

**GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION**

**REVIEWED FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2022 AND 2021**

**GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION**  
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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of  
Greene County Memorial Hospital Foundation

We have reviewed the accompanying financial statements of Greene County Memorial Hospital Foundation (a nonprofit organization), which comprise the statements of financial position as of June 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

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

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Greene County Memorial Hospital Foundation and to meet our ethical responsibilities in accordance with the relevant ethical requirements related to our reviews.

### **Accountant's Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements for the years ended June 30, 2022 and 2021 in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Palermo/Kissinger - Assoc., P.C.*

Palermo/Kissinger & Associates, P.C.  
Washington, Pennsylvania

November 17, 2022

**GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

<b>ASSETS</b>	<b>2022</b>	<b>2021</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 443,639	\$ 416,854
Investments	7,245,178	9,293,607
Accounts receivable	5,511	1,878
Pledges receivable due within one year (net of \$-0- and \$-0- allowance for uncollectible pledges)	5,500	-
Prepaid expenses	14,364	7,082
<b>TOTAL CURRENT ASSETS</b>	<b>7,714,192</b>	<b>9,719,421</b>
<b>PROPERTY AND EQUIPMENT</b>		
Land	607,508	607,508
Recreation Center	9,284,230	9,284,230
Furniture and equipment	202,911	202,911
	10,094,649	10,094,649
Less: accumulated depreciation	(1,286,939)	(1,008,299)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>8,807,710</b>	<b>9,086,350</b>
<b>OTHER ASSETS</b>		
Pledges receivable (net of \$-0- and \$-0-, allowance for uncollectible pledges)	-	7,240
Security deposits	518	518
<b>TOTAL OTHER ASSETS</b>	<b>518</b>	<b>7,758</b>
<b>TOTAL ASSETS</b>	<b>\$ 16,522,420</b>	<b>\$ 18,813,529</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 36,637	\$ 26,729
Liability for payroll related withholdings	-	3,470
Deferred revenue	33,710	29,309
Line of credit payable	3,534,852	3,704,852
<b>TOTAL LIABILITIES</b>	<b>3,605,199</b>	<b>3,764,360</b>
<b>NET ASSETS</b>		
Net assets without donor restrictions:		
Invested in fixed assets, net of related debt	5,272,858	5,381,498
Undesignated	7,256,817	9,200,283
Total net assets without donor restrictions	12,529,675	14,581,781
Net assets with donor restrictions	387,546	467,388
<b>TOTAL NET ASSETS</b>	<b>12,917,221</b>	<b>15,049,169</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 16,522,420</b>	<b>\$ 18,813,529</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT, REVENUE, AND GAINS</b>			
<b>SUPPORT:</b>			
Contributions and grants	\$ 72,662	\$ 4,000	\$ 76,662
Bequests	1,879	-	1,879
<b>TOTAL SUPPORT</b>	<u>74,541</u>	<u>4,000</u>	<u>78,541</u>
<b>REVENUE AND GAINS:</b>			
Special events (net of special events expenses of \$48,986)	1,959	-	1,959
Program revenue	790,850	-	790,850
Rental income	7,769	-	7,769
Investment income (net of investment expenses of \$63,767)	62,532	2	62,534
Realized gain on investments	388,115	-	388,115
<b>TOTAL REVENUE AND GAINS</b>	<u>1,251,225</u>	<u>2</u>	<u>1,251,227</u>
<b>TOTAL SUPPORT, REVENUE, AND GAINS</b>	1,325,766	4,002	1,329,768
Net assets released from purpose restrictions	3,028	(3,028)	-
Net assets released from time restrictions	80,816	(80,816)	-
<b>TOTAL SUPPORT, REVENUE, GAINS, AND RECLASSIFICATIONS</b>	<u>1,409,610</u>	<u>(79,842)</u>	<u>1,329,768</u>
<b>EXPENSES AND LOSSES:</b>			
<b>EXPENSES</b>			
Recreation center	1,513,750	-	1,513,750
Other program services	150,901	-	150,901
Management and general	76,105	-	76,105
Fundraising	21,713	-	21,713
<b>TOTAL EXPENSES</b>	<u>1,762,469</u>	<u>-</u>	<u>1,762,469</u>
<b>UNREALIZED LOSS ON INVESTMENTS</b>	<u>1,699,247</u>	<u>-</u>	<u>1,699,247</u>
<b>TOTAL EXPENSES AND LOSSES</b>	<u>3,461,716</u>	<u>-</u>	<u>3,461,716</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(2,052,106)	(79,842)	(2,131,948)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>14,581,781</u>	<u>467,388</u>	<u>15,049,169</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 12,529,675</u>	<u>\$ 387,546</u>	<u>\$ 12,917,221</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT, REVENUE, AND GAINS</b>			
<b>SUPPORT:</b>			
Contributions and grants	\$ 186,882	\$ 3,232	\$ 190,114
Payroll Protection Plan debt forgiveness	22,700	-	22,700
Bequests	13,100	-	13,100
<b>TOTAL SUPPORT</b>	<u>222,682</u>	<u>3,232</u>	<u>225,914</u>
<b>REVENUE AND GAINS:</b>			
Special events (net of special events expenses of \$2,605)	3,095	-	3,095
Program revenue	698,000	-	698,000
Rental income	3,984	-	3,984
Insurance proceeds, net of related expenses	(1,998)	-	(1,998)
Investment income (net of investment expenses of \$63,406)	74,641	2	74,643
Realized gain on investments	863,209	-	863,209
Unrealized gain on investments	625,140	-	625,140
<b>TOTAL REVENUE AND GAINS</b>	<u>2,266,071</u>	<u>2</u>	<u>2,266,073</u>
<b>TOTAL SUPPORT, REVENUE, AND GAINS</b>	2,488,753	3,234	2,491,987
Net assets released from purpose restrictions	4,000	(4,000)	-
Net assets released from time restrictions	53,421	(53,421)	-
<b>TOTAL SUPPORT, REVENUE, GAINS, AND RECLASSIFICATIONS</b>	<u>2,546,174</u>	<u>(54,187)</u>	<u>2,491,987</u>
<b>EXPENSES</b>			
Recreation center	1,419,744	-	1,419,744
Other program services	149,744	-	149,744
Management and general	83,141	-	83,141
Fundraising	24,009	-	24,009
<b>TOTAL EXPENSES</b>	<u>1,676,638</u>	<u>-</u>	<u>1,676,638</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	869,536	(54,187)	815,349
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>13,712,245</u>	<u>521,575</u>	<u>14,233,820</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 14,581,781</u>	<u>\$ 467,388</u>	<u>\$ 15,049,169</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2022

	Program Services		Total Program Services	Supportive Services			Total Supportive Services
	Recreation Center Services	Other Program Services		Management and General	Fundraising	Total	
<b>PERSONNEL EXPENSES</b>							
Salaries and wages	\$ -	\$ 100,416	\$ 100,416	\$ 20,083	\$ 13,389	\$ 33,472	\$ 133,888
Employee taxes and benefits	-	12,905	12,905	2,581	1,721	4,302	17,207
Contracted services	739,271	-	739,271	-	-	-	739,271
<b>TOTAL PERSONNEL EXPENSES</b>	<b>739,271</b>	<b>113,321</b>	<b>852,592</b>	<b>22,664</b>	<b>15,110</b>	<b>37,774</b>	<b>890,366</b>
<b>OPERATING EXPENSES</b>							
Grants to other agencies	-	25,673	25,673	-	-	-	25,673
Occupancy	121,578	5,750	127,328	10,429	1,605	12,034	139,362
Insurance	36,789	250	37,039	5,451	-	5,451	42,490
Supplies	55,173	3,566	58,739	6,532	1,251	7,783	66,522
Repairs and maintenance	55,437	37	55,474	-	-	-	55,474
Professional services	69,000	-	69,000	28,216	-	28,216	97,216
Travel and meetings	6,372	-	6,372	2,390	-	2,390	8,762
Advertising	48,223	2,304	50,527	-	3,269	3,269	53,796
Bad debt expense	5,281	-	5,281	-	-	-	5,281
Bank fees	22,487	-	22,487	163	-	163	22,650
Miscellaneous	3,131	-	3,131	260	478	738	3,869
Interest	72,368	-	72,368	-	-	-	72,368
Depreciation	278,640	-	278,640	-	-	-	278,640
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,513,750</b>	<b>\$ 150,901</b>	<b>\$ 1,664,651</b>	<b>\$ 76,105</b>	<b>\$ 21,713</b>	<b>\$ 97,818</b>	<b>\$ 1,762,469</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	Program Services		Total Program Services	Supportive Services			Total Supportive Services
	Recreation Center Services	Other Program Services		Management and General	Fundraising	Total	
<b>PERSONNEL EXPENSES</b>							
Salaries and wages	\$ -	\$ 95,974	\$ 95,974	\$ -	\$ 12,797	\$ 31,992	\$ 127,966
Employee taxes and benefits	-	12,102	12,102	2,421	1,614	4,035	16,137
Contracted services	749,004	-	749,004	-	-	-	749,004
<b>TOTAL PERSONNEL EXPENSES</b>	<b>749,004</b>	<b>108,076</b>	<b>857,080</b>	<b>21,616</b>	<b>14,410</b>	<b>36,026</b>	<b>893,106</b>
<b>OPERATING EXPENSES</b>							
Grants to other agencies	-	34,025	34,025	-	-	-	34,025
Occupancy	43,258	2,576	45,834	6,697	1,030	7,727	53,561
Insurance	42,527	-	42,527	5,502	-	5,502	48,029
Supplies	66,932	2,348	69,280	8,031	3,174	11,205	80,485
Repairs and maintenance	33,094	-	33,094	1,537	-	1,537	34,631
Professional services	93,014	1,719	94,733	38,290	768	39,058	133,791
Travel and meetings	6,973	-	6,973	237	-	237	7,210
Advertising	34,927	1,000	35,927	590	2,999	3,589	39,516
Bad debt expense	757	-	757	-	-	-	757
Bank fees	17,386	-	17,386	92	-	92	17,478
Miscellaneous	815	-	815	549	1,628	2,177	2,992
Interest	55,859	-	55,859	-	-	-	55,859
Depreciation	275,198	-	275,198	-	-	-	275,198
<b>TOTAL OPERATING EXPENSES</b>	<b>670,740</b>	<b>41,668</b>	<b>712,408</b>	<b>61,525</b>	<b>9,599</b>	<b>71,124</b>	<b>783,532</b>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,419,744</b>	<b>\$ 149,744</b>	<b>\$ 1,569,488</b>	<b>\$ 83,141</b>	<b>\$ 24,009</b>	<b>\$ 107,150</b>	<b>\$ 1,676,638</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT



**GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ (2,131,948)	\$ 815,349
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	278,640	275,198
Realized gain on investments	(388,115)	(863,209)
Unrealized (gain) loss on investments	1,699,247	(625,140)
PPP debt forgiveness	-	(22,700)
Decreases (increases) in assets:		
Decrease (increase) in accounts receivable	(3,633)	(1,878)
Decrease (increase) in pledges receivable, net	1,740	125,583
Decrease (increase) in prepaid expenses	(7,282)	(7,082)
Increase (decreases) in liabilities:		
Increase (decrease) in accounts payable	9,908	(14,495)
Increase (decrease) in payroll taxes payable	(3,470)	455
Increase (decrease) in deferred revenue	4,401	29,309
	<b>(540,512)</b>	<b>(288,610)</b>
<b>NET CASH USED FOR OPERATING ACTIVITIES</b>		
<b>INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-	(18,633)
Sale of investments	799,800	710,000
Purchase of investments	(62,503)	(733,287)
	<b>737,297</b>	<b>(41,920)</b>
<b>NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>		
<b>FINANCING ACTIVITIES</b>		
Repayment of the line of credit	(170,000)	(190,000)
	<b>(170,000)</b>	<b>(190,000)</b>
<b>NET CASH USED FOR FINANCING ACTIVITIES</b>		
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>26,785</b>	<b>(520,530)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>416,854</b>	<b>937,384</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 443,639</b>	<b>\$ 416,854</b>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid during the period for:		
Interest	\$ 72,368	\$ 55,859
Noncash financing activities: PPP debt forgiveness	\$ -	\$ 22,700

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Greene County Memorial Hospital Foundation (Foundation) is a successor entity to the Greene County Memorial Hospital (Hospital). The Hospital was organized in 1907 to meet the medical needs of the community. In 2005, the hospital operations were sold and the residual assets are now managed by the Foundation. The mission of the Foundation is to promote compassionate and caring healthcare and related outreach programs. The Foundation also operates a recreation center open to the public.

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting, and accordingly reflect all significant receivables, payables, and other liabilities.

The financial statements of the Greene County Memorial Hospital Foundation are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Presentation of Financial Statements of Not-for-Profit Entities, dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Greene County Memorial Hospital Foundation had \$387,546 and \$467,388 of net assets with donor restrictions at June 30, 2022 or 2021, respectively.

Cash and Cash Equivalents

For the purposes of the cash flows statement, the Organization considers investments with a maturity of three months or less to be cash equivalents.

**GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fair Value Measurement

The Organization applies the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820-10 for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820-10 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Maintenance, Capitalization and Disposal Policies

Maintenance and repairs are charged to operations when paid. Betterments and renewals are capitalized. Property and equipment are capitalized and depreciated under the straight-line method over the useful lives of the assets using the half-year convention. Estimated useful lives assigned for furniture, fixtures and equipment are three to seven years. When property and equipment are sold or otherwise disposed of, the asset accounts and related accumulated depreciation accounts are relieved, and any gain or loss is included in operations.

Donated Materials and Services

Donated materials or services when received are reflected as contributions in the accompanying statements at their estimated fair market values at date of receipt.

Contributions

Under generally accepted accounting principles for not-for-profit Organizations, contributions received are recorded depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Income Tax Status

Greene County Memorial Hospital Foundation is a nonprofit organization exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. Greene County Memorial Hospital Foundation has been classified as an entity that is not a private foundation within the meaning of Section 509 (a). Donors are entitled to deductions from income tax for contributions made to Greene County Memorial Hospital Foundation in accordance with these regulations.

**GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Income Tax Status (continued)

Greene County Memorial Hospital Foundation has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10 (formerly Interpretation Number 48 (FIN 48)), *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes. ASC 740-10 prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Management has determined that there are no material uncertain tax positions or unrecognized tax benefits and there is no material impact on the financial statements. In addition, there were no penalties or interest recognized on the statements of activity as a result of the adoption. Greene County Memorial Hospital Foundation's ASC 740-10 evaluation was performed for the tax years 2019 through 2021, which are the years that remain subject to examination by the Internal Revenue Service and various state agencies as of June 30, 2022.

Recognition of Revenue

Contributions, bequests, grants, and special events revenue are recognized when the donor makes an unconditional promise to give. Program revenue is recognized in the period in which it is earned.

Expense Allocation

The costs of providing various program services and supporting activities of the Organization have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefitted in a systematic and rational manner as determined by management.

The expenses that are allocated include the following:

<u>Expenses</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Utilities	Square footage
Insurance	Time and effort
Professional services	Time and effort

**GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

The Organization reports its investments in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities.

Investment income is recognized as revenue in the period it is earned and gains and losses are recognized as changes in net assets in the accounting period in which they occur.

Compensated Absences

Full-time employees of Greene County Memorial Hospital Foundation are entitled to paid vacation depending on length of service. Compensated absences must be used by the end of each fiscal year. Accordingly, the costs of compensated absences are recognized when it is actually paid to employees.

Significant Concentration of Credit Risk

The organization has concentrated its credit risk for cash by maintaining deposits in banks located within the same geographic region. Periodically the organization will maintain cash balance in excess of FDIC Insurance.

Credit risk for accounts receivable is concentrated as well because substantially all of the balances are receivable from individuals located within the same geographic region.

Advertising costs

Advertising costs are expensed as incurred. Total advertising costs for the year ended June 30, 2022 and 2021 were \$53,796 and \$39,516, respectively.

**GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Subsequent Events

In accordance with Accounting Standards Codification (ASC) 855-10, *Subsequent Events*, the Organization has evaluated subsequent November 17, 2022, which is the date financial statements were available to be issued.

Recently Issued Accounting Pronouncements

- In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This guidance requires the rights and obligations of new and existing arrangements to be recognized as assets and liabilities on the statement of financial position. The Guidance will require disclosures to better inform financial statement users of the amount, timing and uncertainty of cash flows arising from leases. The primary impact of this guidance, which will be effective for periods beginning after December 15, 2021 will be to record right-of-use assets and obligations for current operating leases.

**NOTE 2 – PLEDGES RECEIVABLE**

Pledges receivable represent unconditional promises to give and are reported at fair value by discounting the expected future pledge payments at the interest rate of the line of credit accessible to the Foundation at the end of the fiscal year. The discount rate used in the present value technique to determine fair value of pledges receivable is revised at the end of each fiscal year to reflect current market conditions and the creditworthiness of donors. In addition, management evaluates payment history to estimate allowances for doubtful pledges. Management anticipates receiving the full amount of the pledges outstanding at June 30, 2022 and 2021, and as such, an allowance for uncollectible accounts has not been recorded. Changes in the fair value of pledges receivable are reported in the statement of activities as contribution revenue except for changes in the allowance for doubtful pledges, which are reported as program expense at each subsequent reporting date.

As of June 30, pledges receivable were as follows:

	<u>2022</u>	<u>2021</u>
Amounts due in:		
Less than one year	\$5,500	\$ -
One to five years	<u>-</u>	<u>7,500</u>
Total	5,500	7,500
Less fair value adjustments:		
Discount of 2.38% to present value	<u>-</u>	<u>260</u>
Pledges receivable, net	<u>\$5,500</u>	<u>\$7,240</u>

**GREENE COUNTY MEMORIAL HOSPITAL FOUNDATION  
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**NOTE 3 – INVESTMENTS**

Investments are recorded in the statement of financial position at fair value.

Investments at June 30, 2022 consisted of the following:

	<u>Fair Value</u>	<u>Cost Basis</u>
Fixed income	\$ 2,870,445	\$ 3,166,106
Equities	<u>4,374,733</u>	<u>3,931,437</u>
	<u>\$ 7,245,178</u>	<u>\$ 7,097,543</u>

Investments at June 30, 2021 consisted of the following:

	<u>Fair Value</u>	<u>Cost Basis</u>
Fixed income	\$ 3,211,025	\$ 3,161,732
Equities	<u>6,082,582</u>	<u>4,284,992</u>
	<u>\$ 9,293,607</u>	<u>\$ 7,446,724</u>

At June 30, 2022 and 2021, the investment plan also held \$236,933 and \$17,133 in cash and cash equivalents, respectively.

For the years ended June 30, 2022 and 2021, the Greene County Memorial Hospital Foundation incurred investment expenses of \$63,767 and \$63,406, respectively.

**NOTE 4 – FIXED ASSETS**

Fixed assets are recorded at cost. Donated fixed assets are recorded at fair market value on the date of the donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets as follows:

Recreation Center	39 Years
Furniture and equipment	5 Years

Renewals and improvements which extend the useful lives of assets are capitalized at cost. Maintenance and repairs are included as expenses as incurred. Depreciation expense for the year ended June 30, 2022 and 2021 was \$278,640 and \$275,198, respectively.

Fixed assets consist of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 607,508	\$ 607,508
Recreation Center	9,284,230	9,284,230
Furniture and equipment	<u>202,911</u>	<u>202,911</u>
	10,094,649	10,094,649
Less: accumulated depreciation	<u>( 1,286,939)</u>	<u>( 1,008,299)</u>
Net Fixed Assets	<u>\$8,807,710</u>	<u>\$9,086,350</u>

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**NOTE 5 – LINE OF CREDIT**

The Foundation maintained a \$5,000,000 line-of-credit arrangement with First National Bank to provide for working capital requirements through December 27, 2021. At June 30, 2021, the balance of the line-of-credit was \$3,704,852 with an interest rate of 1.406%. The outstanding balances represent construction costs of the recreation center completed during the year ended June 30, 2018.

On December 28, 2021, the \$5,000,000 line-of-credit was closed and the amount owed on the line-of-credit of \$3,534,852 was converted to two lines-of-credit. The new \$1,000,000 line-of-credit bears interest at the bank's short-term cost of money plus 1.3%, adjusted monthly. The outstanding balance of the commercial line of credit at June 30, 2022 was \$1,000,000. The effective interest rate was 2.420% at June 30, 2022.

The remaining balance of \$2,534,852 was converted to a line-of-credit with an interest rate swap agreement. A monthly reconciliation is performed for the swap agreement and any amount of additional interest owed is remitted to First National Bank or overpaid interest is returned to Greene County Memorial Hospital Foundation. Therefore, there is no asset or liability created by the swap agreement. A summary of the interest rate swap agreement related to variable rate long-term debt and utilized during the year ended June 30, 2022 is as follows:

Effective Date	Maturity Date	Initial Notional Amount	Current Notional Amount	Fixed Rate	Variable Rate Basis
12/28/2021	12/28/2028	\$2,534,852	\$2,534,852	2.90%	LIBOR +1.30%

The line-of-credits are secured by the investments held by the Organization. Interest expense related to the two lines-of-credit was \$72,252 and \$55,859 for the year ended June 30, 2022 and 2021, respectively.

**NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS**

The activity of Net Assets with Donor Restrictions consisted of the following:

Beginning balance – July 1, 2020	\$ 521,575
Plus: contributions and grants	3,232
Plus: investment income	2
Less: net assets released from restrictions	<u>( 57,421)</u>
Ending balance – June 30, 2021	\$ 467,388
Plus: contributions	4,000
Plus: investment income	2
Less: net assets released from restrictions	<u>( 83,844)</u>
Ending balance – June 30, 2022	<u>\$ 387,546</u>



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**NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS (continued)**

Temporarily Restricted Net Assets at June 30, consisted of the following:

	<u>2022</u>	<u>2021</u>
Tuition assistance awards	\$ 22,752	\$ 21,778
Time restriction – recreation center	<u>364,794</u>	<u>445,610</u>
Total	<u>\$ 387,546</u>	<u>\$ 467,388</u>

During April 2016, Greene County Memorial Hospital Foundation received a pledge totaling \$1,000,000 for the construction of a new recreation center. In the event, the recreation center was not constructed or was sold within 10 years of the pledge, a portion of the pledge must be returned to the donor. The net assets with donor restrictions for the new recreation center consist of the portion, discounted at net present value, that would need to be returned to the donor, in the event the recreation center changed ownership.

**NOTE 7 – SPECIAL EVENTS**

Greene County Memorial Hospital Foundation hosts two annual fundraisers: a Golf Outing and a Gala. Total revenue for these fundraisers consists of the cost of direct benefit to the donors plus the contribution component of the registration fee. The Organization recognizes the contribution portion immediately and the exchange portion upon completion of the event.

The direct benefit portion of the Golf Outing included in the registration fee was comprised of lunch, facility use, the cost to play a round of golf with cart, and event materials. The golf outing was not held during the year ended June 30, 2021. For the year ended June 30, 2022, management estimated the direct benefit to be \$65. The estimated direct benefit of sponsorships was \$100 for the year ended June 30, 2022.

The direct benefit portion of the Gala included in the price of a ticket was comprised of a meal and nonalcoholic beverages. For the year ended June 30, 2021, the gala event was held virtually so there were no meals or gifts provided. Management estimated the direct benefit to be equal to the cost of the ticket price for the year ended June 30, 2022. The estimated direct benefit of sponsorships was \$150 for the year ended June 30, 2022.

**NOTE 8 – OPERATING LEASES**

The Foundation had the following leases:

- A) Foundation entered into a lease agreement for its administrative office on December 16, 2011 ending December 14, 2021, at a monthly rate of \$400. The lease was renewed for an additional five years through December 14, 2026 at a monthly rate of \$800. Total rent expense paid for the year ended June 30, 2022 and 2021 under this lease was \$9,600 and \$4,800, respectively.

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**NOTE 8 – OPERATING LEASES (continued)**

B) The Foundation entered into a lease agreement for its thrift store on July 1, 2022 ending June 30, 2023 at a monthly rate of \$1,600. The rent for July 2022 was paid during June 2022. As a result, total rent expense paid for the year ended June 30, 2022 under this lease was \$1,600.

Future minimum lease payments are as follows:

<u>Fiscal years ending June 30,</u>	
2023	\$27,200
2024	9,600
2025	9,600
2026	9,600
2027	<u>4,800</u>
Total	<u>\$60,800</u>

**NOTE 9 – LIQUIDITY**

Greene County Memorial Hospital Foundation's financial assets available within one year of June 30, 2022 and 2021 for general expenses are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 443,639	\$ 416,854
Investments	7,245,178	9,293,607
Accounts receivable	5,511	1,878
Pledges receivable	5,500	-
Prepaid expenses	<u>14,364</u>	<u>7,082</u>
Total financial assets	7,714,192	9,719,421
Less: financial assets restricted for a specified purpose	<u>(22,752)</u>	<u>(21,778)</u>
Total available financial assets	<u>\$7,691,440</u>	<u>\$9,697,643</u>

**NOTE 10 – CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS**

The Organization maintains its cash balances in one financial institution located in Pennsylvania. At June 30, 2022 and 2021, the carrying balance of these accounts was \$206,706 and \$399,721, respectively. The bank balance of these accounts was \$220,322 and \$420,550, respectively. At June 30, 2022, the carrying balance did not exceed the Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2021, the carrying balance exceeded the Federal Deposit Insurance Corporation (FDIC) coverage by \$149,721.

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**NOTE 11 – CONCENTRATIONS OF RISK ARISING FROM RECEIVABLES**

The Organization grants credit without collateral to various agencies and individuals who are deemed to be credit worthy. Management believes that its collection policies are adequate to minimize potential risk.

**NOTE 12 – PAYROLL PROTECTION PLAN LOAN PAYABLE**

During May 2021, Greene County Memorial Hospital Foundation received loan proceeds in the amount of \$22,700 under the Paycheck Protection Program (PPP). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The loan bears interest at a rate of 1% annually, with payments deferred for six months from the origination date. The loan, as well as the accrued interest is forgivable under the CARES Act, as long as Greene County Memorial Hospital Foundation uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities and maintains its current level of full-time equivalent employees. Any amount not forgiven is payable over a two-year period. The loan was forgiven during the year ended June 30, 2021, and the organization recognized \$22,700 of debt forgiveness.