

Financial Statements and
Supplementary Information Together
with Report of Independent Certified
Public Accountants

St. John's Hospice

June 30, 2024 and 2023

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
St. John's Hospice

Opinion

We have audited the financial statements of St. John's Hospice, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, 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 St. John's Hospice as of June 30, 2024 and 2023, and the results of its activities and changes in 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 of the financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 St. John's Hospice 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 St. John's Hospice ability to continue as a going concern for one year after 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 US GAAS will always

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

In performing an audit in accordance with US 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 St. John's Hospice 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 St. John's Hospice 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.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenue and operating expenses for the year ended June 30, 2024, are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Grant Thornton LLP

Philadelphia, Pennsylvania
March 28, 2025

St. John's Hospice

STATEMENTS OF FINANCIAL POSITION

June 30,

	2024	2023
ASSETS		
Current assets		
Accounts receivable - City of Philadelphia	\$ 125,911	\$ 167,895
Client escrow funds	18,453	18,195
Prepaid expenses and other assets	15,588	18,509
Total current assets	159,952	204,599
Property, plant and equipment, net	980,343	1,035,767
Investments	6,439,971	5,716,831
Total assets	\$ 7,580,266	\$ 6,957,197
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 65,129	\$ 47,859
Salaries and wages payable	74,519	91,979
Client escrow funds	19,414	18,195
Due to Catholic Social Services	4,619,370	3,639,605
Total liabilities	4,778,432	3,797,638
Net assets		
Without donor restrictions	2,801,834	3,159,559
Total net assets	2,801,834	3,159,559
Total liabilities and net assets	\$ 7,580,266	\$ 6,957,197

The accompanying notes are an integral part of these financial statements.

St. John's Hospice

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years ended June 30,

	2024	2023
Operating revenues		
Governmental revenue	\$ 639,014	\$ 676,324
Contributed food	465,130	545,280
Total operating revenues	1,104,144	1,221,604
Operating expenses		
Salaries, wages and other payroll costs	1,810,766	1,763,359
Administrative and general expenses	1,090,606	1,040,657
Occupancy	203,177	187,239
Direct expenses of care	275,495	154,320
Total operating expenses	3,380,044	3,145,575
Change in net assets from operations	(2,275,900)	(1,923,971)
Other revenue		
Contributions from:		
Individuals	913,836	750,936
United Way/other	2,199	4,819
Catholic Charities Appeal	25,000	25,000
Foundations	254,000	176,000
Investment return	723,140	582,661
Total other revenue	1,918,175	1,539,416
CHANGE IN NET ASSETS	(357,725)	(384,555)
Net assets		
Beginning of year	3,159,559	3,544,114
End of year	\$ 2,801,834	\$ 3,159,559

The accompanying notes are an integral part of these financial statements.

St. John's Hospice

STATEMENTS OF CASH FLOWS

Years ended June 30,

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ (357,725)	\$ (384,555)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	120,335	106,616
Net realized and unrealized gains on investments	(608,790)	(412,858)
Changes in operating assets and liabilities:		
Accounts receivable - City of Philadelphia	41,984	(35,269)
Prepaid expenses and other assets	2,921	10,492
Accounts payable and accrued expenses	17,270	(20,021)
Salaries and wages payable	(17,460)	23,174
Client escrow funds held and owed net	961	
Due to Catholic Social Services	979,765	1,270,560
	<u>179,261</u>	<u>558,139</u>
Net cash provided by operating activities		
	<u>179,261</u>	<u>558,139</u>
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(64,911)	(388,336)
Purchases of investments	(114,350)	(169,803)
	<u>(179,261)</u>	<u>(558,139)</u>
Net cash used in investing activities		
	<u>(179,261)</u>	<u>(558,139)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	-	-
Cash:		
Beginning of year	-	-
End of year	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

St. John's Hospice

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE A - ORGANIZATION

In existence since 1963, the Saint John's Hospice and Good Shepherd Programs (collectively, "St John's Hospice") provide support for thousands of homeless men each year. Services to residents and visiting clients include hot meals, case management, food, clothing, showers, medical and psychological care, social services, and a stable mailing address. Incorporated in July of 2015, St. John's Hospice is a separate 501(c)(3) organization of the Archdiocese of Philadelphia.

Catholic Charities of the Archdiocese of Philadelphia, operating as Catholic Social Services of the Archdiocese of Philadelphia ("CSS") established in 1919, is a multi-faceted social services organization whose departments offer a wide range of services to meet the needs of children, adults and families including adoption and foster care programs. CSS functions as a self-contained entity and maintains separate financial statements for each of its organizations. St. John's Hospice is one of the organizations.

The accompanying financial statements include programs operated and administered by St. John's Hospice.

The Archdiocese of Philadelphia (the "Archdiocese") was proclaimed a Catholic diocese in 1808 and raised to an Archdiocese in 1875. The Archdiocese oversees the activities of the Roman Catholic Church (the "Church") for the five counties of Philadelphia, Bucks, Chester, Delaware and Montgomery in the southeastern part of the Commonwealth of Pennsylvania and is operated in accordance with the provisions of the 1983 Code of Canon Law, as amended, of the Church. St. John's Hospice, which is related, is operated separately and distinctly from the Archdiocese.

Catholic Charities Appeal, a separate legal corporation and a related organization, raises money for certain organizations within the Archdiocese, including St. John's Hospice.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). St. John's Hospice presents its financial statements in accordance with the guidance set forth by the Financial Accounting Standards Board ("FASB") in regard to *Financial Statements of Not-for-Profit Organizations*. Accordingly, St. John's Hospice's net assets and its revenues, expenses, gains and losses are classified into two categories, based on the existence or absence of donor-imposed restrictions.

- Net assets without donor restrictions are not subject to donor-imposed restrictions and may be designated for specific purposes by action of the Board of Directors. As of June 30, 2024 and 2023, St. John's Hospice has no board-designated net assets.
- Net assets with donor restrictions include contributions, including pledges, trusts, remainder interests, income and appreciation, which can be expended but for which restrictions have not yet been met, or which are required by donors to be perpetually retained. Such restrictions include purpose restrictions where donors have specified the purpose for which the net assets are to be spent, or time restrictions imposed by donors or implied by the nature of the gift. St. John's Hospice has no net assets with donor restrictions as of June 30, 2024 and 2023.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of

St. John's Hospice

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant management estimates and assumptions include the estimate for credit losses, useful lives of depreciable assets and the fair values of investments. Actual results could differ from those estimates.

Other Revenue

The statements of activities and changes in net assets present the change in net assets from operating and non-operating activities. Operating activities consist of those items attributable to St. John's Hospice's programs. Nonoperating activities include investment return not utilized in operations.

Accounting for Long-lived Assets

Long-lived assets are reviewed for impairment annually to determine if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. As of June 30, 2024 and 2023, management does not believe any such long-lived assets are impaired.

Leases

St. John's Hospice determines if an arrangement is a lease at inception of the contract. Right-of-use ("ROU") assets represent St. John's Hospice's right to use the underlying assets for the lease term and lease liabilities represent St. John's Hospice's obligation to make lease payments arising from the leases. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The discount rate is based on a risk-free rate using a period comparable with the lease term. St. John's Hospice does not record leases with an initial term of 12 months or less ("short-term leases") in its statements of financial position. Leases may include one or more options to renew. If management believes it is reasonably likely that a lease option will be exercised, they are included as part of the right-of-use assets and lease liabilities.

Client Escrow Funds

St. John's Hospice acts as trustee over funds held for its residents. Expenditures of resident funds are authorized by the residents or their families. Generally, the funds are used to cover the costs of personal items that are not covered by the daily general service charge or special charges. These funds are returned to the resident, family or estate upon discharge or death.

Investments

SEI, a provider of institutional asset management services, created two publicly traded Catholic Values mutual funds: the Catholic Values Equity Fund and the Catholic Values Fixed Income Fund (the "Catholic Values Funds"), which provide Catholic institutions with high-quality investment products that align with their core values, without sacrificing diversification or return potential. Specifically, the Catholic Values Funds align with the investment directives set forth by the United States Conference of Catholic Bishops ("USCCB"). The Archdiocese appointed SEI Private Trust Company to act as custodian (the "Custodian") of its investments, which consist of certain cash and securities and are more fully described in Note C.

Investments are reported at fair value. Realized gains and losses are included in the statements of activities and changes in net assets as a component of investment return.

St. John's Hospice

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

Governmental Revenue

St. John's Hospice recognizes revenue in accordance with Accounting Standards Update ("ASU") 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. St. John's Hospice evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred, or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, St. John's Hospice applies the guidance under Topic 606, described below. If the transfer of assets is determined to be a contribution, St. John's Hospice evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before St. John's Hospice is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

For exchange transactions, St. John's Hospice follows Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*. This guidance requires the use of a five-step model to achieve the core underlying principle that an entity should recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. These steps include (1) identifying the contract with the customer, (2) identifying the performance obligations, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations, and (5) recognizing revenue as the entity satisfies the performance obligation(s).

Generally, revenue recognition occurs with the transfer of control of the services and when the following criteria have been met: (i) the contract has been approved by both parties, and both parties are committed; (ii) each party's rights regarding goods and services can be identified; (iii) payment terms can be identified; (iv) contract has commercial substance; and (v) collectability of consideration is probable.

St. John's Hospice receives its funding through contracts with various City of Philadelphia governmental departments. These contracts/agreements generally fall into two categories: cost reimbursement and fee-for-service. The ultimate determination of amounts reimbursable under cost reimbursement contracts/agreements is based upon allowable costs to be reported and subject to audit by grantors and/or their agents. For cost reimbursement-type contracts St. John's Hospice's records revenues as costs are incurred. For per diem-type contracts revenue is recorded when the services are provided based upon the agreed to rate. Retroactive adjustments are recorded in the period that final settlements are determined. There were no retroactive adjustments for the years ended June 30, 2024 and 2023.

St. John's Hospice is subject to numerous laws, audits, and regulations of federal, state and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Management believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, St. John's Hospice reports the support as without donor restrictions. When a stipulated time restriction or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Unconditional promises to give ("pledges") are recorded as receivables and revenues within the appropriate net asset category, and as of June 30, 2024 and 2023, are expected to be collected within one year.

St. John's Hospice

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

Contributed Services and Goods

Gifts of non-financial assets and long-lived assets are reported at fair value as revenue without donor restrictions. Gifts specified for the acquisition or construction of long-lived assets are reported as net assets without donor restrictions when the assets are placed in service. All contributed assets are utilized by St. John's Hospice's programs and supporting services. Contributed food is valued using the industry standard of \$1.93 and \$1.92 per pound for the fiscal years ended June 30, 2024 and 2023, respectively. During 2024 and 2023, approximately 241,000 and 284,000 pounds of food with an estimated fair value of \$465,130 and \$545,280, respectively, were donated. Revenues from various cash donations for the years ended June 30, 2024 and 2023 were \$1,195,035 and \$956,755, respectively.

Estimate for Credit Losses

St. John's Hospice continually monitors accounts receivable for collectability issues. The estimate is based upon management's judgment and is determined by considering a number of factors, including the length of time accounts receivable are past due, St. John's Hospice's previous loss history, the nature of the service provided and other pertinent factors. St. John's Hospice writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the estimate for credit losses. As of June 30, 2024 and 2023 management determined that no estimate was necessary.

Allocated Expenses - Archdiocese of Philadelphia - Catholic Social Services

CSS provides administrative and accounting services for institutions and group homes, including St. John's Hospice. The total expenses incurred by CSS in providing services are accumulated and allocated on a pro rata basis to the institutions and group homes. The allocated amount is reported as an administrative and general expense in the statements of activities and changes in net assets. Any difference between the allocation and the amount charged to the institutions and group homes during the year is considered a contribution of services from CSS.

Property, Plant and Equipment

Buildings, building improvements and equipment are capitalized at cost or at their fair market value if donated. Depreciation for fixed assets is computed on a straight-line basis over the estimated useful lives of the assets, which are as follows:

Building	20 years
Building improvements	20 years
Equipment	3 - 5 years
Automobiles	5 years

Liquidity and Availability of Resources

Financial assets available for general expenditure, all of which are classified as net assets without donor restrictions, within one year of the statement of financial position date consist of the following:

	June 30,	
	2024	2023
Accounts receivable - City of Philadelphia	\$ 125,911	\$ 167,895
Investments	6,439,971	5,716,831
Assets available to management	<u>\$ 6,565,882</u>	<u>\$ 5,884,726</u>

St. John's Hospice

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

In addition to the financial assets listed above, St. John's Hospice operates within a prudent range of fiscal responsibility and anticipates collecting sufficient revenue to cover its operating expenses.

CSS provides cash management services for St. John's Hospice, which includes the receipt of program revenues and payments of operating expenses. The cash activity is recorded through due to CSS, which is settled periodically.

Recently Adopted Accounting Pronouncement

ASU 2016-03, *Financial Instruments - Credit Losses*, was effective for St. John's Hospice on July 1, 2023. This ASU addresses measurement of credit losses on financial instruments and replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of information to inform credit loss estimates. The adoption of this guidance did not have a material impact on the financial statements.

NOTE C - INVESTMENTS

Investments are reported at fair value and consist of the following:

Catholic Values Equity Fund (or "fund") - Invests in common stocks and is managed by SEI and is valued at the closing price of the traded fund.

Catholic Values Fixed Income Fund (or "fund") - Invests in mutual funds, corporate obligations, United States Treasury obligations and municipal obligations and is managed by SEI and is valued at the closing price of the traded fund.

SEI offers account holders six asset classifications in which to invest. The options include a short- duration U.S. government bond fund, a 100% fixed income bond fund and four equity funds with varying fixed income to equity mixes of 30/70, 50/50, 60/40 or 70/30. The Investment Committee of the Archdiocese has primary responsibility for determining fixed income to equity mix. The asset mix of the mutual funds is SEI's responsibility. Management of the Archdiocese is responsible for ensuring that asset investment allocations among the funds are maintained as determined by the Investment Committee of the Archdiocese of Philadelphia.

At June 30, St. John's Hospice held the following investments:

	2024	2023
Catholic Values Equity Fund	\$ 4,537,537	\$ 4,017,645
Catholic Values Fixed Income Fund	1,902,434	1,699,186
	\$ 6,439,971	\$ 5,716,831

Investment return is comprised of the following for the years ended June 30:

	2024	2023
Dividends and interest income	\$ 114,350	\$ 169,803
Net realized gains	45,393	27,911
Unrealized net gains on investments	563,397	384,947
Investment return	\$ 723,140	\$ 582,661

St. John's Hospice

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE D - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and accumulated depreciation consist of the following at June 30:

	2024	2023
Buildings	\$ 71,800	\$ 71,800
Automobiles	103,753	103,753
Building improvements	1,264,214	1,222,189
Equipment	199,741	176,855
	1,639,508	1,574,597
Accumulated depreciation	(659,165)	(538,830)
Property, plant and equipment, net	\$ 980,343	\$ 1,035,767

Depreciation expense was \$120,335 and \$106,616 for the years ended June 30, 2024 and 2023, respectively, and is included within administrative and general expenses in the statements of activities and changes in net assets.

NOTE E - ACCOUNTS RECEIVABLE - GOVERNMENTAL AGENCIES

At June 30, 2024 and 2023, St. John's Hospice had uncollateralized accounts receivable from City of Philadelphia contracts of \$125,911 and \$167,895, respectively. These balances potentially subject St. John's Hospice to a concentration of credit risk. St. John's Hospice monitors its funding arrangements with the City of Philadelphia and believes these amounts are fully collectible.

NOTE F - FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities as of the measurement date.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, 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 for substantially the same term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

St. John's Hospice

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

Fair value calculations may not be indicative of net realizable value or reflective of future fair values. Furthermore, although St. John's Hospice believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables present the fair values of the investments held by St. John's Hospice by level within the fair value hierarchy, as of June 30:

	2024			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Investments	\$ 6,439,971	\$ -	\$ -	\$ 6,439,971
Total assets	\$ 6,439,971	\$ -	\$ -	\$ 6,439,971
	2023			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Investments	\$ 5,716,831	\$ -	\$ -	\$ 5,716,831
Total assets	\$ 5,716,831	\$ -	\$ -	\$ 5,716,831

During the fiscal years ended June 30, 2024 and 2023, no investments were transferred between Levels 1, 2 or 3.

NOTE G - PENSION PLANS

Lay Employees' Retirement Plan - Frozen Effective June 30, 2014

Through June 30, 2014, the eligible lay employees of St. John's Hospice were covered under the Archdiocese of Philadelphia Lay Employees' Retirement Plan (the "Plan"), which is a defined benefit pension plan covering substantially all lay employees of the Archdiocese, based on age and service requirements. The Plan is administered by the Trustees of the Plan. St. John's Hospice made annual contributions to the Plan at a rate of 5.9% of the salaries of eligible employees for both years ended June 30, 2024 and 2023. The amount expensed by St. John's Hospice for contributions to the Plan were \$41,894 and \$40,032 for the years ended June 30, 2024 and 2023, respectively. Separate accounts for vested benefits and pension fund assets are not maintained for each institution.

On November 5, 2013, the Archdiocese of Philadelphia Office for Financial Services ("OFS") announced that it would freeze the Plan effective June 30, 2014. All current employees at the time of the announced freeze retained benefits they had earned and continued to accrue benefits through the effective date. After

St. John's Hospice

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

the effective date, accrued pension benefits under the Plan do not increase for current employees for additional service or increases in pay after the freeze date.

Archdiocese of Philadelphia 403(b) Retirement Plan

The Archdiocese established a 403(b) defined contribution plan. Under the 403(b) plan, and subject to statutory limits, all employees at least 18 years of age are immediately eligible to make voluntary deferred salary contributions into the 403(b) plan.

Employer contributions, which cover employees meeting the eligibility requirements below, are discretionary. The following are the eligibility requirements for the employer contributions:

Grandfathered Employees - Any employee who was accruing benefits as an active participant in the Plan as of its freeze date of June 30, 2014 is a grandfathered employee and will be eligible to receive employer contributions beginning with the first payroll on or after September 1, 2014.

Non-Grandfathered Employees - Non-grandfathered employees are eligible to receive the employer contribution beginning with the first payroll coinciding with or immediately following the completion of 1,000 hours of service during the 18-month period beginning July 1, 2014 through December 31, 2015. The employee must also have attained at least 18 years of age to be eligible. For a non-grandfathered employee hired prior to July 1, 2014 who does not meet the eligibility requirements for an employer contribution in the time frame described above, the period for determining whether or not one meets the 1,000-hour service requirement will shift to the calendar year beginning January 1, 2016.

Vesting - Vesting in employer contributions to a 403(b)-plan account will be immediate for any grandfathered employee who has completed 12 months of service as of June 30, 2014. Vesting in employer contributions for all other employees will take place after the completion of 12 months of service.

In fiscal years 2024 and 2023, the Archdiocese employer contribution rate was 4.5% of base salary for eligible employees. The contributions by St. John's Hospice into the 403(b)-plan totaled \$53,863 and \$51,469 for the years ended June 30, 2024 and 2023, respectively.

NOTE H - RELATED-PARTY TRANSACTIONS

St. John's Hospice is covered under various insurance and retirement plans administered by the Archdiocese.

CSS provides administrative and accounting services for related institutions and group homes, including St. John's Hospice. The total expenses incurred by CSS in providing services are accumulated and allocated on a pro rata basis to the institutions and group homes. The allocated amount is reported as an administrative and general expense in the statements of activities and changes in net assets. Any difference between the allocation and the amount charged to the institution during the year is considered a contribution of services from CSS. CSS also manages the cash receipts and cash disbursements for related institutions and group homes, including St. John's Hospice. Net amounts due to/from CSS attributable to administrative and cash management activities, which are non-interest bearing, are generally settled on an annual basis. The amount due to CSS was \$4,619,370 and \$3,639,605 for the years ended June 30, 2024 and 2023, respectively.

St. John's Hospice

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

The transactions with the Archdiocese and CSS charged to expense for the fiscal years ended June 30 were as follows:

	<u>2024</u>	<u>2023</u>
Archdiocese of Philadelphia		
Insurance - auto and general	\$ 16,984	\$ 13,472
Lay employee pension contributions	41,894	40,032
	<u>\$ 58,878</u>	<u>\$ 53,504</u>
Catholic Social Services		
Allocated administrative and accounting costs	\$ 91,857	\$ 71,222
Information technology services	28,570	32,613
	<u>\$ 120,427</u>	<u>\$ 103,835</u>

Catholic Charities Appeal donated \$25,000 to St. John's Hospice during the fiscal years ended June 30, 2024 and 2023.

Related party amounts due to Catholic Housing and Community Services are included as a component of accounts payable and accrued expenses in the statements of financial position and totaled \$8,025 and \$8,694 at June 30, 2024 and 2023, respectively.

NOTE I - INCOME TAX STATUS

St. John's Hospice follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

St. John's Hospice is exempt from federal income tax under Internal Revenue Code ("Code") section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. St. John's Hospice has processes in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. St. John's Hospice has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

St. John's Hospice

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE J - FUNCTIONAL EXPENSES

The financial statements report certain categories of natural expenses that are attributable to more than one program or supporting function. These expenses are allocated using a variety of cost allocation techniques based on reasonable methodologies that are consistently applied including but not limited to direct operating expenses, payroll expenses, number of employees, square footage, or days of care. Expenses related to providing these services for the years ended June 30, are as follows:

	2024		
	Program	Management and General	Total Expenses
Salaries, wages and other payroll costs	\$ 972,279	\$ 838,487	\$ 1,810,766
Administrative and general expenses	585,219	505,387	1,090,606
Occupancy	109,025	94,152	203,177
Direct expenses of care	275,495	-	275,495
Total expenses	\$ 1,942,018	\$ 1,438,026	\$ 3,380,044
	2023		
	Program	Management and General	Total Expenses
Salaries, wages and other payroll costs	\$ 946,249	\$ 817,110	\$ 1,763,359
Administrative and general expenses	558,435	482,222	1,040,657
Occupancy	100,476	86,763	187,239
Direct expenses of care	154,320	-	154,320
Total expenses	\$ 1,759,480	\$ 1,386,095	\$ 3,145,575

Expenses are charged directly to the functions above except for key employee salaries and benefits, which are allocated based on estimated time performing activities for each respective function.

NOTE K - CONTINGENCIES

St. John's Hospice is from time to time subject to routine litigation incidental to its business. In the opinion of management, there are no matters which will have a material effect on St. John Hospice's financial position, results of operations, or cash flows.

NOTE L - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 28, 2025, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

St. John's Hospice

SCHEDULE OF REVENUE

Year ended June 30, 2024

Operating revenues

Governmental revenue:

Philadelphia Department of Public Health, AIDS Activities Coordinating Office	\$ 44,870
City of Philadelphia Office of Emergency Shelter and Service	281,975
Housing Opportunities for Persons with AIDS	247,732
Federal Emergency Management Agency	<u>64,437</u>

Total governmental revenue 639,014

Contributed food 465,130

Total operating revenues 1,104,144

Other revenue

Contributions from:

Donations	913,836
United Way/other	2,199
Catholic Charities Appeal	25,000
Foundations	<u>254,000</u>

Total contributions 1,195,035

Investment return, net 723,140

Total other revenue 1,918,175

Total revenue \$ 3,022,319

See report of independent certified public accountants.

St. John's Hospice

SCHEDULE OF OPERATING EXPENSES

Year ended June 30, 2024

Salaries, wages and other payroll costs

Administration	\$ 238,158
Professional	248,073
Clerical	52,687
Maintenance and services	353,484
Residential care	499,378
FICA taxes (employer's share)	102,999
Workers' compensation insurance	12,403
Unemployment compensation	21,852
Employees' health and retirement benefits	<u>281,732</u>
Total salaries, wages and other payroll costs	<u>1,810,766</u>

Administrative and general expenses

Administrative and accounting services allocated from Archdiocese of Philadelphia - Catholic Social Services	120,427
Professional fees	49,093
Telephone	56,279
Transportation	13,508
Equipment - replacement	6,666
General expenses and supplies	124,130
Staff development	950
Dues and subscriptions	5,036
Charity donations	594,182
Depreciation	<u>120,335</u>
Total administrative and general expenses	<u>1,090,606</u>

Occupancy

Repairs and maintenance - buildings and grounds	129,795
Utilities	<u>73,382</u>
Total occupancy	<u>203,177</u>

Direct expenses of care

Food	169,887
Clothing	7,305
Medical and dental fees and supplies	56,301
Personal items	<u>42,002</u>
Total direct expenses of care	<u>275,495</u>
Total operating expenses	<u>\$ 3,380,044</u>

See report of independent certified public accountants.