20,230</u> |
| Total | \$ | <u>82,393</u> |

NOTE 6 - EMPLOYEE BENEFIT PLANS

The Foundation provides a qualified defined contribution plan to its employees. Amounts contributed by the Foundation to this plan were \$68,638 and \$60,519, during fiscal years 2022 and 2021, respectively.

The Foundation also provides a non-qualified deferred compensation plan to a key executive. \$0 and \$19,500, respectively, was contributed to this plan in each fiscal year ended September 30, 2022 and 2021. As of September 30, 2022 and 2021, the total deferred compensation under the nonqualified deferred compensation plan was \$676,557 and \$621,952, respectively.

NOTE 7 - PROGRAM-RELATED INVESTMENTS

The Foundation makes program-related investments to various not-for-profit organizations based on need that are related to its charitable, scientific, and educational activities. These investments, which are stated at cost, are generally in the form of notes receivable with a 5% interest rate. These investments have a less than fair market value return. At September 30, 2022 and 2021, such investments represented 1.8% and 1.7% of total assets, respectively, with a total receivable balance of \$301,968 and \$358,934, respectively.

At September 30, 2022, investments consisted of the following principal payments due:

| | | |
|-------|----|----------------|
| 2023 | \$ | 123,113 |
| 2024 | | 98,807 |
| 2025 | | 60,000 |
| 2026 | | <u>20,048</u> |
| Total | \$ | <u>301,968</u> |

In the year of the investment, the Foundation receives a credit toward its distribution requirement related to its excise tax calculation (see Note 4). When the investment is repaid to the Foundation, it is required to recognize a negative distribution. These investments have been considered for possible impairment and have been valued at the lower of cost or fair value.

At September 30, 2022 and 2021, there were no amounts past due under these investments. All program-related investments are expected to be fully collected and, therefore, no reserves are placed on any investment balances under the program.

(Continued)

WASHINGTON SQUARE HEALTH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 8 - EXPENSES BY NATURE

The statements of activities report certain categories of expenses attributable to the programs and supporting functions of the Foundation. Program activities include grants and the costs of other grant-making activities. The table below presents these functional expenses by their natural classification for the years ended September 30, 2022 and 2021.

| | 2022 | | |
|--|-----------------------|---------------------------|---------------------|
| | Program Activities | Management and General | Total |
| Grants | \$ 549,236 | \$ - | \$ 549,236 |
| Salaries | 300,649 | 33,405 | 334,054 |
| Employee benefit plans | 61,774 | 6,864 | 68,638 |
| Payroll taxes | 22,461 | 2,496 | 24,957 |
| Professional fees - legal and accounting | 31,420 | 3,490 | 34,910 |
| Board fees and expenses | 94,607 | 10,512 | 105,119 |
| Occupancy | 53,985 | 5,998 | 59,983 |
| Office supplies | 18,796 | 2,088 | 20,884 |
| Insurance | 75,994 | 8,444 | 84,438 |
| Depreciation | 7,025 | 781 | 7,806 |
| Telecommunications | 10,276 | 1,142 | 11,418 |
| Temporary employment | 7,285 | 809 | 8,094 |
| Travel | 6,248 | 694 | 6,942 |
| Miscellaneous | 50,391 | 5,600 | 55,991 |
| | <u>\$ 1,290,147</u> | <u>\$ 82,323</u> | <u>\$ 1,372,470</u> |
| | 2021 | | |
| | Program Activities | Management and General | Total |
| Grants | \$ 585,263 | \$ - | \$ 585,263 |
| Salaries | 331,489 | 36,832 | 368,321 |
| Employee benefit plans | 72,017 | 8,002 | 80,019 |
| Payroll taxes | 21,205 | 2,356 | 23,561 |
| Professional fees - legal and accounting | 47,924 | 5,325 | 53,249 |
| Board fees and expenses | 57,183 | 6,354 | 63,537 |
| Occupancy | 50,045 | 5,561 | 55,606 |
| Office supplies | 19,290 | 2,143 | 21,433 |
| Insurance | 72,969 | 8,108 | 81,077 |
| Depreciation | 4,905 | 545 | 5,450 |
| Telecommunications | 9,346 | 1,038 | 10,384 |
| Temporary employment | 6,621 | 736 | 7,357 |
| Travel | 219 | 24 | 243 |
| Miscellaneous | 38,771 | 4,308 | 43,079 |
| | <u>\$ 1,317,247</u> | <u>\$ 81,332</u> | <u>\$ 1,398,579</u> |

The allocations of certain categories of expenses attributable to program management and general are based on either square footage or full-time equivalents of personnel.

(Continued)

WASHINGTON SQUARE HEALTH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 9 - LIQUIDITY AND AVAILABILITY

The Foundation's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

| | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|
| Cash and cash equivalents | \$ 838,511 | \$ 998,121 |
| Investments | 15,603,671 | 20,137,244 |
| Less amounts designated for employee benefit plans | <u>(676,557)</u> | <u>(621,952)</u> |
| | <u>\$ 15,765,625</u> | <u>\$ 20,513,413</u> |

As part of the Foundation's liquidity management, the Foundation invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 10 – PAYROLL PROTECTION PROGRAM LOAN

On March 8, 2021, the Foundation was granted a loan (the "Loan") from JPMorgan Chase Bank, N.A. in the aggregate amount of \$72,102, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Foundation elected to account for the PPP Loan as a conditional contribution under ASC 958-605.

The Foundation applied for and received full forgiveness of the PPP Loan on October 29, 2021. The Foundation recognized the loan forgiveness as a contribution during fiscal year 2021.