

**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION**

**REVIEWED FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2023 AND 2022**

**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of  
Greene County Health and Wellness Foundation

We have reviewed the accompanying financial statements of Greene County Health and Wellness Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 Health and Wellness 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, 2023 and 2022 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 21, 2023

**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

<b>ASSETS</b>	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 511,421	\$ 443,639
Investments	7,041,001	7,245,178
Accounts receivable	7,269	5,511
Pledges receivable due within one year (net of \$-0- and \$-0- allowance for uncollectible pledges)	-	5,500
Prepaid expenses	22,951	14,364
<b>TOTAL CURRENT ASSETS</b>	<b>7,582,642</b>	<b>7,714,192</b>
<b>PROPERTY AND EQUIPMENT</b>		
Land	607,508	607,508
Recreation Center	9,284,230	9,284,230
Furniture and equipment	222,861	202,911
	10,114,599	10,094,649
Less: accumulated depreciation	(1,544,666)	(1,286,939)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>8,569,933</b>	<b>8,807,710</b>
<b>OTHER ASSETS</b>		
Operating lease Right-of-Use Asset	31,034	-
Security deposits	518	518
<b>TOTAL OTHER ASSETS</b>	<b>31,552</b>	<b>518</b>
<b>TOTAL ASSETS</b>	<b>\$ 16,184,127</b>	<b>\$ 16,522,420</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 46,343	\$ 36,637
Liability for payroll related withholdings	68	-
Deferred revenue	21,481	33,710
Operating lease liability - current portion	8,375	-
Line of credit payable	3,534,852	3,534,852
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,611,119</b>	<b>3,605,199</b>
<b>LONG-TERM LIABILITIES</b>		
Operating lease liability, less current portion	22,659	-
<b>TOTAL LIABILITIES</b>	<b>3,633,778</b>	<b>3,605,199</b>
<b>NET ASSETS</b>		
Net assets without donor restrictions:		
Invested in fixed assets, net of related debt	5,035,081	5,272,858
Undesignated	7,213,571	7,256,817
Total net assets without donor restrictions	12,248,652	12,529,675
Net assets with donor restrictions	301,697	387,546
<b>TOTAL NET ASSETS</b>	<b>12,550,349</b>	<b>12,917,221</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 16,184,127</b>	<b>\$ 16,522,420</b>

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

**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT, REVENUE, AND GAINS</b>			
<b>SUPPORT:</b>			
Contributions and grants	\$ 123,408	\$ 900	\$ 124,308
Governmental Grant Revenue:			
Employer Retention Tax Credits	28,407	-	28,407
Bequests	13,868	-	13,868
	165,683	900	166,583
<b>TOTAL SUPPORT</b>			
	165,683	900	166,583
<b>REVENUE AND GAINS:</b>			
Special events			
(net of special events expenses of \$35,973)	(15,822)	-	(15,822)
Program revenue	847,137	-	847,137
Rental income	7,913	-	7,913
Investment income			
(net of investment expenses of \$55,917)	123,761	74	123,835
Realized loss on investments	(66,154)	-	(66,154)
Unrealized gain on investments	443,564	-	443,564
	1,340,399	74	1,340,473
<b>TOTAL REVENUE AND GAINS</b>			
	1,340,399	74	1,340,473
<b>TOTAL SUPPORT, REVENUE, AND GAINS</b>			
	1,506,082	974	1,507,056
Net assets released from purpose restrictions	2,000	(2,000)	-
Net assets released from time restrictions	84,823	(84,823)	-
	1,592,905	(85,849)	1,507,056
<b>TOTAL SUPPORT, REVENUE, GAINS, AND RECLASSIFICATIONS</b>			
	1,592,905	(85,849)	1,507,056
<b>EXPENSES</b>			
Recreation center	1,573,054	-	1,573,054
Other program services	189,131	-	189,131
Management and general	82,174	-	82,174
Fundraising	29,569	-	29,569
	1,873,928	-	1,873,928
<b>TOTAL EXPENSES</b>			
	1,873,928	-	1,873,928
<b>DECREASE IN NET ASSETS</b>	(281,023)	(85,849)	(366,872)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	12,529,675	387,546	12,917,221
	12,529,675	387,546	12,917,221
<b>NET ASSETS AT END OF YEAR</b>	\$ 12,248,652	\$ 301,697	\$ 12,550,349

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

**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<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>	<b>74,541</b>	<b>4,000</b>	<b>78,541</b>
<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>	<b>1,251,225</b>	<b>2</b>	<b>1,251,227</b>
<b>TOTAL SUPPORT, REVENUE, AND GAINS</b>	<b>1,325,766</b>	<b>4,002</b>	<b>1,329,768</b>
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>	<b>1,409,610</b>	<b>(79,842)</b>	<b>1,329,768</b>
<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>	<b>1,762,469</b>	<b>-</b>	<b>1,762,469</b>
<b>UNREALIZED LOSS ON INVESTMENTS</b>	<b>1,699,247</b>	<b>-</b>	<b>1,699,247</b>
<b>TOTAL EXPENSES AND LOSSES</b>	<b>3,461,716</b>	<b>-</b>	<b>3,461,716</b>
<b>DECREASE IN NET ASSETS</b>	<b>(2,052,106)</b>	<b>(79,842)</b>	<b>(2,131,948)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>14,581,781</b>	<b>467,388</b>	<b>15,049,169</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 12,529,675</b>	<b>\$ 387,546</b>	<b>\$ 12,917,221</b>

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

GREENE COUNTY HEALTH AND WELLNESS FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2023

	Program Services			Supportive Services		
	Recreation Center Services	Other Program Services	Total Program Services	Management and General	Fundraising	Total Supportive Services
<b>PERSONNEL EXPENSES</b>						
Salaries and wages	\$ -	\$ 108,111	\$ 108,111	\$ 34,581	\$ 13,832	\$ 48,413
Employee taxes and benefits	-	13,559	13,559	4,567	1,827	6,394
Contracted services	715,142	-	715,142	-	-	-
<b>TOTAL PERSONNEL EXPENSES</b>	715,142	121,670	836,812	39,148	15,659	54,807
<b>OPERATING EXPENSES</b>						
Grants to other agencies	-	26,023	26,023	-	-	-
Occupancy	95,628	31,638	127,266	9,446	1,445	10,892
Insurance	45,320	1,383	46,703	4,634	-	4,634
Supplies	109,232	1,761	110,993	3,733	5,525	9,258
Repairs and maintenance	45,651	581	46,232	1,870	-	1,870
Professional services	109,746	4,277	114,023	19,016	1,711	20,727
Travel and meetings	3,871	-	3,871	3,101	-	3,101
Advertising	30,030	1,798	31,828	229	5,229	5,458
Bad debt expense	10,008	-	10,008	-	-	-
Bank and credit card fees	24,446	-	24,446	87	-	87
Miscellaneous	634	-	634	910	-	910
Interest	125,619	-	125,619	-	-	-
Depreciation	257,727	-	257,727	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	857,912	67,461	925,373	43,026	13,910	56,937
<b>TOTAL FUNCTIONAL EXPENSES</b>	\$ 1,573,054	\$ 189,131	\$ 1,762,185	\$ 82,174	\$ 29,569	\$ 111,743
						\$ 1,873,928

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





**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITIES</b>		
Decrease in net assets	\$ (366,872)	\$ (2,131,948)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	257,727	278,640
Realized (gain) loss on investments	66,154	(388,115)
Unrealized (gain) loss on investments	(443,564)	1,699,247
Decreases (increases) in assets:		
Decrease (increase) in accounts receivable	(1,758)	(3,633)
Decrease (increase) in pledges receivable, net	5,500	1,740
Decrease (increase) in prepaid expenses	(8,587)	(7,282)
Increase (decreases) in liabilities:		
Increase (decrease) in accounts payable	9,706	9,908
Increase (decrease) in payroll taxes payable	68	(3,470)
Increase (decrease) in deferred revenue	(12,229)	4,401
<b>NET CASH USED FOR OPERATING ACTIVITIES</b>	<b>(493,855)</b>	<b>(540,512)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(19,950)	-
Sale of investments	636,045	799,800
Purchase of investments	(54,458)	(62,503)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>561,637</b>	<b>737,297</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of the line of credit	-	(170,000)
<b>NET CASH USED FOR FINANCING ACTIVITIES</b>	<b>-</b>	<b>(170,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>67,782</b>	<b>26,785</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>443,639</b>	<b>416,854</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 511,421</b>	<b>\$ 443,639</b>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid during the period for:		
Interest	\$ 125,619	\$ 72,368

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

**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2023 AND 2022**

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

Nature of Activities

Greene County Health and Wellness 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 Health and Wellness 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 Health and Wellness Foundation had \$301,697 and \$387,546 of net assets with donor restrictions at June 30, 2023 or 2022, 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 HEALTH AND WELLNESS FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**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.

Revenue and Support

The Organization derives its revenue and support primarily from grants, program service revenue, and contributions. Under ASC 606, revenue is recognized when performance obligations are satisfied, and revenue is earned for each of the major revenue categories. The Organization also applies the guidance under ASC Topic 958 Non-Profit Entities, to recognize support received that is not subject to revenue recognition under ASC 606.

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.

**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2023 AND 2022**

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

Income Tax Status

Greene County Health and Wellness Foundation is a nonprofit organization exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. Greene County Health and Wellness 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 Health and Wellness Foundation in accordance with these regulations.

Greene County Health and Wellness 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 Health and Wellness Foundation's ASC 740-10 evaluation was performed for the tax years 2019 through 2022, which are the years that remain subject to examination by the Internal Revenue Service and various state agencies as of June 30, 2023.

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 HEALTH AND WELLNESS FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**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 Health and Wellness 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, 2023 and 2022 were \$37,286 and \$53,796, respectively.

**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**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 21, 2023, which is the date financial statements were available to be issued.

Recently Issues Accounting Pronouncements

Effective June 30, 2023, the Organization adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, Leases (Topic 842). The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Organization accounted for its existing operating lease as an operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether any unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. As a result of the adoption of the new lease accounting guidance, the Organization recognized on June 30, 2023 (a) a lease liability of \$31,034 which represents the present value of the remaining lease payments, and (b) a right-of-use asset of \$31,034. In the opinion of management, the effect of adopting the standard as of June 30, 2023 rather than July 1, 2022 does not have a material effect on the financial statements.

**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. 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. There were no pledges receivable at June 30, 2023. As of June 30, 2022, pledges receivable were as follows:

Amounts due in:	
Less than one year	\$5,500
One to five years	-
Total	<u>\$5,500</u>

**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**NOTE 3 – INVESTMENTS**

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

Investments at June 30, 2023 consisted of the following:

	<u>Fair Value</u>	<u>Cost Basis</u>
Fixed income	\$ 2,539,166	\$ 2,821,402
Equities	<u>4,501,835</u>	<u>3,628,401</u>
	<u>\$ 7,041,001</u>	<u>\$ 6,449,803</u>

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>

At June 30, 2023 and 2022, the investment plan also held \$362,147 and \$236,933 in cash and cash equivalents, respectively.

For the years ended June 30, 2023 and 2022, the Greene County Health and Wellness Foundation incurred investment expenses of \$55,917 and \$63,767, 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, 2023 and 2022 was \$257,727 and \$278,640, respectively.

Fixed assets consist of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 607,508	\$ 607,508
Recreation Center	9,284,230	9,284,230
Furniture and equipment	<u>222,861</u>	<u>202,911</u>
	10,114,599	10,094,649
Less: accumulated depreciation	<u>( 1,544,666)</u>	<u>( 1,286,939)</u>
Net Fixed Assets	<u>\$8,569,933</u>	<u>\$8,807,710</u>

**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION  
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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, 2023 was \$1,000,000. The effective interest rate was 6.40% at June 30, 2023.

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 Health and Wellness 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 years ended June 30, 2022 and 2023 is as follows:

Effective Date	Maturity Date	Initial Notional Amount	Current Notional Amount	Fixed Rate	Variable Rate Basis
12/28/2022	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 \$125,619 and \$72,368 for the year ended June 30, 2023 and 2022, respectively.

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

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

Beginning balance – July 1, 2021	\$ 467,388
Plus: contributions and grants	4,000
Plus: investment income	2
Less: net assets released from restrictions	( 83,844)
Ending balance – June 30, 2022	\$ 387,546
Plus: contributions	900
Plus: investment income	74
Less: net assets released from restrictions	( 86,823)
Ending balance – June 30, 2023	<u>\$ 301,697</u>



**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION  
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**NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS (continued)**

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

	<u>2023</u>	<u>2022</u>
Tuition assistance awards	\$ 21,726	\$ 22,752
Time restriction – recreation center	<u>279,971</u>	<u>364,794</u>
Total	<u>\$ 301,697</u>	<u>\$ 387,546</u>

During April 2016, Greene County Health and Wellness 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 – EMPLOYER RETENTION TAX CREDITS**

The Taxpayer Certainty and Disaster Tax Relief Act of 2020, passed on December 27, 2020, made additional relief provisions which extended and expanded the qualified wage caps on the employer retention credit through December 31, 2021. As a result, Greene County Health and Wellness Foundation qualified for employee retention tax credits totaling \$28,407 for the year ended June 30, 2023.

**NOTE 8 – SPECIAL EVENTS**

Greene County Health and Wellness 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. For the years ended June 30, 2023 and 2022, management estimated the direct benefit to be \$75 and \$65, respectively. The estimated direct benefit of sponsorships was \$100 for the years ended June 30, 2023 and 2022.

The direct benefit portion of the Gala included in the price of a ticket was comprised of a meal and nonalcoholic beverages. Management estimated the direct benefit to be equal to the cost of the ticket price for the years ended June 30, 2023 and 2022. The estimated direct benefit of sponsorships was \$150 for the years ended June 30, 2023 and 2022.

**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION  
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**NOTE 9 –LEASES**

Greene County Health and Wellness Foundation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commence date, less any lease incentives received. The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Greene County Health and Wellness Foundation's incremental borrowing rate.

The Foundation has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Foundation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As of June 30, 2023, the Foundation had the following operating leases:

- A) The Foundation entered into a lease agreement for its administrative office on December 16, 2011 ending December 14, 2022, at a monthly rate of \$400. The lease was renewed for an additional five years through December 31, 2026 at a monthly rate of \$800. Total rent expense paid for the years ended June 30, 2023 and 2022 under this lease was \$7,200 and \$9,600, respectively.
- 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 lease was extended for an additional year at a monthly rate of \$1,650. Total rent expense paid for the years ended June 30, 2023 and 2022 under this lease was \$17,600 and \$1,600, respectively.

Future minimum lease payments are as follows:

<u>Fiscal years ending June 30,</u>	
2024	\$29,400
2025	9,600
2026	9,600
2027	<u>4,800</u>
Total	<u>\$53,400</u>

**GREENE COUNTY HEALTH AND WELLNESS FOUNDATION  
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**NOTE 10 – LIQUIDITY**

Greene County Health and Wellness Foundation's financial assets available within one year of June 30, 2023 and 2022 for general expenses are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 511,421	\$ 443,639
Investments	7,041,001	7,245,178
Accounts receivable	7,269	5,511
Pledges receivable	-	5,500
Prepaid expenses	<u>22,951</u>	<u>14,364</u>
Total financial assets	7,582,642	7,714,192
Less: financial assets restricted for a specified purpose	<u>(21,726)</u>	<u>(22,752)</u>
Total available financial assets	<u>\$7,560,916</u>	<u>\$7,691,440</u>

**NOTE 11 – CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS**

The Organization maintains its cash balances in one financial institution located in Pennsylvania. At June 30, 2023 and 2022, the carrying balance of these accounts was \$149,274 and \$206,706, respectively. The bank balance of these accounts was \$170,142 and \$220,322, respectively. At June 30, 2023 and 2022, the carrying balance did not exceed the Federal Deposit Insurance Corporation (FDIC) coverage.

**NOTE 12 – 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.