



Foulkeways
AT GWYNEDD



ANNUAL REPORT 2024

FOULKEWAYS DIVERSITY STATEMENT

Guided 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.



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Foulkeways Board of Directors, 1979–1997 | President, 1986–1997
Emeritus Member, 1997–2025



2023 BOARD CHAIR LETTER

It was a pleasure for me to succeed Ken Taylor in 2024 as Chair of the Foulkeways Board of Directors, and we are all grateful that he continued his service after leaving the chair role. One of the benefits of being chair is joining each of the board's committees in an ex-officio role, which adds much to my understanding of all that is done to make the Foulkeways community successful.

In Health Services, the Board appreciates the priorities being set by Chief Health Services Officer Heather Heiland and her new skilled team, who share the broad responsibilities of this most important program. With monthly oversight by the Board's Health Services Committee, we support staff's renewed commitment to a structured quality improvement program in nursing, pharmacy and other resident care services. The committee also carefully reviews the results of regulatory surveys, as well as hospice services.

Planning for campus improvements took place throughout 2024, with a solid plan for expansion and renovation of our fitness center emerging by the end of the year. Key staff and the Property Committee have also reviewed other possibilities for campus development, including plans for dining improvements, and research on potential new models of construction for independent living homes that make more efficient use of our campus, preserving green space on our valuable campus. These ideas will be considered by the board and community in 2025, as we shape options for long-term financing of our capital improvements.

With the retirement of long-time director Jonathan Sprogell, we were pleased that Scott Henderson agreed to act as Treasurer and lead our Finance Committee. Foulkeways strengthened its financial position in 2024, as the recent years' trend of reducing liabilities continued, both through regular debt reduction and the shrinking obligation to our legacy pension program for staff.

The Nominating Committee, chaired by Lynn Bush, curates the board's membership and continues to add new members with excellent skills. Daena Berdough, Head of United Friends School, joined the board. Bill Evans, recently retired head of Bi-County Fuels Inc., and son of late resident and past board member, Cynthia Evans, also joined. Amelia Diamond, joined as a member of the Home and Care Committee of Abington Quarterly Meeting. Sadly, we lost Sam Swansen and remembered him well at a memorial service in the auditorium. His attention to Foulkeways as board member, board chair, and resident has been well appreciated. Lynn also led a rejuvenation of the Fund Development Committee this year, and new Development Director Jenny Sheeks began a program of education about planned giving and worked collaboratively with the FRA on their regular solicitations.

As in all years, the Board supports efforts to make the resident community and employee pool more diverse. The Marketing & Admissions department has made outreach into local diverse communities, and the work of our Diversity Committee continues to make Foulkeways more inviting to everyone. Entry fee assistance funded by charitable resources or our relationship with Abington Quarter is made available to qualified candidates with modest resources.

This year was another successful one for Foulkeways, both operationally and in terms of resident life, underscored by the positive survey results received from residents at the end of the year. For me, it is truly an honor and pleasure to work with a board so committed to the mission of taking care of residents, and to be among residents who are willing to be a part of creating an interesting, vibrant community.

In Gratitude,

A handwritten signature in dark ink, reading "Neil F. Trueblood".

Neil F. Trueblood
Board Chair

LETTER FROM THE CHIEF EXECUTIVE OFFICER



We welcomed two new leaders to our nursing management team, adding Regina Johnson as our new Director of Personal Care and Eryn O'Dell as Director of Nursing for Gwynedd House. They have joined a Health Services team that is working together to apply a formalized quality improvement process to reduce negative outcomes for residents, like falls, and to improve the quality of nursing services. They have also undertaken an extensive project to improve medication safety for residents in Abington House and Gwynedd House, through modified delivery systems. Hospice services were again a strong differentiator for Foulkeways, as our unique in-house program made a real difference for residents at their most critical time.

Our financial results were solid again in 2024, as we earned positive cash flow from operations, and entry fees exceeded capital expenditures again. Overall, we increased cash reserves, and our net asset balances grew as liabilities were reduced. Financial security is important to us, as it safeguards our ability to invest in our programs and facilities. Inflation in staff wages remains a factor to be managed, but availability of staff has improved in dining and in housekeeping, while some shortages of specific skills in nursing remain. Fortunately, occupancy has remained strong, and admissions staff have added significantly to our waiting list in the past year.

Efforts to support diversity, equity and inclusion at Foulkeways were also a successful priority for us. Among other initiatives, the resident-led DEI Committee deepened our relationship with the Wissahickon Charter School, increased the diversity of our community art collection and conducted a series of discussion groups among residents to learn how diversity is viewed in the community. Our staff leadership group continued to develop its education and training curriculum, conducting sessions for all staff throughout the year.

We continued to make strides in our sustainability efforts this year. This was the third year of our reforestation program on campus, and we continued to clear new areas of invasive plants, maintain clearance of areas opened in previous years, and Grounds Manager Mike Gornert accelerated our re-planting efforts with 113 new trees planted in the fall of 2024. Residents on the Environmental Stewardship Committee also developed a successful composting program during the year, partnering with Back to Earth, which collects organic waste from our Dining Services kitchen and numerous residential households, and returns beautiful finished compost to us, for use by residents and grounds staff on our campus. We also reached agreement with a solar panel development firm for the installation of photovoltaic panels on the roof of Gwynedd House next year. In recognition of all our efforts, Lower Gwynedd Township awarded Foulkeways their "Going Green" award for 2024, which was gratifying.

An exciting new design was developed for an expansion and renovation to our Fitness Center, with Fitness Director Erin Decker and Planning Director Bill Durbin making sure the architects capture all of our concerns. A large addition to the building will allow us to move all the classes and other programming that currently takes place in the auditorium over to the fitness center. In a series of meetings to review the design with residents, we got important feedback on several features, and were able to improve the final drawings as a result. More preliminary design work has also been done on potential dining improvements, and test drawings on formats for residential buildings that occupy less green space, and those ideas will be further developed in 2025.

Once again, it was a fine year to live or work at Foulkeways, and I know we all look forward to next year.

Thank you,

A handwritten signature in black ink that reads "Philip G. DeBaun".

Philip G. DeBaun
Chief Executive Officer

2024-2025 BOARD OF DIRECTORS

Mary Buckman

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

Lynn Bush

Vice Chair, Foulkeways Board of Directors. Professional land use and community planner. Retired Executive Director of Bucks County Planning Commission and Chief Clerk to Bucks County Commissioners. Volunteer director and strategic planner for several non-profit community organizations. Consulting planner for municipal governments in Bucks and Montgomery counties. Resident of Foulkeways.

Amelia Diamond

Retired, SBA Commercial Lender and Branch Manager – PSFS Bank. Teacher, French Language and Literature – Temple University and Abington School District. Active in Quaker Community, Abington Monthly and Quarterly Meetings. Clerk of Abington Quarter, Trustee, Assistant Treasurer, Home & Care and Worship & Ministry committees, numerous Spiritually Formative Programs.

Keith Eby

Portfolio Manager with Haverford Trust. Has more than 25 years' experience as an investment professional. Has extensive volunteer commitments in the wider community, serving on boards of directors including the Wissahickon Valley Watershed. Graduate of Temple University.

Susan Emlen

Caregiver for elderly and handicapped. Member of Haverford Monthly Meeting, served on Care & Counsel, Nominating, and Property committees.

William Evans

President, Bi-County Fuels, Inc. Managing Partner, By Evans, LLC. Chairman, Chalfont New Britain Joint Sewage Authority. Board Member, Board of Directors, Friends Village, Newtown, PA. Co-Clerk, Property Committee, Gwynedd Friends Meeting. Member, Gwynedd Friends Meeting.

Patricia Gerrity

Resident of Foulkeways. Retired Associate Dean for Community Programs, Drexel University, College of Nursing & Health Professions. Member of Germantown Monthly Meeting.

Scott Henderson

Treasurer, Foulkeways Board of Directors. Retired senior executive with both non-profit and publicly traded organizations and longtime technologist. Member of Bethesda Friends Meeting and a product of Friends high school and college educations.

Alfred Kuffler

Currently Senior Counsel Montgomery McCracken Walker & Rhoads LLP, Philadelphia. 1997-2000 Board of Directors of the Maritime Law Association of the United States. Formerly counsel to the American Salvage Association. Co-founder and currently a director of the OPA 90 Forum, a group advocating improved preparedness, administration, and response under the Oil Pollution Act of 1990. Past member of the Abington Friends Schools Committee, serving on the finance and long range planning committees.

Bonnie Miller

Retired registered nurse with a Master's degree in Public Health. Oncology nurse for approximately 20 years, then 10 years as an outpatient day clinic nurse navigator for people with chronic severe mental illness. Currently delivers Meals on Wheels. Volunteers with a Code Blue center. Member of Plymouth Monthly Meeting. Clerk of Care and Concern Committee. Clerk of Abington Quarterly Meeting Home and Care Committee.

Daena Berdougo Remondelli

Over a decade of leadership in independent Quaker schools and a background in finance. Currently leading United Friends School. Previously, Head of Gwynedd Friends School. Former derivatives analyst at Bear Stearns. Commissioner for the Pennsylvania Association of Independent Schools, also serves on accreditation and strategic planning teams.

Jonathan H. Sprogell

Retired Vice President, BNY Mellon. Former Member, Haverford College Corporation. Former Board Member, Opera Philadelphia. Current Trustee, Cameron Memorial Fund. Former Board Member, Arch Street Meeting House Preservation Trust.

Kenneth B. Taylor, Ph.D.

Retired Professor of Economics, Villanova University. Associate Director, Moran Center for Global Leadership, Villanova School of Business. Fulbright Scholar Emeritus. Member of Gwynedd Friends Meeting.

Neil F. Trueblood

Chair, Foulkeways Board of Directors. Realtor, Agent; Compass Real Estate, Lower Gwynedd, PA. Owner, Trueblood Concierge Property Services. Wissahickon Valley Watershed Association Board of Directors. Member and Trustee of Gwynedd Friends Meeting.

Jamie Unkefer

Architect. Principal at DIGSAU Architecture in Philadelphia. Registered Architect in Pennsylvania and New Jersey, and member of the American Institute of Architects. Board Member of Smith Memorial Playground and Playhouse, committee member of the Philadelphia AIA License & Inspections Committee and Arch Street Meeting House Property Committee, and member of the Carpenter's Company of Philadelphia.

EMERITUS:

Phillip L. Henderson

Member Scattergood Friends School – School Committee, Chair of Strategic Planning Committee. Member of Doylestown Monthly Meeting. President/Chair, Foulkeways Board of Directors, 2014 – 2021.

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.

2024-2025 OFFICERS OF THE CORPORATION

Chair	Neil F. Trueblood
Vice Chair	Lynn Bush
Treasurer	Scott Henderson
Assistant Treasurer	Phillip L. Henderson
Secretary	Philip G. DeBaun



INDEPENDENT AUDITORS' REPORT

Board of Directors
Foulkeways at Gwynedd
Gwynedd, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Foulkeways at Gwynedd (a Pennsylvania nonprofit corporation), which comprise the balance sheets as of December 31, 2024 and 2023, 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.

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, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Foulkeways at Gwynedd 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 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.

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 Foulkeways at Gwynedd's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

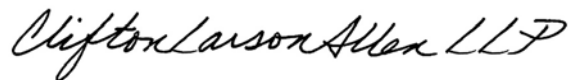
Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
March 28, 2025

**FOULKEWAYS AT GWYNEDD
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 10,948,359	\$ 7,697,612
Assets Limited as to Use, Externally Designated	880,599	861,029
Investments	20,378,182	21,482,838
Accounts Receivable:		
Residents	373,478	509,569
Notes Receivable from Residents	197,900	191,600
Other	236,552	366,796
Prepaid Expenses and Other	992,890	797,548
Total Current Assets	<u>34,007,960</u>	<u>31,906,992</u>
ASSETS LIMITED AS TO USE		
Externally Designated under Bond Indenture Agreement	1,916,482	1,948,841
Externally Designated by Donors	8,379,480	7,109,960
Statutory Liquid Reserve	3,342,649	3,188,121
Internally Designated by Board	2,590,523	1,940,928
Total Assets Limited as to Use	<u>16,229,134</u>	<u>14,187,850</u>
PROPERTY AND EQUIPMENT, NET	87,639,581	89,129,174
OTHER ASSETS	<u>415,561</u>	<u>407,467</u>
Total Assets	<u><u>\$ 138,292,236</u></u>	<u><u>\$ 135,631,483</u></u>

See accompanying Notes to Financial Statements.

**FOULKEWAYS AT GWYNEDD
BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,511,392	\$ 1,537,842
Accrued Salaries and Payroll Taxes	1,717,431	1,680,733
Accrued Interest Payable	170,599	186,029
Monthly Billings Paid in Advance	212,578	160,761
Refundable Deposits from Prospective Residents	810,000	793,199
Current Portion of Long-Term Debt	1,250,176	1,195,076
Total Current Liabilities	<u>5,672,176</u>	<u>5,553,640</u>
LONG-TERM LIABILITIES		
Deferred Revenue from Resident Entry Fees	52,372,284	51,411,084
Long-Term Debt, Net of Current Portion	43,279,829	44,617,597
Liability for Pension Benefits	4,684,661	6,479,951
Other Liabilities	188,496	237,363
Total Long-Term Liabilities	<u>100,525,270</u>	<u>102,745,995</u>
Total Liabilities	106,197,446	108,299,635
NET ASSETS		
Without Donor Restrictions	23,715,310	20,221,888
With Donor Restrictions	8,379,480	7,109,960
Total Net Assets	<u>32,094,790</u>	<u>27,331,848</u>
Total Liabilities and Net Assets	<u>\$ 138,292,236</u>	<u>\$ 135,631,483</u>

See accompanying Notes to Financial Statements.

FOULKEWAYS AT GWYNEDD
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
UNRESTRICTED REVENUES AND OTHER SUPPORT WITHOUT DONOR RESTRICTION		
Revenue, Gains, and Other Support:		
Resident Care Fees	\$ 25,150,746	\$ 23,958,465
Amortization of Deferred Resident Entry Fees	7,496,319	7,454,210
Health Center Revenue	4,682,521	4,796,100
Unrestricted Contributions, Gifts, and Bequests	146,353	45,647
Net Investment Income	1,256,216	1,026,337
Other Revenue	851,121	777,920
Net Assets Released from Restrictions	528,718	445,184
Total Unrestricted Revenues and Other Support Without Donor Restriction	40,111,994	38,503,863
OPERATING EXPENSES		
Health Services	9,292,181	8,626,963
Dining Services	5,830,663	5,461,299
General and Administrative	7,693,373	7,475,110
Maintenance	3,042,507	2,889,114
Housekeeping	2,170,996	2,067,987
Utilities	1,044,665	990,951
Real Estate Taxes	838,670	796,401
Depreciation	7,504,517	7,195,960
Interest Expense	2,087,005	2,093,456
Total Operating Expenses	39,504,577	37,597,241
OPERATING INCOME BEFORE LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	607,417	906,622
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	(165,889)	(72,971)
OPERATING INCOME	441,528	833,651
NONOPERATING INCOME (LOSS)		
Net Periodic Cost Credit Other than the Service Cost Component	(166,331)	(333,928)
Realized Gain on Trading Securities	265,633	136
Change in Unrealized Gain on Trading Securities	1,486,464	2,815,486
Loss on Extinguishment of Debt	-	(239,395)
EXCESS OF REVENUES AND OTHER SUPPORT OVER EXPENSES AND INCOME	2,027,294	3,075,950

See accompanying Notes to Financial Statements.

FOULKEWAYS AT GWYNEDD
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
EXCESS OF REVENUES AND OTHER SUPPORT OVER EXPENSES AND INCOME	\$ 2,027,294	\$ 3,075,950
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Net Assets Released from Restrictions - Purchase of Equipment	4,507	-
Change in Pension Plan Assets and Benefit Obligations		
Other than Periodic Benefit Cost	<u>1,461,621</u>	<u>749,822</u>
Change in Net Assets Without Donor Restrictions	<u>3,493,422</u>	<u>3,825,772</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	969,718	281,462
Net Assets Released from Restrictions	(533,227)	(455,184)
Investment Income	274,314	213,967
Net Realized Gain on Investments	120,450	23,454
Net Unrealized Gain on Investments	<u>438,265</u>	<u>721,897</u>
Change in Net Assets With Donor Restrictions	<u>1,269,520</u>	<u>785,596</u>
CHANGE IN NET ASSETS	4,762,942	4,611,368
Net Assets - Beginning of Year	<u>27,331,848</u>	<u>22,720,480</u>
NET ASSETS - END OF YEAR	<u><u>\$ 32,094,790</u></u>	<u><u>\$ 27,331,848</u></u>

See accompanying Notes to Financial Statements.

**FOULKEWAYS AT GWYNEDD
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 4,762,942	\$ 4,611,368
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	7,504,517	7,195,960
Loss on Disposal of Property and Equipment	165,889	72,971
Loss on Extinguishment of Debt	-	239,395
Amortization of Deferred Financing Costs	41,356	45,033
Amortization of Bond Premium	(128,947)	(128,947)
Net Realized and Unrealized Gain on Investments and Assets Limited as to Use	(2,310,812)	(3,560,973)
Restricted Contributions and Investment Income	(1,244,032)	(495,429)
Amortization of Deferred Resident Entry Fees	(7,496,319)	(7,454,210)
Proceeds from Deferred Resident Entry Fees, Net of Refunds	8,451,219	7,390,385
Net Refundable Deposits Received	16,801	204,900
Change in Liability for Pension Benefits	(1,795,290)	(881,584)
(Increase) Decrease in Assets:		
Accounts Receivable	266,335	144,583
Prepaid Expenses and Other	(195,342)	(15,800)
Other Assets	(8,094)	(16,072)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(5,182)	349,038
Advance Billings	51,817	(41,231)
Other Liabilities	(48,867)	76,368
Net Cash Provided by Operating Activities	<u>8,027,991</u>	<u>7,735,755</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(53,593,352)	(33,232,258)
Sales of Investments	54,935,177	33,158,336
Capital Expenditures	(6,180,813)	(5,963,659)
Net Cash Used by Investing Activities	<u>(4,838,988)</u>	<u>(6,037,581)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	-	19,472,401
Proceeds from Restricted Contributions and Investment Income	1,244,032	495,429
Repayment of Long-Term Debt	(1,195,077)	(1,136,240)
Redemption of Debt	-	(19,472,401)
Financing Costs for Issuance of Long-Term Debt	-	(348,955)
Net Cash Provided (Used) by Financing Activities	<u>48,955</u>	<u>(989,766)</u>
NET INCREASE IN CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS	<u>3,237,958</u>	<u>708,408</u>
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents - Beginning of Year	<u>10,507,482</u>	<u>9,799,074</u>
CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 13,745,440</u></u>	<u><u>\$ 10,507,482</u></u>

See accompanying Notes to Financial Statements.

FOULKEWAYS AT GWYNEDD
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Paid	<u>\$ 2,190,026</u>	<u>\$ 2,152,861</u>
Construction Expenditures Within		
Accounts Payable and Accrued Expenses	<u>\$ 186,971</u>	<u>\$ 462,516</u>

FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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 451 residents living in 258 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 internally limited as to use. 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 sheets that sum to the total of the same such amounts shown in the statements of cash flows.

	2024	2023
Cash and Cash Equivalents	\$ 10,948,359	\$ 7,697,612
Restricted Cash and Restricted Cash Equivalents	2,797,081	2,809,870
Total Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents Shown in the Statements of Cash Flows	<u>\$ 13,745,440</u>	<u>\$ 10,507,482</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, 2024 and 2023, the account balance was \$254,464 and \$318,292, respectively.

**FOULKWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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 2.22% and 2.26% owner of this group captive as of December 31, 2024 and 2023, respectively. The group captive is domiciled in Vermont and licensed by the Vermont Insurance Department. The investment in PCRRG totaling \$148,408 is recorded at cost as "other assets" in the accompanying balance sheets for both the years ended December 31, 2024 and 2023. In addition, as of December 31, 2024 and 2023, other assets include a receivable of \$267,153 and \$243,567, respectively, 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. The series 2006B and 2009 bonds were refunded as part of the issuance of the series 2023A and 2023B bonds (see Note 4). Deferred financing costs, less accumulated amortization related to the series 2006B and 2009 bonds were written off in full as of December 31, 2023, and was included in the loss on extinguishment of debt on the statements of operations. Amortization expense for the years ended December 31, 2024 and 2023, was \$41,356 and \$45,033, respectively. 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 \$557,000 and \$474,999 as of December 31, 2024 and 2023, respectively. Entry fees deposits amounted to \$253,000 and \$318,200 as of December 31, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023.

FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2024 and 2023, the governing board has designated certain net assets without donor restrictions for specific purposes (see Note 3).

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 both December 31, 2024 and 2023, 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:

	2024	2023
Resident Assistance Funds	\$ 5,010,714	\$ 4,017,142
Capital Additions Funds	1,470,861	1,344,357
Other Funds	1,897,905	1,748,461
Total Net Assets With Donor Restrictions	<u>\$ 8,379,480</u>	<u>\$ 7,109,960</u>

During 2024 and 2023, net assets with donor restrictions were released from donor restrictions for purchases of equipment and grounds, resident monthly fee assistance, and entry fee assistance.

Excess of Revenues and Other Support over Expenses and Income

The statements of operations and changes in net assets include the caption “excess of revenues and other support over expenses and income.” Changes in net assets without donor restrictions, which are excluded from the excess of revenues and other support over expenses and income, include changes in pension plan assets and benefit obligations other than periodic benefit cost, and net assets released from restrictions for the purchase of property and equipment.

FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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FOULKWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 accounting principles generally accepted in the United States of America.

**FOULKWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2024 and 2023 was \$271,019 and \$328,386, respectively.

Resident Service Revenue

Resident service revenue is reported at the amount that reflects the consideration to which Foulkeways expects to be entitled in exchange for providing resident service 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.

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.

FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Service Revenue (Continued)

The resident entry fees are subject to the refund provisions of the Agreement. At December 31, 2024 and 2023, the portion of the deferred resident entry fees subject to such refund provisions amounted to \$15,281,040 and \$15,289,932, 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.

The opening and closing balances in deferred revenue from resident entry fees were as follows:

	Deferred Revenue from Resident Entry Fees
Balance as of January 1, 2023	\$ 51,707,975
Balance as of December 31, 2023	51,411,084
Balance as of December 31, 2024	52,372,284

The composition of resident service revenue by primary payor for the years ended December 31 is as follows:

	2024	2023
Medicare	\$ 1,166,888	\$ 1,211,634
Private Pay	36,162,698	34,997,141
Total Resident Services Revenue	<u>\$ 37,329,586</u>	<u>\$ 36,208,775</u>

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

FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Service Revenue (Continued)

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

	2024	2023
Service Lines:		
Independent Living	\$ 27,943,352	\$ 27,057,884
Personal Care	4,918,663	4,836,791
Skilled Nursing Facility	3,001,523	2,750,937
Other Medical	1,345,863	1,448,599
Home Care	76,430	66,301
Retail Sales	43,755	48,263
Total	<u>\$ 37,329,586</u>	<u>\$ 36,208,775</u>
Method of Reimbursement:		
Fee for Services	\$ 37,285,831	\$ 36,160,512
Other	43,755	48,263
Total	<u>\$ 37,329,586</u>	<u>\$ 36,208,775</u>
Timing of Revenue and Recognition:		
Health Care Services Transferred Over Time	\$ 37,285,831	\$ 36,160,512
Sales at Point in Time	43,755	48,263
Total	<u>\$ 37,329,586</u>	<u>\$ 36,208,775</u>

Accounts Receivable and Allowance for Credit Losses

Accounts receivable is reported net of an allowance for credit losses to represent Foulkeways' estimate of expected losses at the balance sheet date. The adequacy of Foulkeways' allowance for credit losses is reviewed on an ongoing basis, using historical payment trends and a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary.

Residents are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of invoice or claim submitted. Accounts more than 90 days past due are individually analyzed for collectability. When all collection efforts have been exhausted, the account is written off against the related allowance.

Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. At December 31, 2024 and 2023, the allowance for estimate of expected credit losses was \$-0-.

FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses (Continued)

The opening and closing balances in accounts receivable from residents was as follows:

	Accounts Receivable from Residents
Balance as of January 1, 2023	\$ 833,414
Balance as of December 31, 2023	701,169
Balance as of December 31, 2024	571,378

Financing Component

Foulkeways has elected the practical expedient allowed under financial Accounting Standards Board (FASB) Accounting Standards Codification (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.

Subsequent Events

In preparing these financial statements, Foulkeways has evaluated events and transactions for potential recognition or disclosure through March 28, 2025, the date the financial statements were issued. The results of this evaluation indicated that there are no subsequent events or transactions that are required to be disclosed in these financial statements.

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 12-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.

FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses (Continued)

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FOULKWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 LIQUIDITY (CONTINUED)

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

	<u>2024</u>	<u>2023</u>
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 10,948,359	\$ 7,697,612
Assets Limited as to Use, Externally Designated	880,599	861,029
Investments	20,378,182	21,482,838
Accounts Receivable:		
Residents	373,478	509,569
Notes Receivable from Residents	197,900	191,600
Other	236,552	366,796
Assets Limited as to Use:		
Externally Designated under Bond Indenture Agreement	1,916,482	1,948,841
Externally Designated by Donors	8,379,480	7,109,960
Statutory Liquid Reserve	3,342,649	3,188,121
Internally Designated by Board	<u>2,590,523</u>	<u>1,940,928</u>
Total Financial Assets	49,244,204	45,297,294
Less Amounts Not Available to be Used Within One Year:		
Externally Designated under Bond Indenture Agreement with Liquidity Horizons Greater Than One Year	1,916,482	1,948,841
Externally Designated by Donors with Liquidity Horizons Greater Than One Year	<u>8,379,480</u>	<u>7,109,960</u>
Financial Assets Not Available to be Used Within One Year	<u>10,295,962</u>	<u>9,058,801</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u><u>\$ 38,948,242</u></u>	<u><u>\$ 36,238,493</u></u>

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.

FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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:

	2024	2023
Externally Designated by Long-Term Debt Agreements		
Series 2023 Bond Indenture:		
Debt Service Reserve Fund	\$ 2,578,008	\$ 2,575,429
Debt Service Fund	219,073	234,441
Total	2,797,081	2,809,870
Less: Current Portion	(880,599)	(861,029)
Total	<u>\$ 1,916,482</u>	<u>\$ 1,948,841</u>
Externally Designated by Donors:		
Resident Assistance	\$ 5,010,714	\$ 4,017,142
Capital Additions	1,470,861	1,344,357
Other	1,897,905	1,748,461
Total	<u>\$ 8,379,480</u>	<u>\$ 7,109,960</u>
Internally Designated by the Board:		
Used at the Discretion of the Board	<u>\$ 2,590,523</u>	<u>\$ 1,940,928</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* (the Act), Foulkeways must maintain a statutory minimum liquid reserve as of December 31, 2024, that is equal to the greater of 10% of the 2025 total projected operating expenses, exclusive of depreciation, or the 2024 debt service requirements. The calculation of the statutory minimum liquid reserve requirement as of December 31 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, 2024.

	2024	2023
Projected Annual Interest Expense	\$ 2,092,473	\$ 1,993,045
Principal Payments Due on Long-Term Debt	1,250,176	1,195,076
Liquid Reserve Requirement	3,342,649	3,188,121
Projected Annual Operating Expenses	32,826,778	31,827,101
Minimum Rate	10%	10%
Liquid Reserve Requirement	3,282,678	3,182,710
Statutory Liquid Reserve Requirement	<u>\$ 3,342,649</u>	<u>\$ 3,188,121</u>

FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

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

	2024	2023
Investments and Assets Limited as to Use:		
Cash and Equivalents	\$ 2,797,081	\$ 2,809,869
U.S. Government and Agency Securities	4,278,022	3,664,876
Mutual Funds	12,193,456	11,089,625
Corporate Bonds	11,051,367	11,762,201
Internationals	7,167,989	7,205,146
Total	<u>\$ 37,487,915</u>	<u>\$ 36,531,717</u>

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

	2024	2023
Investment Income without Donor Restrictions:		
Dividends and Interest Income	\$ 1,319,085	\$ 1,083,286
Realized Gain on Sales of Securities	265,633	136
Investment Fees	(62,869)	(56,949)
Subtotal	<u>1,521,849</u>	<u>1,026,473</u>
Change in Unrealized Gain on Securities	1,486,464	2,815,486
Total	<u>\$ 3,008,313</u>	<u>\$ 3,841,959</u>
Investment Income with Donor Restrictions:		
Dividends and Interest Income	\$ 274,314	\$ 213,967
Realized Gain on Sales of Securities	120,450	23,454
Subtotal	<u>394,764</u>	<u>237,421</u>
Change in Unrealized Gain on Securities	438,265	721,897
Total	<u>\$ 833,029</u>	<u>\$ 959,318</u>

Investment fees represent direct expenses involved in generating investment income.

FOULKWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 LONG-TERM DEBT

Long-term debt consists of:

<u>Description</u>	<u>2024</u>	<u>2023</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 \$2,774,512 and \$2,903,460 and unamortized financing costs of \$399,849 and \$418,432 at December 31, 2024 and 2023, respectively	\$ 26,309,663	\$ 27,095,028
Montgomery County Industrial Development Authority Series 2023A, Variable Rate Revenue Bonds, net of unamortized financing costs of \$152,741 and \$165,469 at December 31, 2024 and 2023, respectively	10,172,259	10,379,531
Montgomery County Industrial Development Authority Series 2023B, Variable Rate Revenue Bonds, net of unamortized financing costs of \$150,668 and \$160,713 at December 31, 2024 and 2023, respectively	<u>8,048,083</u>	<u>8,338,114</u>
Total Long-Term Debt	44,530,005	45,812,673
Less: Current Portion	<u>(1,250,176)</u>	<u>(1,195,076)</u>
Long-Term Debt, Net of Current Portion	<u><u>\$ 43,279,829</u></u>	<u><u>\$ 44,617,597</u></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).

On March 30, 2023, the 2006B Bonds were refunded with the proceeds from the Series 2023A Bonds (see below).

The 2006B Bonds were secured by an irrevocable letter of credit (Letter of Credit) between Foulkeways and Citizens Bank (the Bank). The Letter of Credit was not renewed and was replaced by a non-bank qualified tax-exempt loan with Wilmington Savings Fund Society (WSFS) Bank. The new non-bank qualified tax-exempt loan settled on April 3, 2023.

**FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4 LONG-TERM DEBT (CONTINUED)

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 bore interest at a variable rate. Interest was due on a monthly basis, and the average interest rate during the year ended December 31, 2024 and 2023, was -0-% and 4.34%, respectively. The Series 2009 Bonds were refunded by the Series 2023B Bonds (see below).

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. The Bank Qualified Loan was due on April 1, 2023, as part of an optional put and was replaced by a bank qualified loan with WSFS Bank. The new bank qualified loan settled on April 3, 2023.

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 \$675,000 in 2024 to \$2,660,000 in 2046.

On March 30, 2023, Foulkeways entered into a Loan and Trust Agreement with the Authority and WSFS Bank (as Trustee), pursuant to which Foulkeways received variable rate revenue bond proceeds in the amount of \$10,760,000 (the Series 2023A Bonds). The proceeds of the 2023A Bonds were to finance a project, consisting of refunding the 2006B Bonds. The Series 2023A Bonds bear interest at a variable rate of the one-month term Secured Overnight Financing Rate (SOFR) plus the SOFR rate margin multiplied by 0.81 plus 130 basis points. The average interest rate for the years ended December 31, 2024 and 2023, was 5.23%. The Series 2023A Bonds require annual sinking fund principal payments ranging from \$220,000 in 2024 to \$1,595,000 in 2036.

On March 30, 2023, Foulkeways entered into a Loan and Trust Agreement with the Authority and WSFS Bank (as Trustee), pursuant to which Foulkeways received variable rate revenue bond proceeds in the amount of \$8,712,401 (the Series 2023B Bonds). The proceeds of the 2023B Bonds were to finance a project, consisting of refunding the Series 2009 Bonds. The Series 2023B Bonds bear interest at a variable rate of the one-month term SOFR rate plus the SOFR rate margin multiplied by 0.81 plus 130 basis points. The average interest rate for the years ended December 31, 2024 and 2023, was 5.23%. The Series 2023B Bonds require annual sinking fund principal payments ranging from \$300,076 in 2024 to \$1,131,642 in 2039.

**FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4 LONG-TERM DEBT (CONTINUED)

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 bore interest at a variable rate. Interest was due on a monthly basis, and the average interest rate during the year ended December 31, 2024 and 2023, was -0-% and 4.34%, respectively. The Series 2009 Bonds were refunded by the Series 2023B Bonds (see below).

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. The Bank Qualified Loan was due on April 1, 2023, as part of an optional put and was replaced by a bank qualified loan with WSFS Bank. The new bank qualified loan settled on April 3, 2023.

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 \$675,000 in 2024 to \$2,660,000 in 2046.

On March 30, 2023, Foulkeways entered into a Loan and Trust Agreement with the Authority and WSFS Bank (as Trustee), pursuant to which Foulkeways received variable rate revenue bond proceeds in the amount of \$10,760,000 (the Series 2023A Bonds). The proceeds of the 2023A Bonds were to finance a project, consisting of refunding the 2006B Bonds. The Series 2023A Bonds bear interest at a variable rate of the one-month term Secured Overnight Financing Rate (SOFR) plus the SOFR rate margin multiplied by 0.81 plus 130 basis points. The average interest rate for the years ended December 31, 2024 and 2023, was 5.23%. The Series 2023A Bonds require annual sinking fund principal payments ranging from \$220,000 in 2024 to \$1,595,000 in 2036.

On March 30, 2023, Foulkeways entered into a Loan and Trust Agreement with the Authority and WSFS Bank (as Trustee), pursuant to which Foulkeways received variable rate revenue bond proceeds in the amount of \$8,712,401 (the Series 2023B Bonds). The proceeds of the 2023B Bonds were to finance a project, consisting of refunding the Series 2009 Bonds. The Series 2023B Bonds bear interest at a variable rate of the one-month term SOFR rate plus the SOFR rate margin multiplied by 0.81 plus 130 basis points. The average interest rate for the years ended December 31, 2024 and 2023, was 5.23%. The Series 2023B Bonds require annual sinking fund principal payments ranging from \$300,076 in 2024 to \$1,131,642 in 2039.

FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024.

At December 31, 2024, principal payments on long-term debt during the next five years and thereafter are as follows:

<u>Year Ending December 31,</u>	Series 2016 Bonds	Series 2023A Bonds	Series 2023B Bonds	Total
2025	\$ 710,000	\$ 220,000	\$ 320,176	\$ 1,250,176
2026	745,000	235,000	341,621	1,321,621
2027	780,000	240,000	364,502	1,384,502
2028	815,000	250,000	388,915	1,453,915
2029	845,000	260,000	414,956	1,519,956
Thereafter	20,040,000	9,120,000	6,368,581	35,528,581
Total	23,935,000	10,325,000	8,198,751	42,458,751
Less: Unamortized Financing Costs	(399,849)	(152,741)	(150,668)	(703,258)
Add: Bond Premium	2,774,512	-	-	2,774,512
Total Bonds Payable, Net	26,309,663	10,172,259	8,048,083	44,530,005
Less: Current Portion of Bonds Payable	710,000	220,000	320,176	1,250,176
Total Bonds Payable, Less Current Portion	<u>\$ 25,599,663</u>	<u>\$ 9,952,259</u>	<u>\$ 7,727,907</u>	<u>\$ 43,279,829</u>

Interest expense on long-term debt in 2024 and 2023 was \$2,087,005 and \$2,332,851, respectively. No interest was capitalized as a cost of construction in 2024 and 2023.

NOTE 5 FUNCTIONAL EXPENSES

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

	2024			
	Supporting Services			
Program Services	Management and General	Fundraising	Total	
Salaries and Wages	\$ 13,531,846	\$ 1,883,570	\$ 55,314	\$ 15,470,730
Employee Benefits	968,574	3,147,099	4,000	4,119,673
Contract Labor	332,869	-	-	332,869
Food Purchases	1,916,863	-	-	1,916,863
Medical Supplies and Other Resident Costs	2,183,145	33,537	-	2,216,682
General and Administrative	304,025	483,369	1,190	788,584
Building and Maintenance	3,171,661	-	-	3,171,661
Professional Fees and Insurance	62,418	1,026,501	-	1,088,919
Depreciation	7,504,517	-	-	7,504,517
Interest	2,087,005	-	-	2,087,005
Management and Other Fees	807,074	-	-	807,074
Total Functional Expenses	<u>\$ 32,869,997</u>	<u>\$ 6,574,076</u>	<u>\$ 60,504</u>	<u>\$ 39,504,577</u>

FOULKWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 5 FUNCTIONAL EXPENSES (CONTINUED)

	2023			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 12,179,601	\$ 2,481,456	\$ 37,838	\$ 14,698,895
Employee Benefits	626,533	3,185,274	3,132	3,814,939
Contract Labor	111,360	-	-	111,360
Food Purchases	1,823,205	-	-	1,823,205
Medical Supplies and Other Resident Costs	2,179,264	28,578	489	2,208,331
General and Administrative	441,955	260,271	-	702,226
Building and Maintenance	3,006,730	-	-	3,006,730
Professional Fees and Insurance	61,266	1,100,110	-	1,161,376
Depreciation	7,195,960	-	-	7,195,960
Interest	2,093,456	-	-	2,093,456
Management and Other Fees	780,763	-	-	780,763
Total Functional Expenses	<u>\$ 30,500,093</u>	<u>\$ 7,055,689</u>	<u>\$ 41,459</u>	<u>\$ 37,597,241</u>

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.

NOTE 6 PENSION AND SAVINGS PLANS

Foulkeways previously sponsored a defined benefit pension plan exempt from the Employee Retirement Income Security Act of 1974 rules due to church plan status. The plan covered substantially all of its employees. Employers were 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. Effective December 31, 2021, the plan was amended to freeze all future benefit accruals as of that date with the exception that current participants who would attain their normal retirement date on or before December 31, 2023, and completed at least five years of service for vesting purposes as of December 31, 2021, would be allowed to continue to earn additional accruals under the plan until December 31, 2023. As of December 31, 2023, the plan was fully frozen to all participants.

Foulkeways entered into an employer discretionary contributions plan effective January 1, 2022. This plan covers all employees who 1) were over 18 years of age; 2) worked over 1,000 hours; and 3) had at least one year of service. This plan replaced the defined benefit pension plan. The total discretionary contribution related to this plan was \$525,099 and \$515,291 for the years ended December 31, 2024 and 2023, respectively.

FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6 PENSION AND SAVINGS PLANS (CONTINUED)

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

	2024	2023
Change in Benefit Obligation:		
Projected Benefit Obligation - Beginning of Year	\$ 20,128,000	\$ 19,614,000
Service Cost	-	9,975
Interest Cost	980,673	998,367
Actuarial (Gain) Loss	(1,098,584)	500,634
Benefits Paid	(1,132,089)	(994,976)
Projected Benefit Obligation - End of Year	18,878,000	20,128,000
Change in Plan Assets:		
Fair Value of Plan Assets - Beginning of Year	13,648,049	12,252,465
Actual Return on Plan Assets	1,177,379	1,914,895
Employer Contributions	500,000	475,665
Benefits Paid	(1,132,089)	(994,976)
Fair Value of Plan Assets - End of Year	14,193,339	13,648,049
Net Amounts Recognized in the Balance Sheets		
Consist of: Liability for Pension Benefits	\$ 4,684,661	\$ 6,479,951
Accumulated Benefit Obligation	\$ 18,878,000	\$ 20,128,000
	2024	2023
Amounts Recognized in Net Assets Without Donor Restrictions Not Yet in Net Periodic Benefit Cost		
Consist of:		
Unrecognized Net Loss	\$ 890,201	\$ 2,414,133
Prior Service Cost	(74,768)	(137,079)
Total	\$ 815,433	\$ 2,277,054
Components of Net Periodic Benefit Cost:		
Service Cost	\$ -	\$ 9,975
Interest Cost	980,673	998,367
Expected Return on Plan Assets	(792,739)	(712,354)
Amortization of Prior Service Cost	(62,311)	(62,311)
Amortization of Net Actuarial Loss	40,708	110,226
Net Periodic Benefit Cost	\$ 166,331	\$ 343,903

FOULKWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6 PENSION AND SAVINGS PLANS (CONTINUED)

	<u>2024</u>	<u>2023</u>
Weighted-Average Assumptions Used to Determine Benefit Obligation were:		
Discount Rate	5.58 %	5.01 %
Rate of Compensation Increase	N/A	N/A
Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost were:		
Discount Rate	5.01	5.23
Expected Long-Term Return on Plan Assets	6.00	6.00
Rate of Compensation Increase	N/A	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 6.0% 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 for 2025 is approximately \$40,708 and (\$62,311), respectively, totaling (\$21,603).

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>2024</u>	<u>2023</u>
Equity Securities	40-65%	61 %	60 %
Debt Securities and Other	25-50%	39	40
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 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, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 125,006	\$ -	\$ -	\$ 125,006
Fixed Income Securities	5,461,172	-	-	5,461,172
Equity Securities	8,607,161	-	-	8,607,161
Total	<u>\$ 14,193,339</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,193,339</u>
 <u>December 31, 2023</u>				
Cash	\$ 88,130	\$ -	\$ -	\$ 88,130
Fixed Income Securities	5,351,539	-	-	5,351,539
Equity Securities	8,208,380	-	-	8,208,380
Total	<u>\$ 13,648,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,648,049</u>

**FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 6 PENSION AND SAVINGS PLANS (CONTINUED)

Cash Flows

Contributions

Foulkeways is currently evaluating contributions to the pension plan for 2025. In 2024 and 2023, Foulkeways contributed \$500,000 and \$475,665, respectively to the plan.

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>
2025	\$ 1,176,000
2026	1,259,000
2027	1,289,000
2028	1,324,000
2029	1,349,000
2030 - 2034	7,081,000

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 \$315,720 and \$314,027 for the years ended December 31, 2024 and 2023, respectively.

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, 2024 and 2023, this amount was \$850,000 and \$820,000, respectively, of which \$-0- and \$90 is available for use for the years ended December 31, 2024 and 2023.

Health Insurance Program

Effective April 1, 2021, Foulkeways set up a self-insured group health plan with Retirement Community Health Plan of Pennsylvania (RCHP). Foulkeways assumes the risk for paying the health care claim costs up to \$75,000 per participant per year. Additional claims are supported by RCHP and the stop loss insurance of the plan.

FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

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. As of October 1, 2022, Foulkeways is no longer self insured for workers compensation. The Collaborative will continue to manage and pay claims from the reserves of the Collaborative until all claims are closed. As of December 31, 2024, claims are still open.

NOTE 9 FAIR VALUE MEASUREMENTS

The following table presents Foulkeways' fair value hierarchy for those investments and assets limited as to use measured at fair value on a recurring basis as of December 31, 2024.

	Level 1	Level 2	Level 3	Total
U.S. Government and Agency Securities	\$ 4,278,022	\$ -	\$ -	\$ 4,278,022
Mutual Funds	12,193,456	-	-	12,193,456
Corporate Bonds	11,051,367	-	-	11,051,367
Internationals	7,167,989	-	-	7,167,989
Total	<u>\$ 34,690,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,690,834</u>

FOULKEWAYS AT GWYNEDD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 9 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents Foulkeways' fair value hierarchy for those investments and assets limited as to use measured at fair value on a recurring basis as of December 31, 2023.

	Level 1	Level 2	Level 3	Total
U.S. Government and				
Agency Securities	\$ 3,664,876	\$ -	\$ -	\$ 3,664,876
Mutual Funds	11,089,625	-	-	11,089,625
Corporate Bonds	11,762,201	-	-	11,762,201
Internationals	7,205,146	-	-	7,205,146
Total	<u>\$ 33,721,848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,721,848</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 mutual funds, corporate bonds, U.S. government and agency securities, and foreign fixed income.

LETTER FROM THE FOULKEWAYS RESIDENTS ASSOCIATION:

Francis Bradley - President, Foulkeways Residents Association



The purpose of the Foulkeways Residents Association as listed in its constitution is "To encourage and support an atmosphere of general concern and friendship among residents of Foulkeways at Gwynedd." Article 7 of the FRA By Laws states, "In support of its purpose, the FRA encourages members to develop and maintain a variety of educational, literary, musical, horticultural and other interests to promote mental, physical and spiritual enrichment to their lives at Foulkeways at Gwynedd." All residents of Foulkeways are automatically members of the FRA.

At the beginning of 2025, The Foulkeways Residents Association was composed of a board of 11 directors with 32 Committees, 20 Service Groups, 12 Activity Groups, and 2 combined Administrative and Resident committees. Three of these committees, The Barn Committee, the Craft Fair Committee, and the Gift Box Committee raised a total of approximately \$74,000 in 2024 to support the work of our 66 Service Groups. The Barn Committee receives donations of furniture and household items from residents for sale to other residents or members of the local community. In 2024 the Barn Committee raised approximately \$43,000. The Craft Fair Committee organizes a fair to sell crafts and baked goods made by our residents and by local craftsmen. In 2024 the Craft Fair raised approximately \$17,000. The Gift Box sells a variety of gifts and greeting cards. In 2024 the Gift Box raised approximately \$14,000.

The funds raised by these committees were used to finance all the expenditures of the 66 committees and service groups. The largest recipient of the income, \$32,584, funded the 27 live performances in our auditorium. The other major fund recipients were the Foulkeways Singers, the Library Committee, and the Education and Current Issues Committee. The names of the following committees provide an indication to what they were about, the Movies Committee (at least 2 per week), the Community Gardens Committee, the Environmental Stewardship Committee, the Grounds Committee, the Recycling Committee. The names of our Service Groups also indicate their type of service Beekeeping, Clock Winding, Pet Management, Video Recording. The names of our Activity Groups are also revealing, Current Affairs Discussion and Hiking Trails. We also have 2 committees that have both residents and administrators, the Diversity Equity and Inclusion Committee, and the Residents and Dining Services Committee.

Some of the achievements of 2024 included:

The Residents and Dining Services Committee

- 1) Instituted a new Sunday Brunch about once a month
- 2) Increased the number of ethnic meals
- 3) Agreed to experiment with some fully served dining experiences

The Auditorium Committee and the Performing Arts Committee, in addition to showing 140 movies and providing 40 musical programs, worked on additional goals. The Auditorium Committee helped with the design and installation of a new Auditorium Lighting System. The Performing Arts Committee worked to present a wider variety of music.

The Environmental Stewardship Committee established a composting system available to residents.

The Foulkeways community is very supportive of and committed to our system of educational and entertainment activities organized and funded by resident volunteers.

Francis Bradley, President

Celebrating a Legacy of Care: Cynthia Prediger's 44 Years at Foulkeways



When Cynthia Prediger first walked through the doors of Foulkeways at Gwynedd 44 years ago, both she and the community were just beginning to grow.

Fresh out of college with a newly earned degree, Cynthia applied for a job at Foulkeways with the hope that it might be more than just her first job—it might be her calling.

“I had worked as a nursing aide and loved working with older adults,” she recalls. “So, I guess I had an inkling this would be my career.”

That inkling blossomed into a long, fulfilling journey that recently culminated in her retirement as Director of Environmental Services. On her last day, she looked forward to a new chapter—one filled with family time, traveling across the country with her husband John, and babysitting her grandchildren. But before stepping into retirement, Cynthia paused to reflect on a lifetime of personal and professional growth at Foulkeways.

“This place has been such a big part of our lives,” she said. “I even met my husband here. He was working toward a degree in landscape design when he joined the team.”

The couple raised their children—and later became grandparents—during their years at Foulkeways. John retired several years ago after serving as the grounds foreman for 25 years. Meanwhile, Cynthia continued to grow, eventually earning a master's degree in human organization. Yet, despite her accomplishments, she never looked elsewhere for opportunity.

“I thought about it,” she admitted, “but there was always something new and exciting happening here. It felt like we were constantly solving a big, evolving puzzle together. Every time I considered a change, a new opportunity would present itself right here.”

During her time at Foulkeways, the campus doubled in size. The skilled nursing and personal care programs expanded, new residences were built, and a fitness center was added. With that growth came new responsibilities and new challenges—ones that Cynthia embraced wholeheartedly.

One memorable challenge involved figuring out how her housekeeping team could access the newly expanded residences, which were farther from the center of campus. Her solution? Golf carts.

“But we didn't just buy golf carts,” she laughed. “We had to teach the team how to drive them! It wasn't a big corporation—we had to come up with our own solutions. Fortunately, we had strong leadership rooted in Quaker values.”

Among her fondest memories are the housekeepers she helped mentor—several of whom advanced to become nursing aides.

“They already had job security as housekeepers,” Cynthia said, “but moving into nursing was a real step forward. It was so rewarding to see them grow.”

And above all, she said, it's the residents she will miss the most.

“We have families whose parents and grandparents lived here,” she reflected. “And it's the same with staff. My son works here now in marketing.”

That makes two generations of the Prediger family connected to Foulkeways—with more to come.

As Cynthia steps into retirement, her story—and her family's connection to the community—remains beautifully, and meaningfully, in progress.

A Legacy of Craftsmanship and Care: Celebrating Ed Suchodolski's 33-Year Journey



While Ed Suchodolski officially retired in February as Assistant Maintenance Supervisor after 33 years of dedicated service, his connection to Foulkeways at Gwynedd runs even deeper—spanning nearly half a century and three generations.

“My father started working at Foulkeways in 1974, when I was just 16,” Ed recalls. “I used to go there with him to work on my car. Back then, the staff would change out snow tires for residents or do oil changes, and they’d let me use the lift. I have a lot of early memories there.”

Those memories laid the foundation for a lifelong connection. As Ed honed his skills in carpentry, he launched his own general contracting business—and, in 1988, found himself returning to Foulkeways as a private contractor. That temporary role soon evolved into something more permanent.

“A few years later, a position opened up,” he said. “I had just gotten married, and we didn’t have maternity insurance. The timing was perfect.”

Ed accepted a full-time role as a carpenter and was later promoted to Carpentry Supervisor, a position he held for 20 years. In 2017, when an Assistant Maintenance Supervisor position became available, he stepped into the role with confidence—thanks to thoughtful mentorship and a culture of preparedness.

“There was always someone guiding me,” he said. “They sent me to trainings and Quaker leadership classes. I never entered a new role unprepared. When the opportunity came, I was ready.”

For a few years, Ed even worked alongside his father, John Suchodolski, in the maintenance department. John eventually retired and passed away two years ago at the age of 94.

“He had a great life,” Ed reflects. “Sometimes I catch myself turning into him—and that’s not a bad thing. Foulkeways was a fantastic place for both of us. Even my daughter worked here on the grounds crew at one point. That’s three generations of our family who’ve worked at Foulkeways.”

It’s a legacy rooted in loyalty, craftsmanship, and community. Ed fondly recalls the camaraderie that defined the work culture.

“There were so many long-tenured employees and such a friendly atmosphere,” he said. “It was genuinely a pleasure to go to work.”

Now two months into retirement, Ed is channeling his energy into long-postponed projects and simple joys.

“Sometimes, time is the hardest thing to find,” he said with a smile. “Now I’ve got the chance to work on the house, tend to a garden that’s better than it’s ever been, and check off the honey-do list. We don’t have any big plans—just a general direction. Happy-go-lucky. If we’re on a road trip and want to stop, we stop.”

After 33 years of service—and a family legacy spanning five decades—Ed Suchodolski’s impact on Foulkeways continues to resonate. His story is a reminder of the deep roots that make this community so special.

A Legacy of Leadership: Celebrating Edna Cristinzio's 43 Years at Foulkeways



By the time this report reaches your hands, Edna Cristinzio may be counting castles along the Rhine River or sipping espresso on the shores of Lake Como, surrounded by the majestic Italian Alps. She may be wandering the canals of Amsterdam—her first stop on a long-anticipated journey of discovery and relaxation.

One place she won't be is behind her desk at Foulkeways at Gwynedd, where she faithfully reported for work for the past 43 years. Edna recently retired from her role as Chief Financial Officer—a position she not only held, but helped define within the senior leadership of our Quaker-guided community.

"I have mixed emotions," she shared shortly before her departure. "After 43 years, everything is familiar and comfortable. But I won't miss getting up at 5:20 every morning."

For over four decades, Edna played a pivotal role in the financial evolution of Foulkeways. Originally hired after gaining experience in banking and manufacturing, she joined as a comptroller—supported only by accounts payable and a Medicare biller. At the time, she was the first person on campus with a personal computer.

"There was no internet," she recalled. "I kept screwdrivers in my drawer to replace parts. It was a very different world."

That world changed dramatically during her tenure. As Foulkeways grew in size and scope, so did the complexity of its financial operations. Edna helped guide the community through key transitions—from paying off a 25-year mortgage to entering the bond market to support capital expansions. The resident population increased by a third, and the budget she managed quadrupled.

"We saw enormous change," she said. "From banking relationships to Medicare compliance, bond market reporting, and financial modeling—the systems had to grow with the community."

And so did the residents.

"When I first started, some of the residents were born in the 1800s—part of the 'silent generation.' Then came the 'greatest generation,' and now we're welcoming baby boomers," she noted.

"People used to arrive with Social Security and pensions. Now, it's 401(k)s. Interest rates swung from over 14% to almost zero. We lived through market crashes and recoveries. The financial landscape changed completely."

Through it all, Edna brought not only technical excellence but also an unwavering sense of responsibility, leadership, and community spirit. Her mornings began early—without fail—for over four decades.

"I won't miss the alarm clock," she said with a smile. "But I'm a creature of routine. So now, I'll just need to create a new one."

By all accounts, she's well on her way. Whether it's cruising through Europe or soaking in the views of the Alps, Edna's new chapter is off to a meaningful—and well-earned—start.

Her journey serves as a reminder that behind every number, chart, or spreadsheet at Foulkeways is a person dedicated to the wellbeing of this unique community. Edna Cristinzio's legacy will be felt for many years to come.

In Loving Memoriam: Chuck Lockyer

Former Treasurer of the Foulkeways Board of Directors



“Foulkeways employees and residents testify to the goodness and greatness of which humanity is capable when persons care for and about each other.” (Charles W. Lockyer, Jr.)

Foulkeways resident Chuck Lockyer, who passed away in December, wrote this in 1980 at the end of his term as treasurer of the Foulkeways Board of Directors. Chuck’s words speak to the intangible quality that makes Foulkeways such a special place. Expressions of generosity and care have been the lifeblood of our community from its founding to today.

In loving memory of his wife, Charles Beaumont willed the land on which Foulkeways sits to Gwynedd Meeting, and the meeting gave it “with love” to “the future residents of Foulkeways” along with a dream for what Foulkeways would become. Generations of those “future residents” have since built and sustained Foulkeways with their own acts of generosity and care. A bequest started the Monthly Support Fund in the 1970’s. Contributions and bequests funded the first renovations of the Community Center and Health Center and provided for the installation of the pool in 1988.

I imagine Foulkeways’ founders and those early generations of residents would feel fulfilled and satisfied to see that Foulkeways continues to be a place where “persons care for and about each other.” In 2024, Foulkeways received over \$1 million in special donations and legacy gifts and the Holiday Fund for employees saw a higher percentage of resident participation than any year on record.

Much of this giving is quiet and anonymous. People often come to speak with me about bequests, charitable gift annuities, IRA qualified distributions, gifts of stock and other charitable vehicles. I feel privileged to bear witness to these acts of caring which honor the generosity and vision of prior generations and carry it forward with new gifts for the future residents of Foulkeways.

Jennie Shecks
Director of Philanthropy

In Loving Memoriam: Samuel T. Swansen

**Foulkeways Board of Directors, 1979–1997 | President, 1986–1997
Emeritus Member, 1997–2025**



With deep respect and heartfelt gratitude, the Foulkeways Board of Directors remembers and honors the life and service of Samuel T. Swansen, whose unwavering commitment and steady leadership shaped Foulkeways's growth and spirit for more than four decades. Sam's passing leaves a significant void in our community, but his legacy of service, wisdom, and compassion will remain a guiding light for years to come.

Sam was first elected to the Foulkeways Board of Directors in 1979, at a pivotal time in the organization's history. His election was the result of careful and deliberate planning by then-President Richard B. Willis, who recognized in Sam a future leader and potential successor. This early hope was more than fulfilled. In 1986, Sam assumed the role of President, leading Foulkeways with integrity and foresight for more than a decade.

As President, Sam brought a rare blend of professional expertise, personal humility, and genuine care for others. He had a remarkable understanding of both the legal and business dimensions of our work, but it was his personal style that truly set him apart. Sam led with a thoughtful, inclusive approach that made people feel heard and valued. His ability to navigate complex issues with both clarity and kindness created a collaborative environment in which everyone could thrive. Whether grappling with financial decisions or long-term planning, Sam remained steadfast in his belief in Foulkeways' mission and its vital role in the lives of those we serve.

Over his 18 years of active board service, Sam contributed to every major committee and initiative. It would be impossible to list all the ways he was involved. He served on every committee at some point and played an active role in every key decision Foulkeways faced during that time. From celebratory events—like the memorable mortgage-burning ceremony—to more challenging moments, such as announcing the expansion of 58 one-bedroom units on campus, Sam presided with grace and courage.

In 1997, Sam transitioned into the role of emeritus board member, continuing to serve with distinction until his passing. His presence at meetings remained a source of wisdom and continuity. Notably, Sam was a devoted and longtime member of the community Diversity Equity and Inclusion Committee, where he worked faithfully and passionately until the end of his life. His dedication to fostering equity, inclusion, and understanding was deeply felt by all who served alongside him. He believed in the power of community and worked to ensure that Foulkeways remained a welcoming and inclusive place for all.

Sam's leadership extended beyond titles and responsibilities. He was a mentor, a friend, and a true servant leader. His warmth, sense of humor, and steady hand left a lasting impression on everyone who had the privilege to work with him. Those who knew Sam will remember his quiet strength, his deep compassion, and his unwavering belief in the good that Foulkeways could do in the world.

The Foulkeways Board of Directors extends its deepest condolences to Sam's family and loved ones. We are profoundly grateful for his many years of service and the countless ways he shaped our community. Sam's memory will remain an enduring part of Foulkeway's history—and its heart.



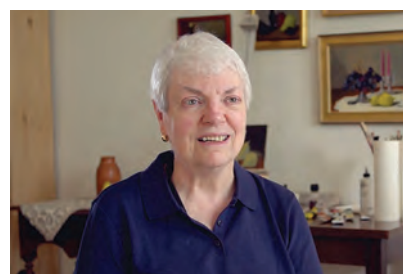
Home to over 400 residents, aged 65 and older, Foulkeways at Gwynedd is one of the most diverse Quaker retirement communities in Pennsylvania. Our community members are actively involved in pursuing their respective retirement goals. Pulling from over 17 states and several foreign countries, our residents represent a geographic diversity found in few other continuing care retirement communities (CCRCs), now referred to as LIFE PLAN COMMUNITIES.



Pat M.



Sam



Karlene



Cyndy & Ralph

Meet the Residents



My Life at Foulkeways



Pat D.



Berit



Activities



Quaker Values

Our residents are a key part of what makes us one of Pennsylvania's most unique Quaker retirement communities. Interested in learning more about what everyday life is like at Foulkeways? Scan the QR Code above to our Meet the Residents Video Gallery where you can watch a few residents describe their life experience here at our retirement community.



1120 Meetinghouse Road | Gwynedd, PA 19436 | 215-643-2200 | www.foulkeways.org

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