

Financial Statements and Report of
Independent Certified Public
Accountants

Calvary Fund, Inc.

December 31, 2022 and 2021

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Calvary Fund, Inc.

Opinion

We have audited the financial statements of Calvary Fund, Inc. (the “Fund”) (an affiliate of ArchCare), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2022 and 2021, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund’s ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

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

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund'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 the Fund'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.

Grant Thornton LLP

New York, New York
May 31, 2023

Calvary Fund, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 370,900	\$ 231,600
Investments	32,327,900	37,730,000
Pledges and contributions receivable, net	1,580,800	2,022,100
Assets whose use is limited	-	1,230,900
Other assets	623,900	246,900
	<u>34,903,500</u>	<u>41,461,500</u>
Total assets	<u>\$ 34,903,500</u>	<u>\$ 41,461,500</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,411,200	\$ 818,600
Accrued payroll, compensated absences and other expenses	118,000	182,900
Accrued pension liability	1,050,900	1,256,200
	<u>2,580,100</u>	<u>2,257,700</u>
Total liabilities	<u>2,580,100</u>	<u>2,257,700</u>
Net assets		
Without donor restrictions	319,400	2,031,400
With donor restrictions	32,004,000	37,172,400
	<u>32,323,400</u>	<u>39,203,800</u>
Total net assets	<u>32,323,400</u>	<u>39,203,800</u>
Total liabilities and net assets	<u>\$ 34,903,500</u>	<u>\$ 41,461,500</u>

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

Calvary Fund, Inc.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years ended December 31,

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and gains						
Contributions	\$ 4,760,100	\$ 689,200	\$ 5,449,300	\$ 2,974,900	\$ 1,207,700	\$ 4,182,600
Special event revenues	1,284,400	-	1,284,400	519,100	-	519,100
Special event costs	(548,400)	-	(548,400)	(234,600)	-	(234,600)
Net revenues from special events	736,000	-	736,000	284,500	-	284,500
Contributions and net revenues from special events	5,496,100	689,200	6,185,300	3,259,400	1,207,700	4,467,100
Investment income	51,200	496,700	547,900	50,100	425,200	475,300
Change in net unrealized gains and losses on investments	(871,000)	(6,307,100)	(7,178,100)	1,104,300	3,880,800	4,985,100
Net assets released from restrictions - operations	17,200	(17,200)	-	-	-	-
Total revenues and gains (losses)	4,693,500	(5,138,400)	(444,900)	4,413,800	5,513,700	9,927,500
Expenses						
Salaries	1,121,300	-	1,121,300	1,275,100	-	1,275,100
Employee benefits	544,200	-	544,200	421,500	-	421,500
Supplies and other	1,961,600	-	1,961,600	1,863,800	-	1,863,800
Professional fees	85,600	-	85,600	75,300	-	75,300
Total expenses	3,712,700	-	3,712,700	3,635,700	-	3,635,700
Revenues and gains over (losses under) expenses	980,800	(5,138,400)	(4,157,600)	778,100	5,513,700	6,291,800
Contributions to the Hospital	(3,000,000)	(30,000)	(3,030,000)	(1,250,000)	(655,000)	(1,905,000)
Pension-related costs and adjustments	307,200	-	307,200	18,900	-	18,900
(DECREASE) INCREASE IN NET ASSETS	(1,712,000)	(5,168,400)	(6,880,400)	(453,000)	4,858,700	4,405,700
Net assets - beginning of year	2,031,400	37,172,400	39,203,800	2,484,400	32,313,700	34,798,100
Net assets - end of year	\$ 319,400	\$ 32,004,000	\$ 32,323,400	\$ 2,031,400	\$ 37,172,400	\$ 39,203,800

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

Calvary Fund, Inc.

STATEMENTS OF CASH FLOWS

Years ended December 31,

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (6,880,400)	\$ 4,405,700
Adjustments to reconcile (decrease) increase in net assets to net cash provided by (used in) operating activities		
Change in net unrealized gains and losses on investments	7,178,100	(4,985,100)
Pension-related costs and adjustments	307,200	18,900
Changes in operating assets and liabilities		
Pledges and contribution receivable	441,300	(324,200)
Other assets	(377,000)	146,300
Accounts payable and accrued expenses	592,600	(152,200)
Accrued payroll, compensated absences, and other expenses	(64,900)	57,600
Accrued pension liability	(512,500)	(37,000)
	<u>684,400</u>	<u>(870,000)</u>
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Purchases of investments and assets whose use is limited	(545,100)	(395,200)
Sale of investments and assets whose use is limited	-	-
	<u>(545,100)</u>	<u>(395,200)</u>
Net cash used in investing activities		
	<u>139,300</u>	<u>(1,265,200)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	<u>231,600</u>	<u>1,496,800</u>
Cash and cash equivalents - beginning of year		
	<u>\$ 370,900</u>	<u>\$ 231,600</u>
Cash and cash equivalents - end of year		

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

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Calvary Fund, Inc. (the "Fund"), was incorporated on January 7, 1985, as a not-for-profit corporation under the laws of the State of New York. The Fund's purpose is to solicit, accept, and receive real and personal property, and to collect income therefrom to be applied exclusively for any health-related charitable organization or corporation affiliated with the Roman Catholic Archdiocese of New York (the "Archdiocese"). However, the current and historical intent has been to provide exclusive support to Calvary Hospital, Inc. (the "Hospital").

Calvary Holding Company, Inc. (the "Company"), a not-for-profit corporation organized under Section 402 of the not-for-profit corporation law of the State of New York, is the sole corporate member of the Fund. The Company is recognized by the Internal Revenue Service ("IRS") as exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). The purpose of the Company is to engage in charitable, scientific, and medical activities to support the Fund and its affiliated organizations, which are recognized by the IRS as exempt from income taxes under Section 501(c)(3) of the Code.

ArchCare, a not-for-profit corporation, is the sole corporate member of the Company and the Hospital.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("US GAAP") and in accordance with the American Institute of Certified Public Accountants' Audit and Accounting Guide, Not-For-Profit Entities, and other pronouncements applicable to not-for-profit organizations.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the fair value of investments, accrued pension liability, and allowances and discounts on pledges and contributions receivable.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments purchased with an original maturity of three months or less. As of December 31, 2022 and 2021, cash and cash equivalents include donor-restricted cash in the amount of \$115,700 and \$114,400, respectively.

Investments

Investments in equity securities with readily determinable fair value and all investments in debt securities are reported at fair value based on quoted market prices. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in revenues and gains over expenses, unless the income or loss is restricted by donor or law. Donated investments are recorded at the fair value on the date of receipt.

The Fund invests in equity mutual funds that are reported at net asset value ("NAV") of the funds as provided by the individual fund managers. The underlying investments of these funds consist of securities with readily determinable fair values. Because of the inherent uncertainty of valuation, the values determined by the

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

investment managers may differ from the values that would have been used had a ready market for these mutual fund investments existed.

The Fund reviews its investments to identify those for which market value is below cost. The Fund then makes a determination as to whether the investment should be considered other-than-temporarily impaired. The Fund has not recognized any losses related to declines in value that were other than temporary in nature in 2022 or 2021.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Pledges and Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Interest is not accrued or recorded on outstanding receivables. An allowance for uncollectible pledges and contributions receivable is provided, using management's judgment of potential defaults, which considers factors such as prior collection history, type of contribution and the nature of fund-raising activity.

Assets Whose Use is Limited

Assets whose use is limited are composed of funds held in escrow as collateral required under a pledge security agreement (see Note 2).

Net Assets

The net assets of the Fund and changes therein are classified and reported as follows:

Without Donor Restrictions - Net assets without donor restrictions are those that arise from the results of operations and include contributions, gifts, and grants that have no donor-imposed restrictions.

With Donor Restrictions - Net assets with donor restrictions are those whose use by the Fund has been limited by donors to a specific time period or purpose and or have been restriction by donors to be maintained by the Fund in perpetuity.

Contributions

Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released from restrictions. All restricted contributions have been designated by the donors for the Hospital. Conditional contributions and promises to give are gifts that depend on overcoming a donor-imposed barrier to be entitled to the funds and are recorded as revenue when the conditions on which they depend have been met.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions. No conditional promises to give have been received at December 31, 2022 and 2021.

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Donor-Restricted Gifts

Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. In the absence of donor specification that income and gains on donated funds are restricted, such income and gains are reported as increases in net assets without donor restrictions.

Tax Status

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

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

Impact of the COVID-19 Pandemic

In March 2020, the World Health Organization declared COVID-19, the disease caused by the novel coronavirus, a pandemic. As a result of the COVID-19 pandemic, during 2021 the Fund experienced a decline in contributions and special events revenue. Management is actively monitoring operating revenues and expenses and based on the continuing uncertainties of COVID-19, is unable to determine if it will have a material impact on its operations for the year ending December 31, 2023.

NOTE 2 - CALVARY HOSPITAL, INC.

In accordance with an indenture agreement and amendments for the transfer of funds between the Hospital and the Fund, all amounts received from the Hospital and investment income earned on the transferred funds shall be applied exclusively for the charitable, educational, and scientific purposes of the Hospital. As of December 31, 2022 and 2021, \$2,022,100 and \$2,429,700, respectively, was held by the Fund for such purposes. During the years ended December 31, 2022 and 2021, the Fund contributed \$3,030,000 and \$1,905,000, respectively, to the Hospital. These contributions are included in the statements of activities and changes in net assets.

The Hospital periodically requests funds from the Fund for capital or other needs. Such requests are received by the Fund and, if approved, funds are transferred to the Hospital and are reported in the accompanying statements of activities and changes in net assets as distributions to the Hospital. The Hospital has 100% beneficial interest in the net assets of the Fund.

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

The Hospital charges the Fund for rental fees, administrative, accounting, and grant research services. During the years ended December 31, 2022 and 2021, the charges amounted to approximately \$146,000 and \$139,200, respectively. During the year ended December 31, 2022, The Hospital also paid certain expenses on behalf of the Fund which were also charged to the Fund which amounted to \$304,100. These expenses include health insurance benefits and other administrative expenses. The balance due to the Hospital as of December 31, 2022 and 2021, totaled \$518,200 and \$68,100, respectively, and is included in accounts payable in the accompanying statements of financial position.

In July 2017, the Fund entered into a loan agreement and became the guarantor of a loan between the Hospital and a bank. The loan, in the amount of \$2,500,000 bore interest at 3.61% and matured in 2022. The proceeds were used for capital projects. In connection with the loan, the Hospital and Fund entered into a pledge and security agreement with the bank. Under the terms of the pledge and security agreement, the Fund was required to fund \$1,250,000 minimum collateral requirement. In July 2017, the Fund transferred \$1,300,000 of assets into an escrow account. At December 31, 2021, the balance of the escrow account was approximately \$1,230,900, respectively. Such assets are included in assets whose use is limited in the statements of financial position at December 31, 2021.

In October 2015, the Hospital and Fund entered into a loan and security agreement with a bank (the "Agreement"). The Agreement, as amended on December 7, 2021, provided for revolving loans through October 15, 2023, not to exceed \$15,000,000, with interest at the floating prime rate, with an interest rate floor rate of 3.25%. The loans are secured by the assets of the Hospital and Fund. The Fund is a guarantor of the loan. There was \$4,500,000 outstanding under this agreement at December 31, 2022.

NOTE 3 - INVESTMENTS AND ASSETS WHOSE USE IS LIMITED

Investments, stated at fair value as of December 31, 2022 and 2021, consist of the following:

	<u>2022</u>	<u>2021</u>
Investments		
Mutual funds		
Fixed income	\$ 6,985,900	\$ 8,053,200
Equity	<u>25,342,000</u>	<u>29,676,800</u>
Total	<u>\$ 32,327,900</u>	<u>\$ 37,730,000</u>
Assets whose use is limited		
Mutual funds		
Equity	<u>\$ -</u>	<u>\$ 1,230,900</u>
Total	<u>\$ -</u>	<u>\$ 1,230,900</u>

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE 4 - PLEDGES AND CONTRIBUTIONS RECEIVABLE

Pledges and contributions receivable at December 31, consist of the following:

	2022	2021
Pledges and contributions receivable due within one year	\$ 619,100	\$ 693,700
Pledges and contributions receivable due one year to five years	1,192,200	1,637,600
Gross pledges and contributions receivable	1,811,300	2,331,300
Discount to present value	(147,300)	(202,800)
Reserve for doubtful pledges and contributions	(83,200)	(106,400)
Pledges and contributions receivable, net	\$ 1,580,800	\$ 2,022,100

NOTE 5 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Fund's financial assets and resources available to meet the cash needs for general expenditures within one year of the date of the statements of financial position were as follows:

	2022	2021
Financial assets		
Cash	\$ 370,900	\$ 231,600
Investments	32,327,900	37,730,000
Pledges and contributions receivable - current portion	619,100	693,700
Total financial assets available within one year	\$ 32,317,900	\$ 38,655,300

As part of the Fund's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Measurements

The Fund classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market, but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Asset Valuation Techniques

Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Cash and Cash Equivalents - The carrying value of cash and cash equivalents approximates fair value as maturities are less than three months. Fair values of cash equivalent instruments that do not trade on a regular basis in active markets are classified as Level 2.

Mutual Funds - Fair value estimates for publicly traded mutual funds are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices. Such mutual funds are actively traded and are classified as Level 1. Private mutual funds that do not trade on a regular basis in active markets are carried at NAV.

Fixed Income - Fair value estimates for publicly traded fixed income mutual funds and securities are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices. Such investments are classified as Level 1. The fair values of fixed income bonds that do not trade on a regular basis in active markets are classified as Level 2.

Equity Securities - Fair value estimates for publicly traded equity securities are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices. Such investments are classified as Level 1.

The information about the Fund's financial assets, which are measured at fair value on a recurring basis, as of December 31, 2022 and 2021, is as follows:

	December 31, 2022		
	Quoted Prices in Active (Level 1)	Other Observable Inputs (Level 2)	Total
Investments			
Mutual funds			
Fixed income	\$ 6,985,900	\$ -	\$ 6,985,900
Equity	25,342,000	-	25,342,000
Investments measured at Fair Value	32,327,900	-	32,327,900

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

	December 31, 2022		
	Quoted Prices in Active (Level 1)	Other Observable Inputs (Level 2)	Total
Investments held in master trust (Note 8)			
Cash and cash equivalents	\$ 4,292,700	\$ -	\$ 3,223,000
Equity securities			
Industrials	10,063,300	-	10,063,300
Consumer discretionary	8,008,500	-	8,008,500
Consumer staples	4,004,300	-	4,004,300
Energy	2,615,800	-	2,615,800
Financial	9,871,300	-	9,871,300
Materials	2,524,400	-	2,524,400
Information technology	12,200,900	-	12,200,900
Real estate	1,671,200	-	1,671,200
Utilities	1,355,200	-	1,355,200
Health care	8,163,400	-	8,163,400
Telecommunication services	2,957,700	-	2,957,700
Other	15,100	-	15,100
Fixed-income securities			
Corporate bonds	-	12,373,300	12,373,300
U.S. Treasury bonds	-	12,669,700	12,669,700
Agency	-	515,100	515,100
Asset backed	-	3,419,600	3,419,600
Total	\$ 67,743,800	\$ 28,977,700	\$ 96,721,500
	December 31, 2021		
	Quoted Prices in Active (Level 1)	Other Observable Inputs (Level 2)	Total
Investments			
Mutual funds			
Fixed income	\$ 8,053,200	\$ -	\$ 8,053,200
Equity	4,029,100	-	4,029,100
Investments measured at Fair Value	12,082,300	-	12,082,300
Investments measured at NAV			25,647,700
Total investments			37,730,000
Assets whose use is limited			
Mutual funds			
Investments measured at NAV			1,230,900
Total assets whose use is limited			1,230,900
Total	\$ 12,082,300	\$ -	\$ 38,960,000

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

	December 31, 2021		
	Quoted Prices in Active (Level 1)	Other Observable Inputs (Level 2)	Total
Investments held in master trust (Note 8)			
Cash and cash equivalents	\$ 3,212,700	\$ -	\$ 3,212,700
Equity securities			
Industrials	12,329,700	-	12,329,700
Consumer discretionary	10,935,900	-	10,935,900
Consumer staples	5,036,800	-	5,036,800
Energy	1,897,900	-	1,897,900
Financial	11,322,900	-	11,322,900
Materials	3,093,100	-	3,093,100
Information technology	18,616,200	-	18,616,200
Real estate	2,434,200	-	2,434,200
Utilities	1,408,800	-	1,408,800
Health care	9,993,100	-	9,993,100
Telecommunication services	4,573,300	-	4,573,300
Other	36,600	-	36,600
Fixed-income securities			
Corporate bonds	-	17,590,200	17,590,200
U.S. Treasury bonds	-	10,968,700	10,968,700
Agency	-	789,100	789,100
Asset backed	-	5,900,000	5,900,000
Total	<u>\$ 84,89,1200</u>	<u>\$ 35,248,000</u>	<u>\$ 120,139,200</u>

The Master Trust does not have any Level 3 investments at December 31, 2022 and 2021.

Transfers Between Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. There were no transfers between levels during 2022 and 2021.

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Net Asset Value

The following table sets forth a summary of the Fund's investments valued using a reported NAV at December 31, 2022 and 2021, excluding investments held in the Fund's defined benefit pension plan:

	Fair Value Estimated Using NAV Per Share					
	December 31,		Unfunded Commitment	Other		
	2022 NAV	2021 NAV		Redemption Frequency	Redemption Restrictions	Notice Period
Investments and assets whose use is limited						
Mutual funds						
Equity Index Fund ^(a)	\$ -	\$ 15,225,700	None	Immediate	None	Daily
Mid-Cap Equity Index Fund ^(b)	-	11,652,900	None	Immediate	None	Daily
Total	\$ -	\$ 26,878,600				

^(a) This private equity fund seeks results to correspond to the performance of the S&P 500 Index, which consists of 500 stocks chosen by S&P for market size, liquidity, and industry group representation.

^(b) This private equity fund invests in the 400 stocks that comprise the S&P MidCap 400 Index and seeks results that correspond to the performance of the S&P MidCap 400 Index. The companies included in the S&P MidCap 400 are from the medium-capitalized sector of the U.S. securities market.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2022 and 2021, are as follows:

	2022	2021
Indenture to the Hospital	\$ 2,022,100	\$ 2,429,700
Building funds	10,963,200	13,445,100
Specific-purpose funds	18,030,400	20,309,200
Endowment funds	988,400	988,400
Total net assets with donor restrictions	\$ 32,004,000	\$ 37,172,400

For the years ended December 31, 2022 and 2021, \$30,000 and \$655,000 were released from specific-purpose funds, respectively.

The Fund follows the requirements of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Permanently restricted net assets are endowments to be held in perpetuity, the income from which is expendable to support the health-related charitable purpose of the Fund. The Board of Directors has determined that donor-restricted endowment funds will be governed by specific policies with the objective that the original gift shall be protected in perpetuity as the endowed corpus and distributions will not be made if they will bring the value below that threshold. Policies have been developed regarding the expenditure of funds in accordance with donor-imposed restrictions.

The Fund has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Fund classifies net assets restricted into perpetuity as the original value of gifts donated to the permanent endowment, the original value of subsequent gifts donated to the permanent endowment, and accumulations to the permanent endowment made in accordance with the directions of the applicable donor gift instruments.

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE 8 - PENSION PLANS

Prior to December 31, 2012, the Fund participated in the Archdiocesan Pension Plan of the Archdiocese of New York (the "Plan"), a defined benefit plan covering all employees aged 30 and over with three years of service, on a non-contributory basis. Effective December 31, 2012, the Fund withdrew participation from the Plan, which resulted in the freezing of the accrued benefits for fund participants.

The Fund has a supplemental defined benefit pension plan (the "supplemental plan") covering all employees aged 25 and over with one year of service. The supplemental plan uses a December 31 measurement date. The supplemental plan assets are held in the ArchCare Unified Retirement Plan master trust (the "master trust") and are primarily invested in marketable equity securities and fixed-income securities. The pension committee of the Catholic Health Care Fund sets the asset allocation of the master trust and makes adjustments from time to time, as deemed appropriate.

Effective December 31, 2019, the supplemental plan was amended to make a lump-sum optional form of payment available to all participants and to increase the automatic lump-sum payment threshold from monthly annuities below \$25 to monthly annuities below \$200. The impact of the amendment was to decrease pension benefit obligation by \$93,766.

Effective January 1, 2022, the lump sum optional form of payment was enhanced to permit lump sums of 100%, 75% or 50% of the full amount with any remaining balance converted to a monthly annuity. The benefit formula for service after June 30, 2022, of 1.7% of final 10-year average pay times credited service after June 20, 2022, was extended to June 30, 2027. The impact of this amendment was to increase the unfunded benefit obligation by \$20,000.

A summary of the Fund's interest in the net assets of the master trust as of December 31, 2022 and 2021, is as follows:

	<u>2022</u>	<u>2021</u>
Investments held in the master trust	\$ 96,721,500	\$ 120,139,200
Accrued interest income	324,800	246,000
Unsettled securities transactions receivable	<u>14,800</u>	<u>29,799</u>
Net assets of the master trust	<u>\$ 97,061,100</u>	<u>\$ 120,414,900</u>
Fund's interest in the net assets of the master trust	<u>\$ 646,600</u>	<u>\$ 867,400</u>
Funds' interest in the net assets of the master trust as a percentage of the total	0.70%	0.70%

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

The supplemental plan's funded status and amounts recognized in the Fund's financial statements as of December 31, 2022 and 2021 are as follows:

	2022	2021
Obligations and funded status		
Fund contributions	\$ -	\$ 100,000
Benefit payments	\$ (97,600)	\$ (97,600)
Net amount recognized and funded status - end of year	\$ (1,050,900)	\$ (1,256,200)
Amounts recognized in the statements of financial position	\$ 1,050,900	\$ 1,256,200

Benefit obligation and fair value of plan assets as of December 31, 2022 and 2021 are as follows:

	2022	2021
Projected benefit obligation	\$ 1,697,500	\$ 2,123,600
Accumulated benefit obligation	\$ 1,498,100	\$ 1,954,000
Fair value of plan assets	\$ 646,600	\$ 867,400
Actual (loss) return on plan assets	\$ (123,300)	\$ 105,000

Net periodic pension cost was \$133,000 and \$128,200 in 2022 and 2021, respectively.

The unrecognized prior-service cost and the unrecognized net loss as of December 31, 2022 and 2021, are as follows:

	2022	2021
Unrecognized prior-service credit	\$ (59,300)	\$ (63,300)
Unrecognized net loss	\$ 500,900	\$ 843,200

The estimated amounts that will be amortized from unrestricted net assets into net periodic pension cost in 2023 are as follows:

Unrecognized prior-service credit	\$ (4,000)
Unrecognized net loss	\$ 20,400

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Assumptions

The weighted-average assumptions used to determine benefit obligations as of December 31, 2022 and 2021, are as follows:

	<u>2022</u>	<u>2021</u>
Discount rate	5.19%	2.75%
Salary increase rate	3.00%	2.90%

The salary increase rate is a weighted-average rate for the average active participants based on a 2% salary increase in 2021 and a 3% increase in years 2022 and thereafter.

The weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Discount rate	2.75%	2.44%
Expected long-term return on assets	7.75%	7.75%
Rate of compensation increase	3.00%	2.90%

The mortality assumptions were developed using the Pri-2012/MP-2020 Mortality Table at December 31, 2022 and 2021.

Net periodic pension costs for the years ended December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Service cost	\$ 101,900	\$ 100,800
Interest cost	55,000	47,600
Expected return on plan assets	(57,800)	(105,000)
Amortization of unrecognized prior-service cost	(4,000)	(5,200)
Recognized actuarial loss	37,900	90,000
Net periodic pension cost	<u>\$ 133,000</u>	<u>\$ 128,200</u>

Service costs of \$101,900 and \$100,800 at December 31, 2022 and 2021, respectively, are included with employee benefits. All other net periodic costs are included in pension related costs and adjustments.

To develop the expected long-term rate of return on plan assets, the Fund 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 approach resulted in the selection of the 7.75% long-term rate of return on plan assets assumption as of December 31, 2022.

The supplemental plan's targeted asset allocation and weighted-average asset allocation details as of December 31, 2022 and 2021 are as follows:

Equities	70%
Fixed income	<u>30%</u>
Total	<u>100%</u>

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Ordinarily, cash flows are used to maintain allocation percentages that are as close as practical to the target allocation percentages.

The Fund expects to contribute \$100,000 to the supplemental plan in the year ending December 31, 2023.

Future benefit payments by the supplemental plan, reflective of expected future service, as of December 31, 2021, are expected to be paid as follows:

Years Ending December 31:

2023	\$	249,500
2024		110,000
2025		106,000
2026		292,000
2027		122,000
2028-2032		514,000

The Plan and the supplemental plan are church plans and, therefore, exempt from provisions of the Employee Retirement Income Security Act of 1974.

NOTE 9 - FUNCTIONAL EXPENSES

The Fund provides fundraising services to the Calvary Hospital. Expenses related to providing these services for the years ended December 31, 2022 and 2021 are as follows:

	2022		
	Management Services	Fundraising	Total
Salaries	\$ -	\$ 1,21,000	\$ 1,121,000
Employee benefits	-	544,000	544,000
Supplies and other	256,200	1,705,900	1,962,100
Professional fees	-	85,600	85,600
	\$ 256,200	\$ 3,456,500	\$ 3,712,700
	2021		
	Management Services	Fundraising	Total
Salaries	\$ -	\$ 1,275,100	\$ 1,275,100
Employee benefits	-	421,500	421,500
Supplies and other	286,000	1,577,800	1,863,800
Professional fees	-	75,300	75,300
	\$ 286,000	\$ 3,349,700	\$ 3,635,700

Calvary Fund, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE 10 - LITIGATION

The Fund is subject to various claims and legal actions that arise in the ordinary course of business. In the opinion of management, the ultimate resolution of such matters will not have a material adverse effect on the Fund's financial position or results of operations.

NOTE 11 - SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through May 31, 2023, which is the date the financial statements were issued. The Fund is not aware of any subsequent events that would require recognition or disclosure in the financial statements.