



**Foulkeways**  
AT GWYNEDD



community CARE  
kindness WISDOM • intention  
humility LOVE GIVE  
COMPASSION grace  
joy gratitude NOW  
PURE attitude believe  
thank you abundance  
soul friendship INSPIRE  
purpose connect healing

# 2020 Annual Report

## FOULKEWAYS MISSION

The mission of Foulkeways is to provide comprehensive services for our residents driven by Quaker values, and to promote independence, quality-of-life, respect, inclusion, security and choice.

## FOULKEWAYS VISION

Foulkeways will expand upon its founding vision of creating a community centered on valuing and enhancing the quality-of-life for each resident. Our vision will be achieved by respecting personal dignity, embracing diversity, maintaining open communications with residents and emphasizing financial sustainability. Foulkeways will encourage lifelong learning, stewardship of the environment and volunteerism; all in the context of a caring, collaborative community of staff, management and residents. These priorities complement our continued dedication to delivering cutting-edge services, innovative technology, and both state-of-the-art facilities and residential units in a garden-like setting. Unwavering focus on this vision will enable Foulkeways to remain a leader among Life Plan Communities.

## FOULKEWAYS VALUES

### **The Divine is in each of us...**

We are all connected such that the joys and challenges of living are shared by us all. There is only one class of citizen in this vision—all are equal—and it is this belief that gives rise to the following values: respect for all, inclusiveness, mutual support, simplicity and a positive view of self and each other.

### **Community exceeds the sum of its parts...**

The gathering of individuals in the Foulkeways community is more than the sum of the parts. Foulkeways expands and grows in its collective character for the mutual benefit of all. Our community encourages working together and sharing interests to promote understanding, mutual affection and group action. From this communal spirit arise the following values: honoring of individual gifts and attributes, creative growth, choice, opportunity, social responsibility, security and volunteerism.

### **The responsibilities of leadership...**

Foulkeways has been, and will continue to be, an innovative leader. Leadership includes striving for new and better ways to ensure that the lives of our residents and staff are as full, rewarding and productive as possible. In addition to fulfilling our responsibilities to our community, we recognize that we are members of the larger world in which we live. The innovations and initiatives that we develop must address broader responsibilities beyond our campus and must be built on the following fundamental values: transparency, stewardship of resources, responsiveness, global citizenship, inclusiveness, forward thinking and planning.

## TABLE OF CONTENTS

- 2** Diversity Statement
- 3** 2020-2021 Board of Directors & Officers
- 4** Letter from the Chair
- 5** Letter from the Chief Executive Officer
- 6-7** Report from the Independent Auditors
- 8-9** Balance Sheets
- 10-11** Statements of Operations and Changes in Net Assets
- 12** Statements of Cash Flows
- 13-33** Notes to Financial Statements
- 34-35** Touching Our World
  - 36** Letter from the Foulkeways Residents Association
  - 37** Phil Henderson's Continuing Legacy

## FOULKEWAYS DIVERSITY STATEMENT

**G**uided by Quaker principles since its opening in 1967, Foulkeways is a vital and evolving Life Plan Community welcoming older adults of different races, ethnicities, sexual orientations, secular and religious backgrounds.

As we begin our next 50 years, our values of equality, mutual respect, and integrity challenge us to become more culturally inclusive. We will increase our efforts to attract and involve aging individuals from the many diverse communities around us.

By using our resources and talents to champion diversity and inclusiveness among residents, staff and board, we believe that Foulkeways will thrive as an even more vital place to live and work.

# 2020-2021 BOARD OF DIRECTORS & OFFICERS

## **Mary Buckman**

Attorney and Partner, Ford and Buckman, P.C., Blue Bell, PA. Member of Abington Monthly Meeting.

## **Lynn Bush**

Professional land use and community planner. Retired Executive Director of Bucks County Planning Commission and Chief Clerk to Bucks County Commissioners. Volunteer for several boards including Bucks County Housing Authority, Ann Silverman Community Health Clinic, Bucks County Children's Museum, Heritage Conservancy, and Doylestown Presbyterian Church.

## **Rebecca H. Cratin**

Administrator for Abington Quarterly Meeting Home and Care Committee. Certified Bereavement Facilitator, holds a private counseling practice. Member and Clerk of Plymouth Monthly Meeting.

## **C. Stuart Hain**

Retired Vice President for Facilities and Capital Projects, Swarthmore College.

## **Phillip L. Henderson**

Chair, Foulkeways Board of Directors. Member Scattergood Friends School – School Committee, Chair of Strategic Planning Committee. Member of Doylestown Monthly Meeting.

## **Ruth Kinsey**

Resident of Foulkeways. Retired Quaker pastor. Member of Gwynedd Friends Meeting. Serves on the Worship and Ministry Committee.

## **Alfred Kuffler**

Trial attorney. At present a partner with Montgomery McCracken Walker & Rhoads LLP, Philadelphia. Past member of the board of directors of the Maritime Law Association of the United States, a national bar group and vice chair of the Standing Committee on Alternative Dispute Resolution, chair of the ad hoc Committee on Maritime Environmental Crimes. Presently counsel to the American Salvage Association, a

trade group representing ocean salvors in the Americas. Past member of the Abington Friends Schools Committee, serving on the finance and long range planning subcommittees.

## **Georgann McKenna**

Executive Vice President, Chief Human Resources Officer for Penn Community Bank. Serves on the Pennsylvania Bankers Association's Women in Banking Committee and the School of Banking Advisory Committee. Chair of the Perkins Participatory Planning Committee at Central Montco Technical High School.

## **Pegene W. McPhaden**

Retired International Team Manager for Internal Revenue Service. Certified Public Accountant. Board Member of Pendle Hill. Member of Abington Quarter Home and Care Committee. Member of Care and Counsel and Stewardship Committees at Gwynedd Friends Meeting.

## **Ann Trueblood Raper**

Retired Gerontologist. Member, Board of Trustees, Guilford College. Former board member and Clerk, New Garden Friends School. Former Trustee, Friends Publishing Corporation (Friends Journal). Member of New Garden Friends Meeting, Greensboro, NC.

## **Jonathan H. Sproggell**

Treasurer, Foulkeways Board of Directors. Retired Vice President, BNY Mellon. Member, Haverford College Corporation. Board Member, Opera Philadelphia. Board Member, Cameron Memorial Fund. Board Member, Arch Street Meeting House Preservation Trust. Member of Gwynedd Friends Meeting.

## **Kenneth B. Taylor, Ph.D.**

Vice Chair, Foulkeways Board of Directors. Retired Professor of Economics, Villanova University. Associate Director, Moran Center for Global Leadership, Villanova School of Business. Fulbright Scholar Emeritus. President, Gwynedd Fiduciary Corporation. Member of Gwynedd Friends Meeting.

## **Neil F. Trueblood**

Realtor, Agent; Compass Real Estate, Blue Bell, PA. Owner, Trueblood Concierge Property Services. Wissahickon Valley Watershed Association Board of Directors. School Committee Director, Gwynedd Friends School. Member of Gwynedd Friends Meeting.

## **Jamie Unkefer**

Architect. Principal at DIGSAU Architecture in Philadelphia. Registered Architect in Pennsylvania and New Jersey, member of the American Institute of Architects and a U.S. Green Building Council LEED-Accredited Professional. Board Member of Smith Memorial Playground and Playhouse, committee member of the Philadelphia AIA License & Inspections Committee, and member of the Carpenter's Company of Philadelphia.

## **EMERITUS:**

### **Rolland H. Henderson**

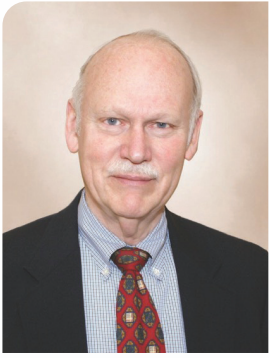
Resident of Foulkeways. Clerk, Haverford College Corporation Fundraising Committee. Board Member, Motson Graphics Corporation. Member and Treasurer of Gwynedd Friends Meeting. President, Foulkeways Board of Directors, 1997 – 2008.

### **Samuel T. Swansen**

Resident of Foulkeways. Attorney in private practice. Past Chairman of Friends LifeCare. President of the Global Bach Community. Board member of the Southeastern Pennsylvania Symphony Orchestra. Member of Gwynedd Friends Meeting. President, Foulkeways Board of Directors, 1986 – 1997.

## **2020-2021 OFFICERS OF THE CORPORATION**

Chair	Phillip L. Henderson
Vice Chair	Kenneth B. Taylor
Treasurer	Jonathan H. Sproggell
Assistant Treasurer	Rolland H. Henderson
Secretary	Philip G. DeBaun



## LETTER FROM THE CHAIR

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The year 2020 will be remembered as a year like no other. Who could have predicted the extent to which the COVID-19 pandemic would impact the daily lives of virtually every person on the planet and on the operation of the Foulkeways community! The Foulkeways Board of Directors has largely been confined to watching from afar the herculean effort that has gone into ensuring the safety of the community during this time. We have watched with a sense of wonder at the commitment, resourcefulness, resilience, and patience of all of those dealing with the unprecedented challenges: the administration, the staff, and the residents. It makes us incredibly proud to be a part of this amazing institution.

The impact of the pandemic on almost every aspect of the community was profound. The health center residents were clearly the most seriously threatened and the measures taken to assure their safety were extensive. The health center has in place extensive infection control protocols in the best of times, but the new measures taken were a quantum leap beyond the norm. In the end the virus did make it into the health center, but by careful isolation and contact tracing the impact was minimized. There is no way to adequately thank all the staff who worked tirelessly in the health center to deal with these incredible challenges.

Nearly every other aspect of the community was also profoundly affected. Dining services went through almost endless changes and adjustments aimed at providing on-going meal services while minimizing the contact among residents. And as if those demands were not challenging enough, the kitchen went through a massive renovation in the middle of it all. The kitchen renovation had been planned for a long time, and it was an incredible accomplishment to complete it essentially on schedule, in spite of the pandemic.

Residents played a major role in helping to make it through this year. They have been incredibly patient with the major disruptions to their lives. They have been particularly sensitive to the need for isolating and social distancing to prevent introducing the virus into the general population. In a community where so much of the social activity is organized and driven by residents, the isolation was particularly taxing. Residents responded by taking to Zoom for meetings and presentations.

The Board and certain committees have continued to meet, via Zoom, throughout the year. It has been difficult for us to focus on strategic and policy issues when so much has been riding on the success of the day-to-day efforts to control the virus and protect the community. We've also been monitoring closely the financial impact of all of the challenges of the pandemic. It is a relief to see with the final numbers that those challenges have not taken a toll on the administration's targets for improvement in operating margin. Meeting those targets merits a resounding vote of confidence in the administration and in all of the staff for their commitment and hard work through this unprecedented year.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip L. Henderson", with a long horizontal flourish extending to the right.

Phillip L. Henderson  
Chair, Board of Directors

# LETTER FROM THE CHIEF EXECUTIVE OFFICER

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The past year and more has been a memorable period in our lives. As residents of the United States, and members of the Foulkeways community, we know how fortunate we are. While we were touched by this pandemic, we used this opportunity to strengthen our community by building better relations with our residents and staff to insure a more unified partnership as we develop our new normal.

Through all of this, we accomplished some significant new things, and sustained other critical activities needed for all of us to thrive. Our 52-year old kitchen which was planned to be renovated was completed, allowing for us to expand our dining service offerings. All resident meals were delivered uninterrupted daily by staff, until residents were able to pick them up safely in house.

We obtained township approvals for our residential development in the Sprogell section, and started construction on the project, which will welcome fourteen new residents to our campus in January of 2022. In 2020, we ended the year at 96% occupancy in Independent Living with 31 new residents joining us. We all found new ways of staying in communication, using technology like Zoom to preserve the life of the community.

To me, the most remarkable aspect of this year was how we did it, with residents and staff supporting each other in the most impressive way. I knew from the beginning that we could trust our residents to take responsibility for their own safety and that of their neighbors. Likewise, we gave staff the responsibility to monitor and attest to their own condition in coming to work.

I will never forget how the Health Services team kept providing excellent care in Abington House and Gwynedd House during the height of the pandemic, finding ways to combat the isolation imposed on residents by COVID restrictions. Nor will I ever forget residents lining our entrance, spontaneously cheering staff coming to work for months, or the maintenance staff battling multiple winter storms, the housekeeping team with their sanitizer buckets wiping down railings, door knobs, or whatever was the challenge of the day.

We also took time to reflect on the state of our world and the Foulkeways community as it relates to race. Our mission has been and continues to be one that promotes equality, respect and inclusiveness for all. Over the next year, we will continue to evaluate how we are living our mission in all that we do at the community.

This year, as we work to re-open our community and restore all the richness of life at Foulkeways, we should be confident in knowing we have a community that supports one another. The same people who got each other through a global pandemic are exactly the right people to help each other restore the community to where it should be.

Thank you,

A handwritten signature in black ink that reads "Philip G. DeBaun". The signature is written in a cursive, flowing style.

Philip G. De Baun  
Chief Executive Officer



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Foulkeways at Gwynedd  
Gwynedd, Pennsylvania

We have audited the accompanying financial statements of Foulkeways at Gwynedd (a Pennsylvania nonprofit corporation), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

### ***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.

### ***Auditors' Responsibility***

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

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

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



Board of Directors  
Foulkeways at Gwynedd

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foulkeways at Gwynedd as of December 31, 2020 and 2019, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
April 8, 2021

**FOULKEWAYS AT GWYNEDD  
BALANCE SHEETS  
DECEMBER 31, 2020 AND 2019**

<b>ASSETS</b>	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 8,295,717	\$ 4,603,674
Assets Limited as to Use, Externally Designated	711,477	708,331
Investments	21,060,018	23,345,420
Accounts Receivable:		
Residents	721,147	616,382
Notes Receivable from Residents	255,400	346,910
Other	220,354	326,551
Prepaid Expenses and Other	707,414	559,938
Total Current Assets	<u>31,971,527</u>	<u>30,507,206</u>
<b>ASSETS LIMITED AS TO USE</b>		
Externally Designated under Bond Indenture Agreement	1,919,996	1,899,775
Externally Designated by Donors	7,718,639	7,477,045
Statutory Liquid Reserve	2,743,384	2,696,431
Internally Designated by Board	1,795,221	1,514,488
Total Assets Limited as to Use	<u>14,177,240</u>	<u>13,587,739</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	86,229,111	87,522,014
<b>OTHER ASSETS</b>	<u>457,242</u>	<u>221,987</u>
 Total Assets	 <u><u>\$ 132,835,120</u></u>	 <u><u>\$ 131,838,946</u></u>

See accompanying Notes to Financial Statements.

**FOULKEWAYS AT GWYNEDD  
BALANCE SHEETS (CONTINUED)  
DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 796,887	\$ 843,399
Accrued Salaries and Payroll Taxes	2,202,275	1,875,566
Accrued Interest Payable	116,477	138,331
Monthly Billings Paid in Advance	124,926	88,414
Refundable Deposits from Prospective Residents	748,600	464,450
Current Portion of Long-Term Debt	1,042,850	991,541
Total Current Liabilities	5,032,015	4,401,701
<b>LONG-TERM LIABILITIES</b>		
Deferred Revenue from Resident Entry Fees	46,223,330	46,619,879
Long-Term Debt, Net of Current Portion	48,414,430	49,551,217
Liability for Pension Benefits	15,544,874	13,302,465
Other Liabilities	108,984	86,620
Total Long-Term Liabilities	110,291,618	109,560,181
Total Liabilities	115,323,633	113,961,882
<b>NET ASSETS</b>		
Without Donor Restrictions	9,792,848	10,400,019
With Donor Restrictions	7,718,639	7,477,045
Total Net Assets	17,511,487	17,877,064
Total Liabilities and Net Assets	\$ 132,835,120	\$ 131,838,946

See accompanying Notes to Financial Statements.

**FOULKEWAYS AT GWYNEDD**  
**STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>UNRESTRICTED REVENUES AND OTHER SUPPORT</b>		
<b>WITHOUT DONOR RESTRICTION</b>		
Revenue, Gains, and Other Support:		
Resident Care Fees	\$ 20,338,609	\$ 19,735,935
Amortization of Deferred Resident Entry Fees	6,535,049	5,568,373
Health Center Revenue	4,666,785	5,185,709
Unrestricted Contributions, Gifts, and Bequests	838,959	284,622
Net Investment Income	716,225	791,724
Other Revenue	402,838	795,217
Net Assets Released from Restrictions	528,497	701,710
Total Unrestricted Revenues and Other Support		
Without Donor Restriction	34,026,962	33,063,290
 <b>OPERATING EXPENSES</b>		
Health Services	7,772,322	7,561,278
Dining Services	4,327,605	4,709,245
General and Administrative	6,566,933	6,623,422
Maintenance	2,326,219	2,316,104
Housekeeping	1,806,394	1,686,494
Utilities	833,702	916,508
Real Estate Taxes	670,710	655,212
Depreciation	6,059,063	5,809,494
Interest Expense	1,550,646	1,787,369
Total Operating Expenses	31,913,594	32,065,126
 <b>OPERATING INCOME BEFORE LOSS ON DISPOSAL</b>		
<b>OF PROPERTY AND EQUIPMENT</b>	2,113,368	998,164
 <b>LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT</b>	(1,227,605)	(521,835)
 <b>OPERATING INCOME</b>	885,763	476,329
 <b>NONOPERATING INCOME (LOSSES)</b>		
Net Periodic Benefit Cost Other than the Service Cost Component	(384,022)	(505,122)
Realized Gain on Trading Securities	183,247	353,208
Change in Unrealized Gains on Trading Securities	981,994	1,272,935
 <b>EXCESS OF REVENUES AND OTHER SUPPORT OVER</b>		
<b>EXPENSES AND LOSSES</b>	1,666,982	1,597,350

See accompanying Notes to Financial Statements.

**FOULKEWAYS AT GWYNEDD**  
**STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>EXCESS OF REVENUES AND OTHER SUPPORT OVER EXPENSES AND LOSSES</b>	\$ 1,666,982	\$ 1,597,350
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Net Assets Released from Restrictions - Purchase of Equipment	-	388,326
Contributions Received for Purchases of Equipment	90,979	179,399
Change in Pension Plan Assets and Benefit Obligations Other than Periodic Benefit Cost	(2,365,132)	(1,886,482)
Change in Net Assets Without Donor Restrictions	(607,171)	278,593
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	533,327	430,451
Net Assets Released from Restrictions	(841,631)	(1,177,196)
Investment Income	168,931	203,262
Net Realized Gains on Investments	74,577	109,543
Net Unrealized Gains on Investments	306,390	400,882
Change in Net Assets With Donor Restrictions	241,594	(33,058)
<b>CHANGE IN NET ASSETS</b>	(365,577)	245,535
Net Assets - Beginning of Year	17,877,064	17,631,529
<b>NET ASSETS - END OF YEAR</b>	\$ 17,511,487	\$ 17,877,064

See accompanying Notes to Financial Statements.

**FOULKEWAYS AT GWYNEDD  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (365,577)	\$ 245,535
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	6,059,063	5,809,494
Loss on Disposal of Property and Equipment	1,227,605	521,835
Amortization of Deferred Financing Costs	35,009	35,009
Amortization of Bond Premium	(128,947)	(128,947)
Net Realized and Unrealized Gains on Investments and Assets Limited as to Use	(1,461,921)	(2,010,684)
Restricted Contributions and Investment Income	(776,835)	(743,256)
Amortization of Deferred Resident Entry Fees	(6,535,049)	(5,568,373)
Proceeds from Deferred Resident Entry Fees	6,230,010	9,069,940
Net Refundable Deposits Received (Paid)	284,150	(59,300)
Amortization of Discount on Promissory Note	-	2,970
Change in Liability for Pension Benefits	2,242,409	1,748,878
(Increase) Decrease in Assets:		
Accounts Receivable	1,432	(59,097)
Prepaid Expenses and Other	(147,476)	(9,133)
Other Assets	(235,255)	-
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	258,343	(621,558)
Advance Billings	36,512	(28,580)
Other Liabilities	22,364	513
Net Cash Provided by Operating Activities	<u>6,745,837</u>	<u>8,205,246</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales (Purchases) of Investments, Net	2,429,453	(2,872,159)
Capital Expenditures	<u>(5,993,765)</u>	<u>(5,001,602)</u>
Net Cash Used by Investing Activities	(3,564,312)	(7,873,761)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Restricted Contributions and Investment Income	776,835	743,256
Repayment of Long-Term Debt	<u>(991,540)</u>	<u>(1,243,989)</u>
Net Cash Used by Financing Activities	<u>(214,705)</u>	<u>(500,733)</u>
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS</b>	2,966,820	(169,248)
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents - Beginning of Year	<u>5,601,796</u>	<u>5,771,044</u>
<b>CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 8,568,616</u>	<u>\$ 5,601,796</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	<u>\$ 1,666,437</u>	<u>\$ 1,885,657</u>
Construction Expenditures Within Accounts Payable and Accrued Expenses	<u>\$ 346,456</u>	<u>\$ 401,913</u>

See accompanying Notes to Financial Statements.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Background**

Foulkeways at Gwynedd (Foulkeways) was founded in 1967 as a nonprofit life care retirement community and is located in Gwynedd, Pennsylvania. Foulkeways houses approximately 425 residents living in 252 apartments, 46 active nursing beds, and a personal care unit with 89 beds (82 suites and 7 single rooms).

**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 liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Foulkeways considers cash and cash equivalents to include investments in highly liquid investments with original maturity dates of three months or less, excluding amounts that are limited as to use, either internally or externally. Foulkeways deposits cash in financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in the bank may exceed FDIC insurable limits.

**Reconciliation of Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents**

The following table provides a reconciliation of cash, cash equivalents, restricted cash, and restricted cash equivalents reported within the balance sheet that sum to the total of the same such amounts shown in the statements of cash flows.

	2020	2019
Cash and Cash Equivalents	\$ 8,295,717	\$ 4,603,674
Restricted Cash and Restricted Cash Equivalents	272,899	998,122
Total Cash, Cash Equivalents, and Restricted Cash, and Restricted Cash Equivalents Shown in the Statement of Cash Flows	<u>\$ 8,568,616</u>	<u>\$ 5,601,796</u>

Amounts included in restricted cash represent those required to be set aside in accordance with a Loan and Trust Agreement for the Series 2016 Bonds (See Note 4).

**Escrow Deposits**

Applicants for an independent living unit are required to make a refundable deposit when the application is filed. Any deposits in excess of 5% of the proposed entrance fees are maintained in an escrow account for entrance fees. In addition, partially refundable entry fees for residents who have moved to smaller apartments are transferred to this account until the refund is payable. The account also contains accumulated interest. As of December 31, 2020 and 2019, the account balance was \$974,300 and \$273,518, respectively.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Notes Receivable from Residents**

Foulkeways offers incoming residents the ability to defer their entry fees for a range of three to six months with unsecured notes, renewable for additional periods, with interest rates ranging from 0% to the prime rate plus 1%, depending on market conditions.

**Investments and Investment Income**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheets. Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is recorded as revenue, except for investment income or loss associated with contributions for resident assistance, capital additions, and other purposes specified by donors, net of all investment fees.

Foulkeways designated its investments as “trading” and these changes in unrealized gains and losses are reported within excess (deficit) of revenues and other support over expenses and losses.

**Property and Equipment**

Land, land improvements, buildings and improvements, furniture and equipment, and vehicles are stated at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets, generally 3 to 45 years. Foulkeways capitalizes any asset costing \$1,000 or over and having an anticipated useful life of over one year.

	<u>2020</u>	<u>2019</u>
Land	\$ 8,898,000	\$ 8,898,000
Land Improvements	3,466,114	3,363,424
Buildings and Improvements	117,145,750	114,335,074
Furniture and Equipment	15,758,868	15,709,585
Vehicles	650,573	604,477
Construction in Progress	<u>2,924,208</u>	<u>2,739,120</u>
Total	148,843,513	145,649,680
Less: Accumulated Depreciation	<u>(62,614,402)</u>	<u>(58,127,666)</u>
Total Property and Equipment, Net	<u>\$ 86,229,111</u>	<u>\$ 87,522,014</u>

For the years ended December 31, 2020 and 2019, Foulkeways had loss on disposal of property and equipment in the amount of \$1,227,605 and \$521,835, respectively. The loss for the year 2020 includes the amount written off for kitchen HVAC equipment for \$980,999, which was replaced during the renovation in 2020.



**FOULKEWAYS AT GWYNEDD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Assets**

Foulkeways carries general and professional liability insurance with Peace Church Risk Retention Group, Inc. (PCRRG). Foulkeways is a subscriber and is a 2.18% owner of this group captive as of December 31, 2020 and 2019. The group captive is domiciled in Vermont and licensed by the Vermont Insurance Department. The investment in PCRRG totaling \$148,408 and \$125,795 is recorded at cost as “other assets” in the accompanying balance sheets as of December 31, 2020 and 2019, respectively. In addition, as of December 31, 2020, other assets include a receivable of \$212,642 relative to the subscriber surplus account of the insurance risk retention group.

**Deferred Financing Costs**

Deferred financing costs, which represent bond issuance costs, are amortized on a straight-line basis over the term of the related debt, which approximates the effective-interest method. Amortization expense for both years ended December 31, 2020 and 2019 was \$35,009. The amortization is recorded as a component of interest expense.

**Refundable Deposits from Prospective Residents**

Refundable deposits from prospective residents represent waiting list deposits and entry fees deposits of new residents. Waiting list deposits by prospective residents or resident couples are fully refundable and are credited toward the entry fee upon move-in. Deposits for entry fees are fully refundable if a prospective resident is denied occupancy and partially refundable if an accepted prospective resident opts not to sign a Residence and Care Agreement. Waiting list deposits amounted to \$333,000 and \$333,000 as of December 31, 2020 and 2019, respectively. Entry fees deposits amounted to \$415,600 and \$131,450 as of December 31, 2020 and 2019, respectively.

**Obligation to Provide Future Services**

Foulkeways calculates the present value of the cost of future services and use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from resident entry fees to determine if a liability and corresponding charge to income should be recorded. As of December 31, 2020 and 2019, the present value of the net cost of future services and use of facilities does not exceed the deferred revenue from resident entry fees and, as such, no liability for the obligation to provide future services was required to be recorded as of December 31, 2020 and 2019.

**Net Assets**

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

Net Assets Without Donor Restrictions – Include net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. At times, the governing board can designate, from net assets without donor restrictions, net assets for a board-designated endowment or other purposes. At December 31, 2020 and 2019, the governing board has designated certain net assets without donor restrictions for specific purposes. (See Note 3)

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets (Continued)**

Net Assets With Donor Restrictions – Include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. At December 31, 2020 and 2019, donor-imposed restrictions perpetual in nature were \$942,225. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

Gifts are reported as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is satisfied, net assets with donor restrictions are reclassified as net assets without donor restriction and reported in the statements of operations and changes in net assets as net assets released from restrictions.

Net assets with donor restrictions are restricted for the following purposes:

	2020	2019
Resident Assistance Funds	\$ 4,259,375	\$ 4,076,417
Capital Additions Funds	1,817,726	1,880,280
Other Funds	1,641,538	1,520,348
Total Net Assets With Donor Restrictions	<u>\$ 7,718,639</u>	<u>\$ 7,477,045</u>

During 2020 and 2019, net assets with donor restrictions were released from donor restrictions for purchases of equipment, resident monthly fee assistance, and entry fee assistance.

**Excess of Revenues and Other Support over Expenses and Losses**

The statements of operations and changes in net assets include the caption “excess of revenues and other support over expenses and losses.” Changes in net assets without donor restrictions, which are excluded from the excess of revenues and other support over expenses and losses, include contributions of long-lived assets (including assets acquired using donor-restricted contributions specified to be used for the purpose of acquiring such assets) and changes in pension plan assets and benefit obligations other than periodic benefit cost.

**Income Taxes**

Foulkeways is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes pursuant to Section 501(a) of the IRC. Foulkeways follows the provisions of the income tax standard regarding the recognition and measurement of uncertain tax positions. The application of these provisions has no impact on Foulkeways’ financial statements.

Foulkeways’ income tax returns are subject to review and examination by federal, state, and local authorities. Foulkeways is not aware of any activities that would jeopardize its tax-exempt status.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements**

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. Foulkeways emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

*Level 1* – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that Foulkeways has the ability to access.

*Level 2* – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

*Level 3* – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Additionally, from time-to-time, Foulkeways may be required to record at fair value other assets on a nonrecurring basis in accordance with generally accepted accounting principles.

**Resident Assistance**

Foulkeways provides financial assistance on an as needed basis from various resident assistance funds in order to supplement monthly income, entry fees, and fees for life enrichment. The financial assistance provided in 2020 and 2019 was \$548,058 and \$603,940, respectively.

**Resident Services Revenue**

Resident services revenue is reported at the amount that reflects the consideration to which Foulkeways expects to be entitled in exchange for providing resident services and care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, Foulkeways bills the residents monthly for services and third-party payors after the services are performed. Revenue is recognized as performance obligations are satisfied.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Resident Services Revenue (Continued)**

Performance obligations are determined based on the nature of the services provided by Foulkeways. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred. Foulkeways believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facility receiving skilled nursing services or residents receiving services in the facility. Foulkeways measures the performance obligation from admission into the facility to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge or termination of the resident contract. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the residents and customers in a retail setting (for example, guest meals) and Foulkeways does not believe it is required to provide additional goods or services related to that sale.

Foulkeways determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with Foulkeways' policy and/or implicit price concessions provided to residents. Foulkeways determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience. Foulkeways determines its estimate of implicit price concessions based on its historical collection experience.

Upon entry to Foulkeways at Gwynedd, Foulkeways and the resident sign a Residence and Care Agreement (the Agreement). The Agreement requires Foulkeways to provide facilities, services, and medical care to the resident. Entry fees received are recorded as deferred revenue from resident entry fees in the accompanying balance sheets. Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement.

The resident entry fees are subject to the refund provisions of the Agreement. At December 31, 2020 and 2019, the portion of the deferred resident entry fees subject to such refund provisions amounted to \$14,512,970 and \$16,858,000, respectively. The refund periods expire ratably over 50 months from the respective dates of entrance. Refunds are payable upon reoccupancy of the vacated unit.

Amortization of deferred resident entry fees in the statements of operations and changes in net assets represents the current year's amortization of deferred revenue from resident entry fees. The amortization is based upon the actuarially determined remaining lives of each resident or resident couple (updated periodically using the historical experience of Foulkeways) at the end of the reporting year. However, only resident entry fee revenue up to the amount of deferred entry fees that is nonrefundable is recognized. Upon the death of a sole surviving resident, any remaining unamortized portion of the resident entry fee is recognized as revenue.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Resident Services Revenue (Continued)**

The composition of resident services revenue by primary payor for the years ended December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Medicare	\$ 1,280,791	\$ 1,418,462
Private Pay	23,724,603	23,503,182
Total Resident Services Revenue	<u>\$ 25,005,394</u>	<u>\$ 24,921,644</u>

Revenue from resident's deductibles and coinsurance are included in the categories presented above based on the primary payor.

The composition of resident care service revenue based on its service lines, method of reimbursement, and timing of revenue recognition for the years ended December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Service Lines:		
Skilled Nursing Facility	\$ 2,172,663	\$ 2,246,003
Personal Care	4,199,886	4,494,030
Home Care	66,766	60,761
Independent Living	17,093,998	16,452,822
Other Medical	1,448,592	1,632,855
Retail Sales	23,489	35,173
Total	<u>\$ 25,005,394</u>	<u>\$ 24,921,644</u>
Method of Reimbursement:		
Fee for Services	\$ 24,981,905	\$ 24,886,471
Other	23,489	35,173
Total	<u>\$ 25,005,394</u>	<u>\$ 24,921,644</u>
Timing of Revenue and Recognition:		
Health Care Services Transferred Over Time	\$ 24,981,905	\$ 24,886,471
Sales at Point in Time	23,489	35,173
Total	<u>\$ 25,005,394</u>	<u>\$ 24,921,644</u>

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financing Component**

Foulkeways has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from residents and third-party payors for the effects of a significant financing component due to Foulkeways' expectation that the period between the time the service is provided to a resident and the time that the Resident or a third-party payor pays for that service will be one year or less. However, Foulkeways does, in certain instances, enter into payment agreements with residents that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

**Contract Costs**

Foulkeways has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that Foulkeways otherwise would have recognized is one year or less in duration.

**Reclassifications**

Certain items in the prior year financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the overall net assets of Foulkeways.

**Subsequent Events**

In preparing these financial statements, Foulkeways has evaluated events and transactions for potential recognition or disclosure through April 8, 2021, the date the financial statements were issued.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 2 LIQUIDITY**

Foulkeways regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing financial resources to meet expenses over a twelve-month period, Foulkeways considers all expenses related to its ongoing mission-related activities as well as the conduct of services undertaken to support these activities.

Financial assets available for general expenditure within one year of the balance sheet date, consist of the following:

	2020	2019
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 8,295,717	\$ 4,603,674
Assets Limited as to Use, Externally Designated Investments	711,477	708,331
	21,060,018	23,345,420
Accounts Receivable:		
Residents	721,147	616,382
Notes Receivable from Residents	255,400	346,910
Other	220,354	326,551
Assets Limited as to Use:		
Externally Designated under Bond Indenture Agreement	1,919,996	1,899,775
Externally Designated by Donors	7,718,639	7,477,045
Statutory Liquid Reserve	2,743,384	2,696,431
Internally Designated by Board	1,795,221	1,514,488
Total Financial Assets	45,441,353	43,535,007
Less Amounts Not Available to be Used Within One Year:		
Externally Designated under Bond Indenture Agreement with Liquidity Horizons Greater Than One Year	1,919,996	1,899,775
Externally Designated by Donors with Liquidity Horizons Greater Than One Year	7,718,639	7,477,045
Internally Designated by Board with Liquidity Horizons Greater Than One Year	1,795,221	1,514,488
Financial Assets Not Available to be Used Within One Year	11,433,856	10,891,308
Financial Assets Available to Meet General Expenditures Within One Year	\$ 34,007,497	\$ 32,643,699

Foulkeways has certain board-designated and donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above. Foulkeways has other assets limited to use for donor-restricted purposes and debt service. Additionally, certain other board-designated assets are designated for future capital expenditures and an operating reserve. These assets limited to use, which are more fully described in Note 3 are not available for general expenditure within the next year and are not reflected in the amounts above. However, the board-designated amounts could be made available, if necessary.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 3 INVESTMENTS AND ASSETS LIMITED AS TO USE**

The functional composition of assets limited as to use externally designated under the bond indenture agreement and by donors and internally designated by the board is set forth below:

	<u>2020</u>	<u>2019</u>
Externally Designated by Long-Term Debt Agreements		
Series 2006 Bond Indenture:		
Debt Service Reserve Fund	\$ 2,475,932	\$ 2,445,915
Debt Service Fund	155,541	162,191
Total	<u>2,631,473</u>	<u>2,608,106</u>
Less: Current Portion	(711,477)	(708,331)
Total	<u>\$ 1,919,996</u>	<u>\$ 1,899,775</u>
Externally Designated by Donors:		
Resident Assistance	\$ 4,259,375	\$ 4,076,417
Capital Additions	1,817,726	1,880,280
Other	1,641,538	1,520,348
Total	<u>\$ 7,718,639</u>	<u>\$ 7,477,045</u>
Internally Designated by the Board:		
Used at the Discretion of the Board	<u>\$ 1,795,221</u>	<u>\$ 1,514,488</u>

Assets limited as to use externally designated for donor purposes include a resident assistance fund for residents unable to pay the monthly service fee or entry fee due to circumstances beyond their control.

Under the provisions of the *Pennsylvania Continuing Care Provider Registration and Disclosure Act (Act)*, Foulkeways must maintain a statutory minimum liquid reserve as of December 31, 2020, that is equal to the greater of 10% of the 2021 total projected operating expenses, exclusive of depreciation, or the 2020 debt service requirements. The calculation of the statutory minimum liquid reserve requirement as of December 31, 2020 and 2019 is shown in detail below. Under the provisions and related amendments of the Act, management believes that the liquid portion of the investment portfolio satisfies this requirement. Management believes that Foulkeways is in compliance with all other requirements of the Act as of December 31, 2020.



**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 3 INVESTMENTS AND ASSETS LIMITED AS TO USE (CONTINUED)**

	<u>2020</u>	<u>2019</u>
Projected Annual Interest Expense	\$ 1,485,022	\$ 1,704,890
Principal Payments Due on Long-Term Debt	<u>1,042,850</u>	<u>991,541</u>
Liquid Reserve Requirement	2,527,872	2,696,431
Projected Annual Operating Expenses	27,433,840	26,042,209
Minimum Rate	<u>10%</u>	<u>10%</u>
Liquid Reserve Requirement	<u>2,743,384</u>	<u>2,604,221</u>
Statutory Liquid Reserve Requirement	<u>\$ 2,743,384</u>	<u>\$ 2,696,431</u>

The composition of investments and assets limited as to use is set forth in the following table. Investments are stated at fair value.

	<u>2020</u>	<u>2019</u>
Investments and Assets Limited as to Use:		
Cash and Equivalents	\$ 272,899	\$ 998,122
U.S. Government and Agency Securities	5,842,619	5,960,532
Mutual Funds	13,832,921	11,793,422
Corporate Bonds	14,436,541	17,805,754
Internationals	<u>1,563,755</u>	<u>1,083,660</u>
Total	<u>\$ 35,948,735</u>	<u>\$ 37,641,490</u>

Investment income and gains (losses) for investments and assets limited as to use and cash equivalents are comprised of the following:

	<u>2020</u>	<u>2019</u>
Investment Income without Donor Restrictions:		
Dividends and Interest Income	\$ 786,791	\$ 869,663
Realized Gains on Sales of Securities	183,247	353,208
Investment Fees	<u>(70,566)</u>	<u>(77,939)</u>
Subtotal	899,472	1,144,932
Change in Unrealized Gains on Securities	<u>981,994</u>	<u>1,272,935</u>
Total	<u>\$ 1,881,466</u>	<u>\$ 2,417,867</u>
Investment Income with Donor Restrictions::		
Dividends and Interest Income	\$ 168,931	\$ 203,262
Realized Gains on Sales of Securities	<u>74,577</u>	<u>109,543</u>
Subtotal	243,508	312,805
Change in Unrealized Gains on Securities	<u>306,390</u>	<u>400,882</u>
Total	<u>\$ 549,898</u>	<u>\$ 713,687</u>

Investment fees represent direct expenses involved in generating investment income.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 LONG-TERM DEBT**

Long-term debt consists of:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Montgomery County Industrial Development Authority Revenue Bonds, Series 2016, Fixed Rate Revenue Bonds, due December 1, 2046 with interest ranging from 3.00% to 5.00%, net of premium of \$3,290,301 and \$3,419,248 and unamortized financing costs of \$474,182 and \$492,765 at December 31, 2020 and 2019, respectively	\$ 29,276,119	\$ 29,956,483
Montgomery County Industrial Development Authority Variable Revenue Bonds, Series 2006B, net of unamortized financing costs of \$153,040 and \$162,955 at December 31, 2020 and 2019, respectively	11,011,960	11,192,045
Citizens Bank - bank qualified loan, net of unamortized financing costs of \$122,885 and \$129,397 at December 31, 2020 and 2019, respectively	<u>9,169,201</u>	<u>9,394,230</u>
Total Long-Term Debt	49,457,280	50,542,758
Less: Current Portion	<u>(1,042,850)</u>	<u>(991,541)</u>
Long-Term Debt, Net of Current Portion	<u>\$ 48,414,430</u>	<u>\$ 49,551,217</u>

On June 1, 2006, Foulkeways entered into a Loan and Trust Agreement with the Montgomery County Industrial Development Authority (the Authority), and U.S. Bank National Association (as Trustee), pursuant to which Foulkeways received tax-exempt bond proceeds (the 2006 Bonds). The 2006 Bonds consisted of \$15,315,000 fixed rate revenue bonds (Series 2006A Bonds) and \$13,390,000 variable rate revenue bonds (Series 2006B Bonds). The proceeds from the 2006 Bonds were used to advance refund Series 1999 Bonds, refinance the Construction Loan, finance the renovation and expansion of Foulkeways' community center and other miscellaneous capital expenditures, pay bond issuance costs, and to establish a debt service reserve fund for the Series 2006A Bonds.

On June 1, 2016, the 2006A Bonds were refunded with the proceeds from the Series 2016 Bonds (see below).

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 LONG-TERM DEBT (CONTINUED)**

The 2006B Bonds are secured by a mortgage on certain property and the gross receipts of Foulkeways and require annual sinking fund principal payments ranging from \$190,000 in 2020 to \$1,595,000 in 2036. The average interest rate on the 2006B Bonds was 0.57% in 2020 and 1.49% in 2019.

The 2006B Bonds are secured by an irrevocable letter of credit (Letter of Credit) between Foulkeways and Citizens Bank (the Bank). The Letter of Credit is an obligation of the Bank to pay the Trustee amounts sufficient to pay the principal amount of and up to 51 days of accrued interest on the 2006B Bonds when due, whether at maturity, or upon acceleration or call for redemption, and amounts sufficient to pay the purchase price of any 2006B Bonds tendered for purchase and not remarketed. During 2020, Foulkeways secured an extension on this Letter of Credit through September 30, 2023. Any draw under the Letter of Credit creates a reimbursement obligation on the part of Foulkeways in favor of the Bank in the form of a term loan requiring repayment by Foulkeways based on a schedule consistent with the scheduled principal payments on the 2006B Bonds. The Letter of Credit secures the 2006B Bonds only. The 2006B Bonds mature on December 1, 2036.

On November 15, 2009, Foulkeways entered into a Loan and Security Agreement with the Authority and the Bank pursuant to which the Authority sold the Series 2009 bonds to the Bank. From the proceeds, Foulkeways may borrow up to \$11,000,000 of the Authority's Economic Development Revenue Note (Foulkeways at Gwynedd Project, Series of 2009), referred to as the Bank Qualified Loan. The Bank Qualified Loan bears interest at a variable rate of London Interbank Offered Rate (LIBOR) plus the LIBOR rate margin multiplied by 0.68. Interest is due on a monthly basis, and the interest rate as of December 31, 2020 and 2019 was 1.33% 2.39%, respectively.

The proceeds of the Bank Qualified Loan were used to finance the renovation and expansion of Foulkeways' community center and other miscellaneous capital expenditures, as well as payment of a portion of the costs and expenses of issuing the Bank Qualified Loan.

On June 1, 2016, Foulkeways entered into a Loan and Trust Agreement with the Authority, and U.S. Bank National Association (as Trustee), pursuant to which Foulkeways received fixed rate revenue bond proceeds in the amount of \$28,835,000 and a premium in the amount of \$3,868,414 (the Series 2016 Bonds). The proceeds of the 2016 Bonds were used to refund the outstanding Series 2006A Bonds, advance funds to finance certain improvements to the facility, fund capitalized interest and a debt service reserve fund and to pay certain issuance costs of the 2016 Bonds. The average interest rate on the 2016 Bonds ranges from 3.00% to 5.00%. The Series 2016 Bonds require annual sinking fund principal payments ranging from \$595,000 in 2021 to \$2,660,000 in 2046.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 LONG-TERM DEBT (CONTINUED)**

Under its debt agreements, Foulkeways must comply with certain restrictive covenants relating to days cash on hand and debt service coverage computed annually. As defined, Foulkeways is required, among other things, to maintain a debt service coverage ratio of 1.20:1.00 and a day's cash on hand (unrestricted cash and investments divided by the average daily operating expenses, net of depreciation and amortization) of 180 days. Management represents that Foulkeways was in compliance with all required financial covenants at December 31, 2020.

On June 26, 2012, Foulkeways purchased the land from Trustees of Gwynedd Monthly Meeting of Friends and entered into a loan agreement in the amount of \$2,100,000. The loan was paid off during 2019. As of December 31, 2020 and 2019, there is no remaining balance on this note.

At December 31, 2020, principal payments on long-term debt during the next five years and thereafter are as follows:

<u>Year Ending December 31,</u>	Series B 2006 Bonds	Series 2016 Bonds	Bank Qualified	Total
2021	\$ 200,000	\$ 595,000	\$ 247,850	\$ 1,042,850
2022	205,000	615,000	264,167	1,084,167
2023	215,000	640,000	281,242	1,136,242
2024	220,000	675,000	300,076	1,195,076
2025	220,000	710,000	320,176	1,250,176
Thereafter	10,105,000	23,225,000	7,878,575	41,208,575
Total	11,165,000	26,460,000	9,292,086	46,917,086
Less: Unamortized Financing Costs	(153,040)	(474,182)	(122,885)	(750,107)
Add: Bond Premium	-	3,290,301	-	3,290,301
Total Bonds Payable, Net	11,011,960	29,276,119	9,169,201	49,457,280
Less: Current Portion of Bonds Payable	200,000	595,000	247,850	1,042,850
Total Bonds Payable, Less Current Portion	<u>\$ 10,811,960</u>	<u>\$ 28,681,119</u>	<u>\$ 8,921,351</u>	<u>\$ 48,414,430</u>

Interest expense on long-term debt in 2020 and 2019 was \$1,550,646 and \$1,787,369, respectively. No interest was capitalized as a cost of construction in 2020 and 2019.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 5 FUNCTIONAL EXPENSES**

Foulkeways provides continuing and long-term care for the aging. Expenses related to providing these services are as follows:

	2020			
	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and Wages	\$ 10,531,326	\$ 2,293,134	\$ 107,256	\$ 12,931,716
Employee Benefits	2,575,333	783,845	8,072	3,367,250
Contract Labor	46,638	2,363	-	49,001
Food Purchases	1,469,715	579	-	1,470,294
Medical Supplies and Other Resident Costs	2,454,865	334,641	2,250	2,791,756
General and Administrative	128,273	574,900	1,356	704,529
Building and Maintenance	1,537,618	121,796	-	1,659,414
Professional Fees and Insurance	208,678	497,171	-	705,849
Depreciation	6,059,063	-	-	6,059,063
Interest	1,550,646	-	-	1,550,646
Management and Other Fees	624,076	-	-	624,076
Total Functional Expenses	\$ 27,186,231	\$ 4,608,429	\$ 118,934	\$ 31,913,594

	2019			
	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and Wages	\$ 10,106,167	\$ 2,474,395	\$ 101,798	\$ 12,682,360
Employee Benefits	2,380,858	647,292	6,503	3,034,653
Contract Labor	29,346	-	-	29,346
Food Purchases	1,750,115	1,373	-	1,751,488
Medical Supplies and Other Resident Costs	2,295,575	345,729	1,211	2,642,515
General and Administrative	143,843	603,842	107	747,792
Building and Maintenance	1,694,689	115,012	-	1,809,701
Professional Fees and Insurance	482,712	645,088	-	1,127,800
Depreciation	5,809,494	-	-	5,809,494
Interest	1,787,369	-	-	1,787,369
Management and Other Fees	642,608	-	-	642,608
Total Functional Expenses	\$ 27,122,776	\$ 4,832,731	\$ 109,619	\$ 32,065,126

All costs are directly attributable to their respective functions based on a method similar to that used for the Internal Revenue Service Form 990, Return of Organization Exempt from Income Tax. Management services are expenses attributable to the general management of the organization. Fundraising expenses are attributable to expenses occurred by the Development Office.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 6 PENSION AND SAVINGS PLANS**

Foulkeways sponsors a defined benefit pension plan exempt from the Employee Retirement Income Security Act of 1974 rules due to “church plan” status. The plan covers substantially all of its employees. Employers are required to recognize the overfunded or underfunded status of a defined benefit pension plan as an asset or liability in its balance sheet and to recognize changes in that funded status in the year in which the changes occur through net assets without restrictions.

The following is a summary of the key components and assumptions related to the pension plan:

	<u>2020</u>	<u>2019</u>
Change in Benefit Obligation:		
Projected Benefit Obligation - Beginning of Year	\$ 26,702,000	\$ 22,765,000
Service Cost	293,255	157,274
Interest Cost	863,756	955,821
Actuarial (Gain) Loss	3,185,923	3,590,605
Benefits Paid	<u>(800,934)</u>	<u>(766,700)</u>
Projected Benefit Obligation - End of Year	30,244,000	26,702,000
Change in Plan Assets:		
Fair Value of Plan Assets - Beginning of Year	13,399,535	11,211,413
Actual Return on Plan Assets	1,300,525	2,154,822
Employer Contributions	800,000	800,000
Benefits Paid	<u>(800,934)</u>	<u>(766,700)</u>
Fair Value of Plan Assets - End of Year	<u>14,699,126</u>	<u>13,399,535</u>
Net Amounts Recognized in the Balance Sheets		
Consist of Liability for Pension Benefits	<u>\$ 15,544,874</u>	<u>\$ 13,302,465</u>
Accumulated Benefit Obligation	<u>\$ 27,090,000</u>	<u>\$ 23,901,000</u>

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 6 PENSION AND SAVINGS PLANS (CONTINUED)**

	<u>2020</u>	<u>2019</u>
Amounts Recognized in Unrestricted Net Assets Not Yet in Net Periodic Benefit Cost Consist of:		
Unrecognized Net Loss	\$ 10,512,957	\$ 8,210,136
Prior Service Cost	(324,012)	(386,323)
Total	<u>\$ 10,188,945</u>	<u>\$ 7,823,813</u>
 Components of Net Periodic Benefit Cost:		
Service Cost	\$ 293,255	\$ 157,274
Interest Cost	863,756	955,821
Expected Return on Plan Assets	(860,510)	(719,493)
Amortization of Prior Service Cost	(62,311)	(62,311)
Amortization of Net Actuarial Loss	443,087	331,105
Net Periodic Benefit Cost	<u>\$ 677,277</u>	<u>\$ 662,396</u>
	<u>2020</u>	<u>2019</u>
Weighted-Average Assumptions Used to Determine Benefit Obligation were:		
Discount Rate	3.26 %	3.26 %
Rate of Compensation Increase	3.00	3.00
 Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost were:		
Discount Rate	3.26	4.24
Expected Long-Term Return on Plan Assets	6.50	6.50
Rate of Compensation Increase	3.00	3.00

To develop the expected long-term rate of return on assets assumption, Foulkeways considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio. This resulted in the selection of the 6.5% long-term rate of return on assets assumption. The estimated net deferred actuarial loss and prior service cost (benefit) that will be amortized into net periodic benefit cost for 2021 is approximately \$574,700 and (\$62,311), respectively, totaling \$512,389.

**Plan Assets**

The plan's actual weighted-average asset allocations and target asset allocations, by asset category, are as follows:

<u>Asset Category</u>	<u>Target Allocation</u>	<u>2020</u>	<u>2019</u>
Equity Securities	40-65%	61 %	64 %
Debt Securities and Other	25-50%	39	36
Total		<u>100 %</u>	<u>100 %</u>

The investment policy and strategy for the plan assets is to conserve and enhance the capital value of the funds in real terms, through asset appreciation and income generation.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 6 PENSION AND SAVINGS PLANS (CONTINUED)**

**Plan Assets (Continued)**

Foulkeways uses fair value measurements to record fair value adjustments to investments and to determine fair value disclosure (see Note 1). Pension plan assets are classified as follows:

<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 131,185	\$ -	\$ -	\$ 131,185
Fixed Income Securities	5,684,993	-	-	5,684,993
Equity Securities	8,882,948	-	-	8,882,948
Others	-	-	-	-
Total	<u>\$ 14,699,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,699,126</u>

<u>December 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 1,131,689	\$ -	\$ -	\$ 1,131,689
Fixed Income Securities	3,560,922	-	-	3,560,922
Equity Securities	8,483,594	-	-	8,483,594
Others	-	-	223,330	223,330
Total	<u>\$ 13,176,205</u>	<u>\$ -</u>	<u>\$ 223,330</u>	<u>\$ 13,399,535</u>

**Cash Flows**

Contributions

Foulkeways is currently evaluating contributions to the pension plan for 2021. In 2020 and 2019, Foulkeways contributed \$800,000 and \$800,000 to the plan, respectively.

Estimated Future Benefit Payments

The following benefit payments that expect to be paid by the plan during the next five years and five years thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 909,000
2022	976,000
2023	1,060,000
2024	1,122,000
2025	1,184,000
2026 - 2030	6,872,000

**Savings Plan**

Foulkeways offers a contributory 403(b) savings plan which is available to substantially all employees and provides a 50% match of employee contributions up to a maximum of 3% of annual compensation. Total expense related to this plan was \$243,918 and \$171,616 for the years ended December 31, 2020 and 2019, respectively.



**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 7 COMMITMENTS AND CONTINGENCIES**

**Home and Care Committee**

Foulkeways, under an agreement with the Trustees of Abington Quarterly Meeting of Friends and the Committee of the Abington Quarterly Meeting Home for Friends at Norristown (Home and Care Committee), and in consideration of cumulative contributions received or pledged, will provide entry fee credits to be used by the Home and Care Committee for financial aid to those persons the Home and Care Committee recommends as requiring assistance. The total amount of money available to the Home and Care Committee as entry fee credits is the sum resulting from multiplying the number 10 and the minimum entry fee charged by Foulkeways, with the right of replacement should any of the credits not be in use. For the years ended December 31, 2020 and 2019, this amount was \$740,000 and \$730,000, of which \$-0- and \$165,000, respectively, is available for use as of December 31, 2020 and 2019.

**Health Insurance Program**

Foulkeways has set up a self-insured group health plan with Peace Church Health Insurance Program (PCHIP) effective July 15, 2013, replacing the previous premium-based plan. Foulkeways assumes the risk for paying the health care claim costs up to \$50,000 per participant per year. Additional claims are supported by PCHIP and the stop loss insurance of the Plan.

**Legal and Regulatory**

There are various legal actions that can occur in the ordinary course of business, and management is not aware of any such matters that would have a material effect on the financial condition or results of operations of Foulkeways. In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect to Foulkeways' financial position.

Laws and regulations governing the Medicare program are complex and subject to interpretation. Foulkeways believes it is in compliance with all other applicable laws and regulations and is not aware of any other current pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare program. During 2017, Foulkeways decertified from the Medicare A program.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 8 SELF-INSURANCE TRUST**

During 1995, Foulkeways entered into an agreement with certain other community members of Friends Services for the Aging to form a self-insurance fund known as Friends Workers' Compensation Collaborative (the Collaborative). The Collaborative is an entity separate from all members of the fund that enables the members to separate the legal and equitable rights to the assets and monies of the Collaborative. Foulkeways is responsible for paying an annual contribution to the Collaborative as determined by an independent actuary. Effective September 30, 2019 the Collaborative discontinued accepting new claims. Members of the Collaborative independently joined MEMIC Indemnity Company for workers compensation coverage. The Collaborative will continue to manage and pay claims from the reserves of the Collaborative until all claims are closed. Foulkeways' contributions to the Collaborative, net of distributions received, were \$- and \$203,318 in 2020 and 2019, respectively.

**NOTE 9 FAIR VALUE MEASUREMENTS**

The following table presents Foulkeways' fair value hierarchy for those investments measured at fair value on a recurring basis as of December 31, 2020.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Equivalents	\$ 272,899	\$ -	\$ -	\$ 272,899
U.S. Government and Agency Securities	5,842,619	-	-	5,842,619
Mutual Funds	13,832,921	-	-	13,832,921
Corporate Bonds	14,436,541	-	-	14,436,541
Internationals	1,563,755	-	-	1,563,755
Total	<u>\$ 35,948,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,948,735</u>

The following table presents Foulkeways' fair value hierarchy for those investments measured at fair value on a recurring basis as of December 31, 2019.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Equivalents	\$ 998,122	\$ -	\$ -	\$ 998,122
U.S. Government and Agency Securities	5,960,532	-	-	5,960,532
Mutual Funds	11,793,422	-	-	11,793,422
Corporate Bonds	17,805,754	-	-	17,805,754
Internationals	1,083,660	-	-	1,083,660
Total	<u>\$ 37,641,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,641,490</u>

When quoted market prices are available in the active market, securities are classified within Level 1 of the valuation hierarchy. Assets utilizing Level 1 inputs include equity securities and mutual funds, fixed income mutual funds, and real estate mutual funds.

**FOULKEWAYS AT GWYNEDD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 10 PROVIDER RELIEF FUNDS AND CARES ACT FUNDING**

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 has impacted various parts of its operations for the year ended December 31, 2020 and financial results including but not limited to, additional costs for emergency preparedness, disease control and containment, additional testing, potential shortages of health care and other personnel, and loss of revenue due to reductions in certain revenue streams. Management believes the Organization continues to take appropriate actions to mitigate the negative impact of this pandemic.

During the year ended December 31, 2020, the Pennsylvania Department of Health provided COVID-19 testing supplies and conducted COVID-19 testing of staff. Management included the market value of testing supplies, personal protective equipment, and labor donated to the Corporation in the amount of \$252,153 on the statements of operations.

Foulkeways received payments from the CARES Act Provider Relief Fund (PRF), which is administered by the U.S. Department of Health and Human Services (HHS). Foulkeways received PRF payments and recognized revenues in the amount of \$314,800 during fiscal year 2020. The revenues recognized are included in Unrestricted Contributions, Gifts, and Bequests on the statements of operations. The PRF payments are subject to potential recoupment by HHS if it is determined that the funds were not spent in accordance with the terms and conditions. Foulkeways received pass-through CARES Act federal funds from the Pennsylvania Department of Human Services under PA Act 24. The payments received and recognized in revenues in the amount of \$103,077 are included in Unrestricted Contributions, Gifts, and Bequests on the statements of operations. Management believes the amounts have been recognized appropriately as of December 31, 2020.

The CARES Act permits employers to defer certain qualifying employer portions of payroll taxes to be paid in 2021. As of December 31, 2020, Foulkeways has deferred \$495,664 of employer payroll taxes. These amounts are recorded in Accrued Salaries and Payroll Taxes in the balance sheets.

# THE RETIREMENT OF OUR DEDICATED HUMAN RESOURCES DIRECTOR, JEAN RAIGUEL



When Jean Raiguel took her post as director of Human Resources at the Foulkeways retirement community 35 years ago, she was stepping not only into a new job but also a relatively new industry.

Foulkeways was emerging as a nationally-recognized leader in an evolving long-term care industry. As the business became increasingly complex, many continuing care institutions were looking for business professionals who showed that providing great care can be good business.

So, Jean Raiguel came along at a time when the need to attract and retain top talent could have put her at odds with other members of the leadership team who were struggling to match mission and resources.

Edna Cristinzio, Foulkeways Chief Financial Officer, recalled how she and Raiguel were able to navigate a course around those potential pitfalls by forging a working relationship that has thrived for 35 years.

“We developed a close interaction between HR and payroll,” Cristinzio recalled. “We worked closely together on the budget and even shared an employee. We bounced ideas off of each other.”

“Just the familiarity of knowing what I could talk to her about and feel comfortable was so important. If I was struggling with something, I knew I had a friendly ear. We’ve been through births, marriages and deaths together.”

During her years at Foulkeways, Jean has overseen the fitness center, Child Care Center, and the receptionist team, along with her HR duties. She also is looked at as the administrative historian of the community, being involved in many community anniversaries and being the standard bearer of the mission, vision and value statements.

Phil DeBaun, Foulkeways Chief Executive Officer, had met Raiguel at industry conferences and events and known her “for quite a number of years.” But when he took the Foulkeways helm two years ago, he came to appreciate “the great job of balancing” that characterized her work.

“It can be difficult for an HR director to be, at the same time, an advocate for the staff and the organization,” DeBaun said. “You have to understand in the long run what’s good for the organization is good for the staff and what’s good for the staff is good for the organization.”

“Large portions of her responsibilities are so important to the mission. The HR Director is the chief benefits officer for a few hundred employees. Those benefits help them establish their daily lives. She makes sure those benefits are responsive to their needs.”

“It’s always a challenge to find people at the higher skill levels, registered nurses, managers, or customized jobs. The supply of new nurses each year is too small to feed the industry. It’s a continuum, you have to keep putting those feelers out.”

When she retires August of 2021, Jean will leave an opening that may prove tougher to fill than any she has staffed in 35 years. The entire Foulkeways community thanks her for the time and talent she provided to the success of the Foulkeways community.

# TOUCHING OUR WORLD

## Mr. Mailman

“Neither snow nor rain nor heat nor gloom of night stays these couriers from the swift completion of their appointed rounds.”

If he were writing that tribute today, Herodotus may have added “Nor pandemics nor politics” and included a picture of Minh Tran.

Tran is the mail carrier whose “appointed rounds” include Foulkeways at Gwynedd, a Quaker-run retirement community in the Gwynedd Valley where his dedication has not escaped notice.

Tran’s daily visit is a lifeline, bridging the divide between families and friends, that allows residents to shop and pay bills and access their favorite publications. Minh Tran brings the world to their mailbox.



Which is why Foulkeways residents made a surprise delivery to him September 13, 2020. Residents gathered and presented him with a “mailbox,” filled with letters of appreciation from grateful residents and a colorful poster designed by resident artist Anne Baldwin.

“We needed to stop a moment and thank him,” said Gretchen Hall, one of the organizers of the tribute. “He is always cheerful and helpful, he’s like part of our community. He’s delightful, intelligent and never too busy to stop and talk; He’s just a lovely person.”

## Foulkeways Residents Step in to Help Feed Those in Need.



A food giveaway and feeding program at a Haitian church in Olney was an early casualty of the battle against COVID.

L’église de Deux Parlafois, had been serving hot meals at the church at 200 Tabor Road and distributing fresh produce donated by the Philadelphia Shares program. But the food deliveries stopped abruptly in July 2020, as Philadelphia Shares refocused its efforts on the needs of shut-ins and families affected by the pandemic.

The Building Communities Committee at Foulkeways was made aware of this and the alliance was formed. Foulkeways would go on to raise

\$29,000 from our generous residents.

They then met with the administration at Foulkeways who directed them to food service director John Kennedy. Kennedy found a purveyor to deliver food to the church twice a month until all the funds had been spent.

We have a number a Haitian employees at Foulkeways and this was a wonderful way for the residents to build a connection with them and the outside world.



# LETTER FROM THE FOULKEWAYS RESIDENTS ASSOCIATION



The year 2020 began at Foulkeways with a full complement of activities including concerts, meetings, movies, lectures, sports and social dining. Once COVID-19 was declared a global pandemic almost everything closed down. Meals were delivered to be eaten in one's room. The Community Center, the library and lounges were closed and visiting with family and friends was put on hold. The gym and the pool were closed.

The Administration and FRA committees learned quickly how to use Zoom for meetings and our CEO and the FRA sent out frequent written information and notices to all residents. Several residents volunteered to make cloth masks for other residents and donated fees to the FRA. In the spring residents gathered along the road to Abington and Gwynedd Houses to show their appreciation to the staff. Later the FRA erected signs

expressing thanks in the many languages spoken by the staff. Residents have repeatedly expressed their gratitude for the dedication of the staff at Foulkeways.

The Barn, a major source of the FRA's funding, was also shut down. Fortunately, online sales from the Barn continued and it eventually reopened within COVID guidelines in the summer. Once a system for residents to pick up their dinners was established, a satellite gift shop and library were set up outside the dining room. The FRA bought its own Zoom license to accommodate large group meetings.

The Education and Current Issues Committee learned how to host meetings with outside speakers using the Zoom account and resumed their schedule of cultural and educational programs. The Performing Arts Committee arranged several private online concerts with musicians who usually perform here. Instead of the usual large Craft Fair a small sale was held for residents only.

Phil DeBaun and Mary Knapp kept the Foulkeways community well informed about any positive COVID tests, State and County guidelines and visiting restrictions. As vaccines became available Mary Knapp made sure that Foulkeways residents could receive them as soon as possible on campus.

Activities, outside visitors and social dining have been resuming with COVID precautions in place. Residents are looking forward to gradually returning to more in-person experiences. It has been a difficult year for everyone and we are grateful that the staff and residents are working together to maintain the Foulkeways spirit.

Robin Costa, President

# PHIL HENDERSON'S CONTINUING LEGACY



A look back at Phil Henderson's tenure on the Foulkeways at Gwynedd Board of Directors, would likely focus on a series of successful building campaigns and on the Master Plan that will probably guide the expansion of the Foulkeways community well into the future. It is his most salient legacy as a Director and Board Chairman.

Or such a retrospective may focus on the stability characterized by his steady hand on the tiller through two important leadership transitions, particularly chairing the committee that recruited current CEO, Phil DeBaun.

Henderson deflected any praise for that choice. "He was a shoo-in," he said of DeBaun. "The one misplaced reservation I had was that he seemed too perfect. But he was just the right person."

Henderson, who soon will transition from Chairman to emeritus board member, is also reluctant to take too much credit for the Master Plan. But he was a guiding force in creating and executing a plan that incorporated the vision of architects, engineers, and administrators while respecting resident input in every major decision. That's a record a board chair can look back on with pride.

But when Henderson and his wife, Madeleine, look back at his years at Foulkeways, they see something more: They see home.

Like many of the administrators and staff who have worked at Foulkeways at Gwynedd, the Hendersons are about to make his workplace their home. "I think I knew it when I first joined the Board, 15 years ago," Henderson said of his much-anticipated move into one of the units to be completed by the end of the year.

"The richness of the community life impressed me, the residents, the activities. I have a brother, Rolland, who lives here. It just seemed like a good place to be part of." "It feels like a logical progression," his wife Madeleine confirmed. "I know so much about it. I like the facilities, the low staff turnover. It's a very active community, physically, and intellectually. We live in Doylestown, and I'm reluctant to leave it. But I'm really looking forward to moving to Foulkeways."

To hear Phil Henderson tell it, his years on the Board at Foulkeways had prepared him for what he calls "an easy transition." Henderson had served as Vice Chair, a position that normally precedes the chairmanship. When Mike Peasley, his immediate predecessor as Chair, resigned to apply for the vacant CEO position, Henderson's time as Vice Chair had prepared him for the sudden elevation. "The patient was healthy," he joked. "Our main focus was the physical plant. We had a couple of buildings that had to be replaced, the campus was nearly 50 years old."

The Board had already spent "several years," Henderson said, in a planning process primarily geared toward the immediate need to replace a few buildings. But that partial plan gave way to a more comprehensive "master plan" as the Board began to consider what Henderson recalls as "a few twists and turns in the process." "We had to start all over," he recalled. "We had to consider a number of issues to address expansion and to accommodate an increase in population. There were concerns about the natural environment."

"We had purchased an additional 20 acres of contiguous and open ground. That threw another whole dimension into the planning process. There was the challenge of how to integrate it into our plan while maintaining the character of the community."

To meet that challenge, the Board had to recall a lesson learned years earlier with a major renovation of the Community Center. "In that process, we got a lot of ideas and heard major concerns about what we had done," Henderson said.

"This time, we made sure we got residents involved very early. Every time we talked with them, I told them 'this is a plan cast in sand'. We got tremendous feedback and some pushback about where we were off base. We went forward with a much more condensed plan. It took us about six years to put it together."

"I think it's gone very well. It's nowhere near complete. It takes time to get through all of the approvals, the execution is not quick. But it's underway."

Henderson will still have some say about how the plan unfolds in his continued emeritus role on the Board. And by the end of the year, he and his wife take on another respected role in the planning process at Foulkeways—as residents.

Blessings Community Kindness Wisdom Intention Humility Love  
Compassion Give Joy Grace Now Pure Gratitude Believe Attitude  
Believe Thank You Abundance Soul Friendship Inspire Purpose Connect  
Healing Trust Sharing Generosity Blessings Community Kindness  
Wisdom Intention Humility Love Compassion Give Joy Grace Now  
Pure Gratitude Believe Attitude Believe Thank You Abundance  
Soul Friendship Inspire Purpose Connect Healing Trust Sharing  
Generosity Blessings Community Kindness Wisdom Intention  
Humility Love Compassion Give Joy Grace Now Pure Gratitude  
Believe Attitude Believe Thank You Abundance Soul Friendship  
Inspire Purpose Connect Healing Trust Sharing Generosity Blessings  
Community Kindness Wisdom Intention Humility Love Compassion  
Give Joy Grace Now Pure Gratitude Believe Attitude Believe Thank  
You Abundance Soul Friendship Inspire Purpose Connect Healing  
Trust Sharing Generosity Blessings Community Kindness Wisdom  
Intention Humility Love Compassion Give Joy Grace Now Pure  
Gratitude Believe Attitude Believe Thank You Abundance Soul  
Friendship Inspire Purpose Connect Healing Trust Sharing Generosity  
Blessings Community Kindness Wisdom Intention Humility Love  
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Wisdom Intention Humility Love Compassion Give Joy Grace Now  
Pure Gratitude Believe Attitude Believe Thank You Abundance  
Soul Friendship Inspire Purpose Connect Healing Trust Sharing  
Generosity Blessings Community Kindness Wisdom Intention  
Humility Love Compassion Give Joy Grace Now Pure Gratitude  
Believe Attitude Believe Thank You Abundance Soul Friendship  
Inspire Purpose Connect Healing Trust Joy Sharing Generosity  
Blessings Community Kindness Wisdom Intention Humility Love  
Compassion Give Joy Grace Now Pure Gratitude Believe Attitude



# Foulkeways

AT GWYNEDD



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Foulkeways is affiliated with the following organizations: LeadingAge™, LeadingAge™ Quality First, Friends Services Alliance (FSA) and LeadingAge™ PA